Draft

CITY OF YPSILANTI
SPECIAL COUNCIL MEETING MINUTES
CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.
YPSILANTI, MI 48197
TUESDAY, OCTOBER 30, 2012
7:00 P.M.

I. CALL TO ORDER

The meeting was called to order at 7:04 p.m.

II. ROLL CALL

Council Member Bodary	Present	Council Member Robb	Present
Council Member Jefferson	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Schreiber	Present
Mayor Pro-Tem Richardson	Present (7:55)		

III. INVOCATION

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

IV. PLEDGE OF ALLEGIANCE

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

V. INTRODUCTIONS

Mayor Schreiber introduced Firefighters John roe and Lt. Madison, Police Chief Amy Walker, Executive Secretary Nan Schuette, Ward 2 Council candidate Susan Moeller, City Treasurer Kim Teamer, YHC candidate Ariel Moore, Bond Counselor Pat McGow and John Kaczor of Municipal Analytics.

VI. AGENDA APPROVAL

Council Member Murdock suggested Resolution No. 2012-230 be removed. There were no objections so the resolution was removed.

Council Member Murdock requested that Resolution No. 2012-231 be split into 3 parts.
It was decided the resolution would be split at time of consideration.

On a voice vote the agenda was approved as amended.

VII. AUDIENCE PARTICIPATION

1. Attorney John Barr announced that Zack DeNoyer's Eagle Scout project for Candy Cane parking has been approved and fundraising has began. He said brochures are available

regarding the project and asked all to support the project by attending a reception on Friday, November 9th.

VIII. REMARKS FROM THE MAYOR

None

IX. RESOLUTIONS/MOTIONS/DISCUSSIONS

1. Resolution No. 2012-229, approving refunding of 2003 General Obligation Unlimited Tax Bonds. (Marilou Uy/Pat McGow)

RESOLUTION AUTHORIZING ISSUANCE OF
2012 UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS

City of Ypsilanti
County of Washtenaw, State of Michigan

WHEREAS, the City of Ypsilanti, County of Washtenaw, State of Michigan (the "City") has previously issued its 2003 General Obligation Unlimited Tax Bonds, dated March 1, 2003, in the original principal amount of $8,465,000, of which $4,005,000, presently remains outstanding (the "Prior Bonds") to pay part of the cost of street improvements;

WHEREAS, the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), permits the City to refund and advance refund all or part of the outstanding securities of the City; and

WHEREAS, the City has been advised that it may achieve interest costs savings through the refunding of the Prior Bonds; and

WHEREAS, it is the determination of the City Council that the City should issue its 2012 Unlimited Tax General Obligation Refunding Bonds in the principal amount of not to exceed Four Million Three Hundred Thousand Dollars ($4,300,000) (the "Bonds") to refund all or a portion of the Prior Bonds maturing in the years 2013 through 2018 to achieve interest cost savings for the benefit of the taxpayers of the City; and

AND WHEREAS, the City desires to negotiate the sale of the Bonds to an underwriter or purchaser (the "Purchaser") within the parameters established by this Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Refunding Bonds; Bond Terms, Bonds of the City designated 2012 Unlimited Tax General Obligation Refunding Bonds (the "Bonds") are authorized to be issued in the aggregate principal sum of not to exceed Four Million Three Hundred Thousand Dollars ($4,300,000) for the purpose of paying the costs of refunding the Prior Bonds, including the costs incidental to the issuance, sale and delivery of the Bonds. The issue shall consist of bonds in fully-registered form of the denomination of $1,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration. The Bonds will be dated as of the date of delivery (or such other date as determined at the time of sale thereof), be payable on October 1 (or such other date as determined at the time of sale thereof) in the years 2013 to 2018,

inclusive, in the annual amounts determined at the time of sale. The Bonds shall not be subject to redemption prior to maturity.

The Bonds shall bear interest at a rate or rates to be determined at the time of sale thereof, but in any event at an average interest rate not to exceed two percent (2%) per annum, payable on April 1, 2013 (or such other date as determined at the time of sale thereof), and semiannually thereafter, by check or draft mailed by the Transfer Agent (as hereinafter defined) to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future.

