APPROVED

CITY OF YPSILANTI
CITY COUNCIL SPECIAL/BUDGET SESSION MINUTES
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
THURSDAY, MAY 14, 2015
6:00 P.M.

I. CALL TO ORDER –

The meeting was called to order at 6:04 p.m.

II. ROLL CALL –

Council Member A. Brown	Present	Council Member Robb	Present
Council Member N. Brown	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Edmonds	Present
Mayor Pro-Tem Richardson	Present		

Council Member Anne Brown moved, supported by Council Member Nicole Brown to excuse the absence of Mayor Edmonds.

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

III. INVOCATION –

Mayor Pro-Tem Richardson 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. AGENDA APPROVAL-

Council Member Murdock moved to hold the closed session after Motions/Resolutions/Discussions.

Mayor Pro-Tem Richardson mentioned if the Closed Session is moved before the budget session it would require those presenting to wait.

Council Member Murdock stated he would still prefer to hold the Closed Session before Motions/Resolutions/Discussions.

Council Member Robb supported the motion.

City Manager Lange asked to add presentations from John Kaczor's (budget update), and Mannik Smith Group's (Border to Border Trail), and hold Closed Sessions before Department Budget Presentations.

On a voice vote, the motion carried, and Closed Session was moved before the Department Budget Presentations.

VI. AUDIENCE PARTICIPATION –

None

VII. REMARKS FROM THE MAYOR –

None

VIII. ORDINANCE - FIRST READING –

Ordinance No. 1248

1. An ordinance titled, "Herman and Kittles Planned Unit Development".

   A. Resolution No. 2015-109, determination

   (Public hearing and Second Reading scheduled for June 2, 2015)

   RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

   That an ordinance entitled "HERMAN KITTLE PLANNED UNIT DEVELOPMENT" be approved on first reading.

OFFERED BY: Council Member Murdock
SUPPORTED BY: Council Member Anne Brown

Tammi Creason, Project Director for Herman Kittle Properties, provided a presentation on Riverwalk Commons.

Mr. Lange asked if there will be a patio on the roof of the structure.

Ms. Creason replied yes.

Council Member Anne Brown asked how many dumpsters are included in the design.

Ms. Creason responded two.

Council Member Anne Brown asked where the dumpsters are located, and if they would be visible from the street.

Ms. Creason responded the dumpsters are enclosed, and not visible from the street. She stated they are located in the rear parking corridor.

Council Member Anne Brown asked how many parking spaces will be included in the rear parking corridor.

City Planner Bonnie Wessler responded 95 spots were planned, and several discounts were awarded due to included bike parking. She stated she is not certain about the final amount.

Candince Brier, Civil Engineer, responded there are 16 covered bike parking spaces, one designated carpool space, 70 parking spaces within the site itself, and 135 on-street parking.

Mr. Lange asked if the site plan included garages.

Ms. Brier responded six of the parking spaces are garages.

Ms. Creason added the garage parking is on the eastside of the building, which is near the rooftop patio.

Council Member Murdock asked if the on-street parking consists of both sides of the street.

Ms. Creason replied yes.

DPS Director Stan Kirton asked if the garages were carports.

Ms. Creason responded they are enclosed garages.

Mayor Pro-Tem Richardson asked if the garages will cost extra.

Ms. Creason responded yes, there will be an additional charge.

Council Member Murdock asked if Council will be provided a copy of this presentation.

Ms. Creason replied she would provide the presentation, and include a blow-up of the rooftop patio.

Mayor Pro-Tem Richardson asked what the square footage of the one bedroom apartments is.

Ms. Creason responded 800 sq. ft.

Council Member Anne Brown asked if the apartments are handicap accessible.

Ms. Creason responded the structure as ADA compliant and 8 units, or 10%, are handicap accessible.

Council Member Anne Brown asked if Herman Kittle will manage the project.

Ms. Creason replied yes, Herman Kittle owns, and manages all of its developments. She stated the project will include a full-time on-site manager, and full-time on site maintenance. She stated Herman Kittle has very strict leasing criteria which include criminal checks, rental history, and employment. She added Herman Kittle is not a turn-key developer, and it will be with this property for the next 25 to 30 years.

Council Member Anne Brown stated Council has taken criticism from residents regarding vouchers subsidy.

Ms. Creason stated the project actually does not include voucher subsidies; however, it cannot exclude someone from renting with a voucher, but they do have to meet the leasing criteria. She stated this is affordable housing, the one bedroom apartments are $600 per month, and rent will not be subsidized.

Council Member Murdock stated the project does not include section eight units.

Ms. Creason replied correct.

Council Member Murdock asked if individuals can apply with section eight vouchers they can apply.

Ms. Creason replied yes, if they have a voucher they may apply.