2. Execution of Bonds; Book-Entry-Only Form. The Bonds of this issue shall be executed in the name of the City with the facsimile signatures of the Mayor and Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The principal of the Bonds shall be payable at the designated corporate trust office of a bank or trust company to be selected by the City Manager or Finance Director as registrar and transfer agent for the Bonds (the "Transfer Agent").

The Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York ("DTC") and any officer of the City is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form and to make such changes in the Bond form within the parameters of this resolution as may be required to accomplish the foregoing.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. Debt Retirement Fund. The City Treasurer is hereby authorized to open a separate depositary account with a bank or trust company designated 2012 UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature. All proceeds from taxes levied for the Debt Retirement Fund shall be deposited into the Debt Retirement Fund as collected. Commencing with the year 2012, there shall be levied upon the tax rolls of the City for the purpose of the Debt Retirement Fund each year, in the manner required by the provisions of Act 34 an amount sufficient so that the estimated collection therefrom will be sufficient to promptly pay, when due, the principal of and interest on the Bonds becoming due prior to the next annual tax levy; provided, however, that if at the time of making any such annual tax levy there shall be surplus moneys on hand in the Debt Retirement Fund for the payment of principal of and interest on the Bonds, then credit therefor may be taken against such annual levy for the Debt Retirement Fund.

5. Use of Proceeds. The proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of the Prior Bonds as provided in this paragraph. Upon receipt of the proceeds of sale of the Bonds, the accrued interest, if any, shall be deposited in the Debt Retirement Fund for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2012 UNLIMITED TAX GENERAL OBLIGATION

REFUNDING BOND ISSUANCE FUND (the "Issuance Fund"). Moneys in the Issuance Fund shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds.

The balance of the proceeds of the Bonds together with any moneys transferred by the City at the time of sale of the Bonds from the debt retirement funds for the Prior Bonds and any other available funds of the City, shall be held as cash or invested in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the "Escrow Fund") and used to pay principal, interest and redemption premiums on the Prior Bonds. The Escrow Fund shall be held by a bank or trust company to be selected by the City Manager or Finance Director, as escrow agent (the "Escrow Agent") pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Escrow Agent to take all necessary steps to call for redemption any Prior Bonds specified by the City upon sale of the Bonds, including publication and mailing of redemption notices, on any call date, as specified by the City. The investments held in the Escrow Fund shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal, interest and redemption premiums on the Prior Bonds as they become due pursuant to maturity or the call for redemption required by this paragraph. Following establishment of the Escrow Fund, any amounts remaining in the debt retirement funds for the Prior Bonds shall be transferred to the Debt Retirement Fund for the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WASHTENAW

CITY OF YPSILANTI
2012 UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
Registered Owner:	October 1, 20___	November __, 2012	

Principal Amount: ____Dollars

The City of Ypsilanti, County of Washtenaw, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, [unless redeemed prior to maturity,] on the Maturity Date specified above with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) until paid from the Date of Original Issue specified above or such later date to which interest has been paid, at the Interest Rate per annum specified above, first payable on April 1, 2013 and semiannually thereafter. Principal of this bond is payable at the designated corporate trust office of ______________________, ________, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address. For prompt payment of this bond, principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of $_______________, issued for the purpose of refunding all or part of the City's outstanding 2003 General Obligation Unlimited Tax Bonds.

[Bonds of this issue shall not be subject to redemption prior to maturity.]

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond is payable out of the City's Debt Retirement Fund for this issue and in order to make such payment, the City is required each year to levy taxes on all taxable property within the boundaries of the City for such payment without limitation as to rate or amount.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, by its City Council, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

7. Negotiated Sale. The City Council has considered the option of selling the Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34, determines in light of current market conditions based on advantages and opportunities to select and adjust terms for the Bonds, to allow better control over pricing of the Bonds, to allow more flexibility in accessing the municipal bond market, and to price and sell the Bonds at the time that is expected to best achieve the most advantageous interest rates and costs to the City.

8. Sale Order; Award. The City Manager and Finance Director are each individually authorized to select the Purchaser, negotiate the sale of the Bonds with the Purchaser, negotiate and execute a bond purchase agreement with the Purchaser and/or execute a Sale Order and take all other necessary actions required to effectuate the sale, issuance and delivery of the Bonds within the parameters authorized in this resolution.

9. Adjustment of Bond Details. The City Manager and the Finance Director are each authorized to execute and deliver a sale order approving the final terms of the Bonds, adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding

interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, the portion or portions of the Prior Bonds to be refunded, and other matters, within the parameters established by this resolution, *provided* that a net present value savings of at least 4.00% per annum shall exist upon the sale of the Bonds.

10. Tax Covenant. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds.

11. Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions.

12. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby approved as bond counsel for the Bonds, notwithstanding periodic representation in unrelated matters of parties or potential parties to the transaction contemplated by this resolution, including the Purchaser.

13. Financial Advisor. The City hereby appoints Stauder, Barch & Associates, Inc., as its registered municipal advisor with respect to the Bonds.

14. Placement Agent. The City hereby appoints Hutchinson, Shockey, Erley & Co., as placement agent for the Bonds.

15. Authorization of other Actions. The Mayor, City Manager, Clerk, and Finance Director are each hereby authorized and directed to take all other actions necessary or advisable, and make such other filings with the Michigan Department of Treasury or with other parties, to enable the issuance, sale and delivery of the Bonds as contemplated herein.

16. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

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

Pat McGow of Miller-Canfield and was present to answer questions from Council. Mr. McGow said this is the second series of bonds. He said the original bonds originated in 2003 and all the bonds can be called in April however this new bond would replace them without extending the debt period.. He said the banks contacted were interested. He said Huntington National offered a 1.75% interest rate and the resolution authorizes the city manager and finance director to go with the best offer and close the deal. He said if approved, this would allow the city to move forward and realize some savings.

On roll call, the vote to approve 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

2. ~~Resolution No. 2012-230, approving the City of Ypsilanti's participation in the New 196 Transit Authority in Washtenaw County.~~

3. Resolution No. 2012-231, approving appointments to Boards and Commissions.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

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

NAME	BOARD	TERM TO EXPIRE
Arika Lycan (reappointment) 226 W. Michigan #2 Ypsilanti, MI 48197	**Human Relations Commission**	11/1/2015
John Shuler (reappointment) 316 E. Forest Ypsilanti, MI 48198	**Human Relations Commission**	11/1/2015
Andrew Cameron (reappointment) 1313 W. Cross Ypsilanti, MI 48197	**YCUA**	12/1/2015
Tabitha Boone (resident commissioner) 951 Madison Ypsilanti, MI 48197	**Ypsilanti Housing Commission**	10/21/2016
Ariel Moore (new appointment) 1 Oakwood Ypsilanti, MI 48197	**Ypsilanti Housing Commission**	12/31/2012

Council Member Murdock requested the question be divided to separate the appointments to the Ypsilanti Housing Commission.

Resolution No. 2012-231A

THAT the following individuals be appointed to the City of Ypsilanti Boards and Commissions as indicated below:

NAME	BOARD	TERM TO EXPIRE
Arika Lycan (reappointment) 226 W. Michigan #2 Ypsilanti, MI 48197	**Human Relations Commission**	11/1/2015
John Shuler (reappointment) 316 E. Forest Ypsilanti, MI 48198	**Human Relations Commission**	11/1/2015
Andrew Cameron (reappointment)	**YCUA**	12/1/2015

1313 W. Cross
Ypsilanti, MI 48197

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

On a voice vote the motion carried and the appointments to the Human Relations Commission and YCUA were approved.