Council Member Murdock stated it would be against the City Ordinance to deny an individual based on section eight standing. He stated early in the planning of this project there was discussion of green standards, and asked what is Herman Kittle doing to follow those standards.

Ms. Creason responded the project is an enterprise green project which is the national standard program, and she would send the specifics to Council.

Council Member Murdock asked if the project will consider installing solar panels.

Ms. Creason replied the design does not include solar panels.

Mr. Lange stated the garages and knee walls enclose the parking keeping with the urban appeal.

Ms. Creason stated the development has many different characteristics that help to soften the rear parking.

Mr. Lange stated the project includes a patio, and almost an atrium that will flow into River St.

Ms. Creason stated there will be a very visible soft entrance on either side of the building.

Council Member Anne Brown asked how many entrances in the rear.

Ms. Creason replied one.

Mr. Lange replied you will also be able to see the entrance from the Border to Border Trail.

Ms. Creason stated at this point the design team is finalizing the aesthetic charm of the building.

Mr. Lange asked if each unit will have a porch, or patio.

Ms. Creason replied it is not included on every unit.

Mr. Lange asked if any patios face the interior.

Ms. Creason responded patios are on both sides.

Mr. Lange stated the project includes a great deal of surveillance, but all the outdoor space keeps eyes on the river walk.

Council Member Murdock asked if there are emergency doors throughout the building.

Ms. Creason stated there are emergency exits throughout the building, but they only open out, and are not entrances.

Council Member Murdock stated the emergency doors can be propped open.

Ms. Creason responded good managers, and leases will help to minimize that behavior. She stated it is the hope of Herman Kittle the units will be in such high demand that the building will be able to follow a one strike and you're out policy for residents.

Council Member Murdock asked what the plan is for the infrastructure.

Ms. Creason stated Herman Kittle is responsible for all the infrastructure on River St. up to Michigan Avenue.

Mr. Lange stated underground electric will service the building.

Ms. Creason stated the first step is passing the Planned Unit Development (PUD), but she is glad to have the chance to come and provide an update of the project. She stated the project should begin late summer, or early fall with a fourteen month construction period. She stated she took the opportunity to speak with local contractors while in the area, and schedule pre-construction meetings.

Council Member Murdock stated if all goes well the development should be complete by early 2017.

Ms. Creason asked Council Member Murdock if he meant fully leased.

Council Member Murdock responded for an opening date.

Ms. Creason replied the opening date would more likely be summer early fall 2017, but she does think there will be activity before that.

Council Member Murdock asked if the Second Reading will be in June, and if more information will be provided.

Mr. Lange responded yes, but asked if there are any questions he would advise Council to ask while Herman Kittle representation is here.

Ms. Creason stated the information forthcoming will be through the traditional planning process.

City Planner Bonnie Wessler stated 11 items on the 25 item list can be addressed through planning review. She stated five of the items are more about the infrastructure which goes to the purchase agreement, and those will be discussed in the coming month.

Council Member Murdock asked when the purchase agreement takes place.

Economic Development Director Beth Ernat responded first the brownfield work plan needs to be finalized. She stated the Brownfield team will need a couple of weeks to create the final scope on the work plan, plus additional grant opportunities need to be researched. She stated once the brownfield plan is complete the final purchase agreement can be executed, and the project will be shovel ready.

Ms. Creason stated that is the intent of Herman Kittle.

Ms. Ernat added the City is not able to complete the final brownfield until a final engineering was complete and that could not be complete until the City prepared its specifications.

Council Member Murdock asked if that is site a specific brownfield.

Ms. Ernat responded yes.

Council Member Murdock asked if the brownfield plan will need to be amended.

Ms. Ernat responded no, this will be the work plan for the Herman Kittle site.

Mr. Lange stated the underground electric grid might be brownfield eligible. He stated Herman Kittle would provide the upfront capital to move forward with that project. He added phase two of the grid will be completed during the construction of the Recreation Center.

Ms. Creason stated Ms. Ernat expressed she wanted to explore other grant possibilities, and if those grants help alleviate the projects budget those funds could be used for the electric grid. She added she wants to explore as many grant possibilities as possible, but still keep the project on track.

Ms. Ernat asked if there is any specific information Council would like provided for Second Reading.

Council Member Murdock stated he would like an update on the progress of the items that have been discussed.

Council Member Anne Brown asked if Ms. Creason will be with the project for the whole fourteen months of construction.

Ms. Creason replied yes, she will be with the project until three months after the property is fully leased.

Mr. Lange stated once Ms. Creason's part of the project is completed she will pass control to the site manager.

Ms. Creason added an executive site manager will also be involved in the project, and at that point Council will be provided all names and contact information.

On a roll call, the vote to approve Resolution No. 2015-109 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Mayor Pro-Tem Richardson	Yes	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 6 NO: 0 ABSENT: 1 (Edmonds) VOTE: Carried

IX. MOTIONS/RESOLUTIONS/DISCUSSIONS –

Resolution No. 2015-110, authorizing city staff to apply for blight elimination grant funds.