Resolution No. 2012-231B

THAT the following individuals be appointed to the City of Ypsilanti Boards and Commissions as indicated below:

NAME	**BOARD**	**TERM TO EXPIRE**
Tabitha Boone (resident commissioner) 951 Madison Ypsilanti, MI 48197	**Ypsilanti Housing Commission**	10/21/2016
Ariel Moore (new appointment) 1 Oakwood Ypsilanti, MI 48197	**Ypsilanti Housing Commission**	12/31/2012

Council Member Murdock moved, supported by Council Member Robb to table Resolution No. 2012-231B.

Mayor Schreiber explained why he would not support the tabling and said that at this time the YHC is advertising for an Executive Director and he would like to move ahead and allow them to have input.

Council Member Murdock explained he is requesting the resolution be tabled because someone in the past there was indication that someone would be removed from the Board and the Mayor refuses to do that so he will not vote on any appointments until the removal is made.

Council Member Bodary agreed with Mr. Murdock and said there needs to be more change in the Board right away. He said the Mayor refuses to do the removal that should have happened long ago.

Council Member Jefferson supported the tabling and said the HUD recovery plan desires to have a full qualified board by November 1, 2012 with the removal of the one remaining member. He said he doesn't see anything wrong with adding the removal to the resolution and appointing the new member.

Mayor Schreiber explained there have been no removals because there had been a pattern of approving no appointments for a while and he wanted to make sure there was a quorum in order to conduct business. He said he has talked with Council about finding members and looks forward to making changes in the future.

Council Member Murdock insisted that Council can do the removal tonight and make the new appointments if the Mayor so desires.

Council Member Robb suggested the resolution be amended to add and remove commissioners at the sane time.

Mayor Schreiber asked if he could give verbal consent to the removal.

Attorney Barr answered no and said the Mayor must recommend removal. He said the Mayor can appoint someone as temporary Chair and make the motion.

Mayor Schreiber appointed Council Member Bodary as temporary Chair of the meeting.

Mayor Schreiber recommended removal of Bernice Ethington from the Ypsilanti Housing Commission.

Council Member Murdock moved, supported by Council Member Robb to withdraw the tabling motion.

Council Member Murdock moved, supported by Council Member Robb to amend Resolution No. 2012-231B to remove Bernice Ethington from the Ypsilanti Housing Commission.

On a roll call, the vote to amend Resolution No. 2012-231B was as follows:

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

VOTE:

Yes: 5 No: 1 Absent: 1 (Richardson) Vote: Carried

On a roll call, the vote to approve Resolution No. 2012-231B as amended 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	Yes		

VOTE:

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

Resolution No. 231B as approved reads as follows:

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT, the following actions are approved regarding the City of Ypsilanti Boards and Commissions as indicated below:

NAME	**BOARD**	**TERM TO EXPIRE**
Tabitha Boone (resident) 951 Madison Ypsilanti, MI 48197	**Ypsilanti Housing Commission (APPOINTMENT)**	**10/21/2016**
Ariel Moore (new appointment) 1 Oakwood Ypsilanti, MI 48197	**Ypsilanti Housing Commission (APPOINTMENT)**	**12/31/2012**

Bernice Ethington (commissioner) Ypsilanti Housing Commission
960 Monroe (REMOVAL)
Ypsilanti, MI 48197

IX. PRESENTATION OF 5 YEAR SUSTAINABILITY PLAN

City Manager Ralph A. Lange

MEMORANDUM

TO: Mayor Schreiber, City Council Members and Ypsilanti Residents:

FROM: Ralph A. Lange

RE: City of Ypsilanti Five Year Recovery Plan Executive Summary

As everyone knows, the City of Ypsilanti, along with many other local units of government in the State of Michigan, have experienced a severe reduction in general fund revenues. This already difficult situation has been greatly exacerbated by the debt incurred as a result of the Water Street redevelopment effort and the associated debt that was incurred to pay for this work.

The City Manager, with the help of City staff and necessary outside consulting help, has been combing through as much City budget data as possible. The purpose of this effort was to determine as closely as feasible, the viability of the City's general fund. Part of this review also looked at the impact of the numerous transfers that are a part of the current 2012- 2013 City budget. Finally, a concerted effort was made to forecast the financial status of the following City funds five years into the future; General, Major Streets, Local Streets, Garbage and Motor Pool funds.