RESOLUTION AUTORIZING STAFF TO APPLY FOR BLIGHT ELEMINATION GRANT

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that Whereas the Michigan State Housing Authority Land Bank is accepting grants for up to $250,000 for Blight elimination; and

Whereas Ypsilanti City staff has the necessary expertise to apply for and administer such a grant; and

Whereas there is no match required; and

Whereas there are projects in the City that would qualify.

Now Therefore, the city staff is authorized to apply for a Blight Elimination Grant with the Land Bank of the Michigan State Housing Authority, and the City Manager is authorized to sign any and all necessary documents to apply.

OFFERED BY: Council Member Anne Brown
SUPPORTED BY: Council Member Nicole Brown

Council Member Robb asked what projects will be accomplished if this grant is approved.

Ms. Ernat responded DPS, the Fire Department, the Police Department, the Building Department, and the Planning Department are meeting to discuss possible projects that meet the criteria of the grant. She stated the grants are limited to commercial properties that would increase economic development, or residential properties that eliminate blight. She stated staff will be submitting a combination of grants, and the maximum award is $250,000.

Council Member Robb stated the City has a process for tearing down buildings, and the City should know what projects are in the pipeline.

Ms. Ernat replied we do have planned projects. She stated there are eight dangerous buildings that need to be addressed. She stated the former Boys and Girls club is a potential site and the former Farm Bureau site. She added there are also several residential properties owned by the City which have multiple code violations. She added she is bringing this before Council now because the grant is due June 1st, and she will be out of town for the May 19th meeting.

Council Member Robb asked for the list of priority properties this grant would address.

Ms. Ernat responded she would provide that to Council.

On a roll call, the vote to approve Resolution No. 2015-110 was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Mayor Pro-Tem Richardson	Yes	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 6 NO: 0 ABSENT: 1 (Edmonds) VOTE: Carried

X. PRESENTATIONS –

- Budget update presentation. – John Kaczor **(added)**

City Manager Lange stated Mr. Kaczor's presentation is a wrap up of Tuesday, May 12th budget presentation, and he will answer any questions Council might have. Mr. Lange stated Mayor Edmonds and Council Member Murdock discussed decision points, and what projects can be cut, and what things cannot be cut. He stated two items that can be eliminated are the mid-block crossing and the Heritage Bridge.

John Kaczor, Municipal Analytics, stated there were some glitches in the presentation, and some missing slides, and he wanted to make sure Council was able to see those, and ask questions.

Council Member Murdock asked if all four employees retiring were coming from the Fire Department.

Mr. Kaczor responded three employees are retiring from the Fire Department.

Council Member Murdock asked what department is the other employee retiring.

Mr. Lange responded he does not have a specific individual in mind.

Council Member Robb stated if an employee is not defined neither can an amount the City would save.

Mr. Kaczor stated he has taken out a position in the model.

Council Member Robb asked what is the salary attributed to that position.

Mr. Kaczor stated it is a mid-level position, and he is not certain of the amount.

Mr. Lange stated around $40,000 to $50,000 plus benefits.

Council Member Robb stated Council was told the General Fund absorbs the cost once the SAFER grant expires at the end of March of 2016.

Mr. Lange stated the reduction of the Fire Department begins in May 2016. He stated the newer firefighters are on tier two, and the retiring firefighter is on light duty and will not affect overtime.

Council Member Robb asked if the City will absorb that cost this budget.

Mr. Lange responded correct, and the Fire Department loses one firefighter this budget.

Council Member Murdock stated the SAFER grant requires the City maintain a certain level of personnel until the end of the grant. He asked if a firefighter were to leave tomorrow would that position need to be filled.

Mr. Lange replied yes, if a firefighter were to retiree before March 31, 2016 with the exception of Firefighter Roe.

Council Member Murdock stated after personal property tax was eliminated the City was supposed to be reimbursed 60%, and it is not included in the budget.

Mr. Kaczor responded he cannot explain how that is happening, but the loss of tax revenue has been accounted for.

Council Member Robb stated there is a Public Act that states cities will be reimbursed 60% of the lost revenue. He stated that number should be known, and put into the budget.

Council Member Murdock stated that is not part of the City's revenue stream, it is part of something else. He stated when he asked that question on Tuesday, May 12th he was told the City has not received its reimbursment, and that the Downtown Development Authority was reimbursed.

Fiscal Services Director Marilou Uy replied the reimbursement went to the DDA.

Council Member Murdock stated the DDA gets first priority, but there was nothing left over for the City.

Ms. Uy replied the City has not received a reimbursement yet, and she is not certain that it will.

Council Member Murdock stated the State funds the Tax Increment Financing Authorities (TIFAs) first.