As a result of all of this review, a plan has been formulated to maintain the viability of the General Fund for the next approximately five years using a starting date of January 1, 2013. This plan also took into account the City's need to provide a credible level of service in the areas for which it still has direct control and responsibility. The organizational changes to the City divisions and departments will be effective the first week in January 2013.

I believe it is critical that, within my first ninety days on the job, I provide the Mayor and City Council with my first update as to the progress that has been made towards creating the City of Ypsilanti Five Year Recovery Plan. I am not asking the Mayor and City Council to take any action relative to this plan at this time.

Plan Highlights Part I:

1. The City maintains a full time work force of 81, part-time work force of 11 and up to ten interns.

2. The City's General Fund budget is projected to have a fund balance of approximately $3,100,000, as of Fiscal Year 2017-2018.

3. The City will continue to pay the full amount due to creditors for the Water Street debt during this five year period.

4. The Major Street Fund is projected to have a positive fund balance as of July 1, 2017.

5. The Motor Pool Fund is projected to have a positive fund balance as of July 1, 2017.

6. The Local Street Fund is not projected to have a positive fund balance as of July 1, 2015. A combination of additional revenues, and a reduction in expenses, will need to be achieved to correct this situation within the next several years. Approximately $220,000 per year in additional revenues, and/or reduction in expenses, starting July 1, 2015, will be necessary to ensure this fund maintains a positive balance.

7. The Garbage Fund is not projected to have a positive fund balance as of July 1, 2013. A combination of additional revenues, and a reduction in expenses, will need to be achieved to correct this situation. Approximately $240,000 per year in additional revenues, and/or reduction in expenses, starting July 1, 2013, will be necessary to ensure this fund maintains a positive balance.

8. The City will have to establish a city-wide street lighting assessment district that will be effective by no later than July 1, 2013.

9. To the maximum extent possible, transfer of funds from one fund to another fund will be eliminated.

10. Very few capital expenditures will be made during this period of time unless an additional new source of funds can be found to pay for the item or project desired (i.e.) for Major or Local Street projects a new millage or a special assessment district will have to be established to pay for the project.

11. The City moves to an asset management plan to determine what type of work will get done to what road, bridge or culvert as opposed to continuing on with a worst first approach to maintaining the City's road system.

12. This plan does not count on receiving any additional funds from competitive grant programs to meet its financial projections i.e. COPS, SAFER, etc.

13. This plan calls for the reduction of City offices, divisions and departments to the following: Division of Community Development, Division of Public Service, Division of Safety Services, Department of Clerk/Treasurer, Finance Department, Office of City Attorney and Office of City Manager.

14. The City has lost, or is projected to lose, a total of at least 15 full time employees between January 2012 and January 2013. It was determined that the City would not be able to properly function with the loss of this many employees, many of whom held key positions with the City. These 15 employees have been, or will be, replaced with seven full time employees, two part time employees and three promotions. All of these costs have been factored into this plan.

15. This plan does not request any new taxes.

16. Principles that this plan embraces include but are not limited to:

    a) Making sure that each employee is being utilized to their highest and best level of productively for the benefit of the City,
    b) New employees are hired with a benefit package that is more in line with current comparable positions in the private sector,
    c) Work towards establishing individual contracts for all non-union employees that will provide added benefit for the employee and the City,
    d) Employees are strongly encouraged to become more valuable to the City through cross training of job duties to the greatest extent feasible,

e) The City's overhead costs are reduced to match the current and projected size of the City's work force,

f) The City staff will work to find opportunities for joint ventures that benefit both parties within and outside the City's operations,

g) The reorganization of City employees needs to consider both cost savings for the City and how will it improve customer service for the individuals who come in contact with the City,

h) Manage the City's debt as cost effectively as possible,

i) The City will have to continue to find ways to reduce costs and maintain service during the entire term of this plan so the City will be able to effectively operate after the term of this plan has expired.