Council Member Anne Brown asked what the amount that triggers an emergency manager is.

Mr. Kaczor replied there is not a specific amount. He stated there are a few ways that an emergency manager may become involved: City Council could request one, the City could default on a bond payment, miss a payroll, and a couple of other scenarios.

Council Member Murdock stated as long as the City has money in the bank it is unlikely, but as time goes on the City may not have money in the bank.

Mr. Kaczor stated deficit spending by $1.6 million a year is not sustainable, and that is why we are strategizing how to eliminate that practice.

Council Member Robb stated the budget still references a plan that is obsolete, and the budget document needs to be fixed.

Mr. Lange stated staff needs to monitor that very carefully. He stated he feels very comfortable that the City can meet these numbers.

Council Member Murdock stated the fund balance is decreasing because the City is spending more than it takes in every year. He stated the operating budget has not been balanced for a number of years.

Mr. Kaczor agreed, and stated the real problem is to get beyond the Water Street debt. He added once the City is able to do that it will be in a better position financially.

Council Member Murdock replied it will be a more manageable scenario.

Mr. Kaczor stated it is possible to get closer to a balanced budget.

Council Member Murdock asked if Council would receive the revised presentation.

Mr. Kaczor replied yes.

– Heritage Bridge and Border to Border Trail presentation. – Mannik Smith Group **(added)**

Mr. Lange stated the biggest optional capital improvement project that has the most City funded match is the Heritage Bridge and the mid-block crossing. He state Mannik Smith Group is here to provide a presentation regarding the Heritage Bridge.

Council Member Murdock asked if Mr. Lange were referring to the two grant projects.

Mr. Lange responded yes.

Council Member Murdock asked if they result in a loss in the General Fund.

Mr. Lange responded no, but it would reflect our reserves.

Walter Bolt, Mannik Smith Group, stated he is here with his colleague Chris Zanger, lead engineer on the project. He stated this project began a few years ago, and would extend the Border to Border Trail through the community.

Mr. Lange stated two Department of Natural Resources (DNR) grants cover part "A", which consists of the bridge and the trail. He stated the Transportation Alternatives Program (TAP) grant covered the mid-block crossing. He stated the trail has four parts, two grants from the DNR and two TAP grants, and they were not consistent.

Mr. Bolt stated the DNR grants range about $600,000 each, and the project was split between parts "A", which was the bridge, and the south part which was part B, everything south of Michigan Avenue. He stated the TAP grant is around $647,000.

Council Member Anne Brown asked if the trailhead highlighting the Eastside Recreation Center is a necessity.

Mr. Bolt responded it is a desire to highlight the Eastside Recreation Center, but he does not want to speak for the County.

Council Member Anne Brown asked if there will be lighting at the parking lot by Grove Rd.

Mr. Bolt responded the only lighting is the street lights on Grove Rd.

Mr. Lange stated the first bid was rejected by official Council action.

Council Member Murdock stated after the first bid the project was modified, and many items were removed, the bid was only $170,000 less.

Mr. Lange replied yes.

Mr. Bolt stated what was taken out projected to provide higher savings, but when those items were removed the material costs went increased.

Mr. Lange stated Marcus McNamara, OHM, has been involved with this project starting after the first bid. And over a six month period bids have been coming in at 30% higher. Mr. Lange stated the project would have been on target if construction costs did not increase.

Mr. Bolt stated the grant amount Ypsilanti received is almost $1.2 million, and the low bids were about $213,000 above the grant.

Mr. Lange stated the low bid was $100,000 lower than the second lowest bid for the project. He stated to bid it a third time would be futile.

Council Member Anne Brown asked if there was an expiration date on the grants.

Mr. Lange replied yes, and the City has already received an extension until the beginning of next year. He stated this matter will need to be decided no later than June.

Council Member Robb asked if anything has been spent on engineering to date.

Mr. Lange replied the County has spent $120,000, and Ypsilanti has spent $15,000 on the redesign, and $40,000 to acquire the easement at Fisher Honda.

Council Member Robb asked what happens if the project is turned down by the City.

Mr. Lange replied he believes the County will take a loss, and the City would lose the $55,000.

Council Member Robb stated this was a County project.

Mr. Lange responded it started out as a County project, but it no longer is, and that is one of the reasons it took so long to plan. He stated the project began under one master, and ended up with another.

Council Member Robb asked if this is the City's project now, and is the City liable for the engineering costs.

Mr. Lange replied no, the County has already spent those funds.

Council Member Robb stated presumably the County expects to be repaid by the grant.

Mr. Lange replied those funds were a match to the grant.

Council Member Murdock stated the DNR grant has not been spent yet, and the County spent their money.

Council Member Robb stated if 15% of the grant is allowed to be spent on engineering costs the County expects to recoup the funds it has spent.

Council Member Murdock responded the County would have to take that loss.