Plan Highlights Part II:

It is certainly important for the City to establish a plan that will let it function and maintain a positive fund balance in the General Fund for the next five years but this is not enough if the City is to regain long term financial and service viability over the next 18 years.

As it now stands, approximately 18 years is the period of time that the City of Ypsilanti will have to deal with the negative impacts of the Water Street debt. With this in mind, what the City does to improve its financial situation during the next five years is absolutely critical to determining its financial viability during the following 13 years.

What are some of the major goals that need to be accomplished during the next five years?

1. The City's General Fund will not be able to transfer money to other funds to keep them in the black.
2. Every other fund/activity the City operates or contributes money to will have to essentially pay for itself.
3. New funding sources will have to be identified to pay for absolutely necessary capital expenditures, both infrastructure and equipment, when the Motor Pool Fund runs out of money.
4. I believe the City will have the opportunity to substantially improve its contract with Waste Management when it comes up for renewal September 19, 2014.
5. The City will have a chance to refinance (hopefully lower the interest rate) the principal part of its Water Street debt in May of 2016.
6. The City will turn over a large part of its workforce during the next five years, which will provide it with an opportunity to lower its cost per employee substantially if the correct polices are in place.
7. The City will have five more years to attract new private development to the Water Street area and lower our principal payment on the CDBG part of the City's Water Street debt.
8. The City will have five more years to secure rail service both inter-city and commuter in the Depot Town station.
9. The City will have five more years to secure new tenants for the buildings and property currently owned by Angstrom-USA.
10. The new County recreation center should be up and running in the City of Ypsilanti within five years.

**** Ypsilanti Budget Model and City Manager's PowerPoint presentation are on file in the City Clerk's Office**

City Manager Ralph Lange and John Kaczor of Municipal Analytics answered questions from Council.

Council Member Bodary suggested combining or merging with the Ypsilanti Township Fire Department . He said this should be looked into for the future and felt it was worth exploring while restructuring is occurring. He said he spoke with Supervisor Brenda Stumbo and she felt it could be worked out.

Council Member Vogt asked where the assumptions for revenue came from.

City Manager Lange replied from previous data. He added that SEMCOG helped and said he will double-check his assumptions against the County's data. He said grants will continue to flow in and will contribute also.

Mr. Kaczor added that the trend looks accurate.

Mr. Lange stated the goal is to buy time in order to get where we need to be. He said one of his goals with staff is for employees to be utilized at their highest and best use. He said YPD has officers doing service work and they should be doing more substantive work. He added that with the proposed Clerk/Treasurer combination cross-training will occur and there will be better customer service, more people and more options. He said staff is cooperating and sacrificing.

Mayor Schreiber said running the city will only 81 employees is commendable. He suggested that the Manager collaborate with Ypsilanti Township for the garbage contract since all are expiring at the same time.

Council Member Jefferson thanked City employees for their hard work and dedication.

X. AUDIENCE PARTICIPATION

1. Marla Gousseff, 1202 Collegewood, expressed concern with a possible cut in the Fire Department. She said she feels the burden should be shared with all. She said she is concerned about the trauma of staff and the public safety and loss to individuals. She said she would rather have her garbage collected every other week than have cuts to the Fire Department.

2. Susan Moeller, 1301 Roosevelt, said she is pleased to see the proposed budget. She said most in Ward 2 are against public safety and can't understand why the city would force those employees into another profession. She said she hopes Mr. Lange considers input from the Fire Department and citizens and not just consultants. She said the requirement of 2 in and 2 out is for a good reason.

XI. REMARKS BY THE MAYOR

Mayor Schreiber appreciated the comments and remarks made during audience participation. He said the garbage fund is an issue and the city must figure out how to sustain it without transferring the costs to the general fund. He thanked Ms. Moeller for her comments and said he is looking forward to her expertise on Council.

XII. ADJOURNMENT

Resolution No. 2012-232, adjourning the Special 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 Bodary
SUPPORTED BY: Council Member Vogt

On a voice vote the motion carried.

The meeting adjourned at 8:55 p.m.