Council Member Robb asked if this is an Ypsilanti project is the City liable for those costs.

Mr. Bolt responded this has always been a City project, and the County was acting as a fiduciary.

Council Member Murdock stated the City applied for the grant, but it was a part of the County Border to Border Trail project. He stated this project predates the Recreation Center even being discussed.

Mr. Lange stated the project goes back some time, and the County was adamant the Recreation Center be located in the corner because of the proximity to the River, and the Border to Border Trail. Mr. Lange stated the City applied for the grant, but the County provided the match, and the only local match was from the DDA for $25,000.

Council Member Murdock stated the City has not budgeted money for the project.

Mr. Bolt stated he thinks the City has allocated around $15,000 for the project.

Mr. Lange replied the $15,000 was spent on the re-bid.

Ms. Ernat stated this is a difficult decision, and is the decision of Council. She stated her concern is returning a grant unused does not put the City in a favorable light when applying for future grants.

Council Member Murdock stated spending $1 million the City does not have does not put the City in a good position.

Ms. Ernat responded she agrees, and she wanted Council to be aware of the ramifications.

Council Member Vogt asked how much the City would spend if it approves the project.

Mr. Lange replied around $340,000.

Council Member Murdock stated it would actually cost the City around $500,000 more.

Mr. Lange replied he was referring to only the bridge.

Council Member Murdock stated the bridge and the HAWK light. He stated the walkway grant is over $40,000.

Mr. Lange replied the walkway grant isn't over $40,000.

Council Member Murdock stated the City is using $34,000 of the fund balance for the walkway grant.

Mr. Lange stated that will need to be updated. He stated the trail project could be completed without the city needing to allocate more funds.

Mr. Bolt stated the total dollar amount in grants is $1.8 million.

Council Member Vogt asked if the total amount for the project is around $2.2 million.

Mr. Bolt responded bids have not been received for the road improvements.

Mr. Lange added the HAWK light has not been designed, and the original plan is being scaled back because the City does not have the money.

XI. CLOSED SESSION –

Closed Session to discuss purchase of land. OMA 15.268(8)(e)

On a roll call, the vote to adjourn to Closed Session was as follows:

Council Member N. Brown	Yes	Council Member Robb	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Mayor Pro-Tem Richardson	Yes	Council Member Vogt	Yes
Council Member A. Brown	Yes		

VOTE:

YES: 6 NO: 0 ABSENT: 1 (Edmonds) VOTE: Carried

On a voice vote, the motion carried, and the meeting adjourned at 7:49 p.m. for Closed Session.

Regular Session resumed at 8:52 p.m.

XII. PRESENTATIONS OF DEPARTMENT BUDGETS –

1. General and Non General Fund Expenditures Review/Questions (FY 2014-15, 2015-2016)

   Stan Kirton, DPS Director:
   - DPS Administration Revenues – Page 109
   - Public Building Maintenance – Page 119
   - Energy Efficiency – Page 120; Peninsular Dam – Page 120

- DPS Administration – Pages 130 & 131
- Parking Lots – Page 132
- DPS Parks – Pages 133
- Senior Center CDBG Grant – Page 134
- CDBG Parkridge – Page 136
- CDBG Tot Lot - 136
- MNRTF Rutherford Pool Renovation Grant – Page 137
- Major Streets Fund – Pages 139 to 154
- Local Streets Fund – Pages 155 to 162
- Garbage Fund – Pages 163 to 167
- Sidewalk Fund (495) – Pages 224 to 226
- DPS & Env. Services – Pages 230, 232 and 233

Director of Public Services Stan Kirton provided a budget presentation. **(See Website)**

Council Member Anne Brown asked how many refueling pumps are located at the DPS yard.

Mr. Kirton responded two, diesel and unleaded.

Council Member Anne Brown asked if the $2,000 for the Depot Town drinking fountain has been spent.

Mr. Kirton replied no.

Mr. Lange stated the emergency stairwell repairs are almost complete at City Hall.

Mr. Kirton stated there are quite a few repairs in the current Fiscal Year's budget may not have been completed.

Mr. Lange responded most of the repairs have been finished except for the emergency lighting, and the fire alarms.

Council Member Robb asked that the list of departmental requests for repairs be sent to Council, and highlight the requests that have not been completed, and need to be carried over to the next year's budget.

Mr. Kirton replied he would send that list to Council.

Council Member Robb stated the General Fund project has increased $60,000, and asked what projects that amount includes. Mr. Robb asked if it was primarily the work done on City Hall.

Mr. Kirton replied yes, the majority of that was the marble floor.

Council Member Robb responded the marble floor was in last year's budget.

Mr. Kirton responded $30,000 was allocated for the roof.

Mr. Lange stated the roof absolutely needs to be repaired. He added the City is in the process of compiling a case against the company that installed the boiler.

Mr. Kirton added the boiler is only three years old, and it was installed improperly.

Mr. Lange stated the Parkridge Center is one of the first structures to have the solar panels installed. He added he is anxious to see how the panels keep energy costs down for that building.

Council Member Murdock asked if there was any revenue in the Energy Revolving Fund.

Ms. Uy replied it has not been factored into the budget.

Council Member Murdock stated the budget does not reflect any income.

Ms. Uy responded it does have income.

Council Member Murdock asked that the budget be updated to reflect that income.

Ms. Uy replied yes, she would update the budet.

Council Member Anne Brown asked if the parking meters could be changed so each parking spot has a number, and the user pays at a central meter.

Mr. Kirton stated the City has tried that style of meter, at the Adams St. lot, and there were a lot of issues.

Council Member Robb stated that system was very old, and the more modern systems the user can simply swipe a credit card.

Mr. Kirton replied those systems are very expensive, and the parking rates in Ypsilanti would take a long time to cover that cost.

Council Member Robb stated hopefully it will become on option one day.

Council Member Murdock asked what the turnover is for parking meter repair.

Mr. Kirton replied parking enforcement faxes a list of meters that need repair, and an individual is sent to repair them.

Council Member Anne Brown asked if it was a 24 hour turnaround.

Mr. Kirton replied not always, he stated sometimes the head needs to be taken back to the DPS yard for more in depth repairs. He added DPS is now planning to store back-up heads, and when a meter needs more attention the head can just be switched.

Council Member Murdock stated sometimes the issue is with battery failure.

Mr. Kirton replied yes, the winter is very hard on the battery. He stated there are also 500 meters in the City, and there is only one individual servicing them.

Council Member Murdock stated there are a lot of residents that say the parking meters do not work.

Mr. Kirton responded that is an issue, but if there are 50 meters that malfunction that is only 10% of the 500.

Mayor Pro-Tem Richardson asked if there was a way to get meters that do not have as many problems.

Mr. Kirton replied newer meters only have one slot to insert coins.

Council Member Murdock stated in Ann Arbor the machine for money collection is in the Center. He stated with only one collection machine there would be fewer machines that need repairs.

Mr. Kirton stated there will be issues at one point with any meter.

Council Member Anne Brown asked if the meters are emptied every night.

Mr. Kirton responded his department is not responsible for collection.

Mr. Lange replied once a week, or in heavy traffic areas twice a week. He added staff is examining a number of possibilities to make the system more efficient, and the new meters will make a big difference.

Council Member Murdock stated there was interest in purchasing some of DPS older playground equipment in the parks.

Council Member Anne Brown asked if the equipment will be donated.

Mr. Kirton replied no.

Council Member Murdock asked what equipment in particular would be removed.

Mr. Kirton responded the digger.

Mayor Pro-Tem Richardson asked if there are interested individuals in purchasing the playground equipment.

Council Member Murdock replied it depends on what the City can do with the equipment.

Mr. Kirton stated the City can auction off some of the items.

Council Member Murdock asked if any of the equipment will be left.

Mr. Kirton replied not much, the springs need to come out because they are no longer safe.

Council Member Anne Brown stated she has received requests for one more regular swing at the Charles St. tot lot.

Mr. Kirton replied the swings are two bay sets and cannot be mixed, they must either be tot swings, or regular swings.

Mr. Lange stated the Adams St. road construction has not gone out for bid. He stated there are issues with the State and Ypsilanti Community Utilities Authority (YCUA).

Mr. Kirton stated YCUA is interested in replacing the water main at that site.

Council Member Anne Brown asked what will be complicated when the ADA ramps are installed at Prospect and Michigan Ave.

Mr. Kirton stated the turn radius is going to be improved, especially on the east bound lane. He added the grade and elevation make the project more troublesome.

Mr. Lange asked if the City's match for the Prospect Rd. project is $125,000.

Mr. Kirton replied no, the whole project is around $125,000.

Mr. Lange asked if the project was a federal aid.

Mr. Kirton replied yes, it is a safety initiative.

Mr. Lange stated the City does not vet that contract it is done at the State.

DPS Office Manager Janice Beckett stated the cost is $30,000 on design this fiscal year, $35,000 on construction design next fiscal year, and $90,000 on construction.

Mr. Lange stated the City would pay 20% of the $90,000.

Mr. Kirton replied yes.

Mayor Pro-Tem Richardson asked what fee was added to the cost of recycling.

Mr. Kirton replied a contamination mitigation fee. He stated in the past the City would receive revenue for recycling, and now it pays to recycle.

Mayor Pro-Tem Richardson asked if Ann Arbor was charging $40 per ton of recycling.

Mr. Kirton responded $41.72 a ton. He stated Western Washtenaw Recycling in Chelsea only charges $10 a ton.

Council Member Anne Brown asked if the City's recycling is required to stay in the County, or can the City use one in Western Wayne County.

Mr. Kirton stated he thinks the one in Chelsea is closer than anything in Wayne County.

Council Member Anne Brown asked if there was a recycling plant in Belleville.

Council Member Murdock stated he believes there is a recycling plant in Belleville.

Mr. Kirton stated it won't be much cheaper than $10 a ton, but staff will look into it.

Council Member Murdock asked how many tons the City brings to the plant in a month.

Mr. Kirton replied the City had 31 tons in April.

Council Member Anne Brown asked if this is a service that the City needs to keep providing.

Mr. Kirton replied yes.

Council Member Murdock stated if the City uses the plant in Chelsea the tipping fees are going to increase, as well as the millage.

Mr. Kirton stated with that factored in the City will still save $300 a week and $15,000 in a year. He stated unless Western Wayne County has a better offer DPS will move forward with Western Washtenaw Recycling.

Council Member Vogt asked if DPS could purchase a smaller less expensive truck.

Mr. Kirton replied staff budgeted for a full size truck, but it definitely can switch to a smaller vehicle.

Council Member Robb stated last year Council allocated $50,000 to complete non-motorized planned projects, and bike lanes were never installed. He asked if that is included in this year's budget, or are those funds being used for something else. Mr. Robb stated that is a priority goal for Council, and it seems to have been skipped.

Mr. Kirton asked if it was a priority goal.

Council Member Robb stated Council added funds to the budget for that project, so it was something that Council wanted to do.

Mr. Kirton responded he was not aware of that, and asked if that was in DPS's budget, or was it in Planning Department's budget.

Council Member Robb replied it was allocated in the Major Street Fund.

Mr. Kirton stated it must have been missed. He added non-motorized projects have been completed, and he was not aware DPS had $50,000 in the budget to install bike lanes.

Council Member Robb stated his fear is the $50,000 will be used on the Heritage Bridge.

Mr. Kirton stated DPS will need some direction from Council on where to locate the bike lanes.

Council Member Murdock stated the bike lanes were planned from Norris to Prospect.

Mr. Kirton stated when Forest was completed residents, during a public meeting, wanted street parking, and not bike lanes.

Council Member Murdock stated there wasn't aware of a public meeting.

Mr. Kirton stated it was at the house on the corner of River and Forest.

Council Member Robb stated it must have been a neighborhood meeting.

Mr. Kirton stated the public meeting must have been for a road project. He added at that meeting the residents insisted on maintaining on-street parking.

Council Member Murdock stated that meeting was for Cross St. He stated the Non-motorized Committee has asked for bike lanes on Norris, and W. Cross.

Mr. Kirton stated bike lanes were installed on College Place.

Council Member Murdock stated there are bike lanes on College Place, and on Prospect. He added there are not bike lanes on Norris.

Mr. Kirton asked if there was a bike lane on one side of W. Cross.

Council Member Murdock responded parking is on both sides of W. Cross.

Mr. Kirton stated it wasn't clear to him what the $50,000 was for in the budget and apologized for the oversight.

Council Member Murdock stated several times in the last few months he has had communications regarding when those bike lanes will be complete.

Mr. Kirton stated he will get the engineers on it as soon as possible.

Mayor Pro-Tem Richardson stated residents have told her the parking on Cross Street is difficult during the winter.

Council Member Anne Brown asked where on Cross St. Ms. Richardson is referring.

Mayor Pro-Tem Richardson replied near EMU's campus.

Mr. Kirton stated that area used to be three lanes and now its two lanes.

Council Member Anne Brown asked for Mr. Kirton to inform Council what is going on with the $50,000 Mr. Robb was referring to.

Council Member Vogt stated there is a street sign behind the Police Department for Washtenaw and Oakwood.

Mr. Lange stated a resident found it in his backyard and gave it to the police department.

Council Member Robb stated there was a $300,000 transfer out of the Local Streets fund for the bridge, and asked if the other $184,000 was for crack sealing.

Mr. Kirton replied yes, it was for pavement maintenance.

Council Member Murdock asked if this $300,000 was from the Local Street fund.

Council Member Robb stated there are two transfers for the total amount of $184,000 out of local streets.

Mr. Kirton asked if Mr. Robb is sure those transfers were not from the Major Street Fund.

Council Member Robb stated this says expenditures transferred out to account number 414 which is gravel improvement fund.

Ms. Uy stated that is coming from the Major Street fund, and asked if that is account number 202.

Council Member Murdock stated some money for the bridge is coming from the capital improvements fund.

Council Member Robb stated the packet says transfer out of Local Streets.

Mr. Kirton stated the Major Street fund funds the Local Street fund.

Council Member Robb asked what the $184,000 is for.

Mr. Kirton responded pavement maintenance, surface maintenance, and anything else done on local streets.

Mr. Lange added sweeping and flushing.

Mr. Kirton added drains, trees, and signs. He added they would all be included in the same line item in the Major Street fund.

Council Member Murdock stated the Local Street fund has $50,000 in this year's budget for bike lanes. He stated those funds have not been spent, and it doesn't seem that they are included in next year's budget.

Mr. Kirton asked if Council would like to have a meeting with the residents about installing bike lanes, or would Council prefer to move forward with the installation.

Mayor Pro-Tem Richardson stated Council should speak with the residents. She requested that neighborhood watch signs for the Heritage Park area, and asked that he speak with Anthony Williams at the Parkridge Center about repairing the bathrooms at the park.

Frances McMullan, City Clerk

- Clerk Revenues – Page 106
- City Council Budget – Page 114
- Clerk's Office – Pages 116 & 117
- Treasurer – Page 117
- Voter Registration – Page 118
- Administration Hearing Bureau – Page 130
- City Insurances – Page 137

City Clerk Frances McMullan provided a budget presentation. **(See Website)**

Council Member Anne Brown asked if the City uses all of its memberships.

Ms. McMullan stated the City uses SEMCOG, Michigan Municipal League, the Huron River Watershed, and Aerotropolis. She stated the City does use the Suburbs Alliance to a lesser extent.

Council Member Robb stated Suburbs Alliance is almost defunct.

Ms. McMullan stated the City will know where it is with Suburbs Alliance if it receives an invoice. Ms. McMullan stated every membership is approved by Council.

Mayor Pro-Tem Richardson stated the Suburbs Alliance used to have a number of seminars that representation from the City would attend.

Ms. McMullan responded yes, and last year the City participated in a piolet program for Boards and Commissions software, however, the seminars did not continue because the grant funding ended.

Council Member Robb asked if the proposed money counter would be listed in the Treasury Budget.

Ms. McMullan responded the money counter will be an amendment to the budget.

Council Member Murdock asked if the settlement with the former Beyer Hospital has been paid.

Mr. Lange replied yes.

Council Member Murdock asked if that is in this year's budget.

Mr. Lange responded yes, the City has been reimbursed for almost the entire settlement.

Ms. McMullan asked if that was put into the Treasury Budget.

Ms. Uy responded it has its own account.

Mr. Lange asked if the amount listed in the budget is the City's share.

Ms. Uy responded it is in General Fund's share, and other various accounts.

Council Member Murdock stated there was a projected deficit before that money was lost, and asked how that impacted the City's bottom line.

Ms. Uy responded the deficit for Fiscal Year 2015-16 $1.6 million.

Council Member Murdock asked how it impacted the current year.

Ms. Uy replied the deficit for this year is $552,000 because the City received payment from the museum.

Council Member Robb stated the City budgeted $15,000 and spent $216,000 so the $552,000 should have gone up from $300,000.

Mr. Lange stated that is the net of all the pluses and minuses. He added there was a sale of property that minimized the damage.

Council Member Robb stated in Fiscal Year 2013-2014 the City spent around $5,000 in temporary wages for election inspectors, and this past year the City spent $60,000.

Ms. McMullan stated in Fiscal Year 2013-2014 the election was completely consolidated which minimized costs.

Council Member Robb stated the $60,000 line item was for Fiscal Year ending in 2015. He stated the only elections during that period were in April, August, November, and May.

Ms. McMullan stated in Fiscal Year 2014-2015 there were three elections, and the previous year there was only one consolidated election.

Council Member Anne Brown asked if there were incentives to have a drop-dead date for Administrative Hearings Bureau (AHB) cases.

Ms. McMullan responded the respondent may just continue to pay the $50 for a continuation.

Council Member Anne Brown stated that is why she is suggesting a drop-dead date for AHB cases.

Ms. McMullan responded that is at the discretion of the Building Inspector. She added the continuance does not provide the total judgment.

Council Member Anne Brown stated a resident informed her that there is a property on Sherman that has become dilapidated. She stated every time an inspector comes to investigate the property owner does just enough to pass inspection.

Ms. McMullan responded cases are turned over to the AHB when respondents do not answer ordinance enforcement citations.

Council Member Robb stated the cost of the software for AHB is $28,000, and the cost of operating the AHB is $59,000. He added if AHB is only producing $16,000 in revenue $28,000 for software is too expensive.

Ms. McMullan responded she feels the City can find less expensive software.

Mayor Edmonds stated there is an event every year in this area that people can attend, and apply to have software, or coding completed over a 48 hour timeframe.

Council Member Anne Brown asked if there was another municipality the City could look to for ideas for software.

Ms. McMullan stated Jackson was the first community to have an Administrative Hearings Bureau and Ypsilanti's is based on that model. She stated Jackson's software system is more intricate than what the City needs. She stated blight court is relatively new to Michigan, and there is not a system developed that would suit Ypsilanti.

Mayor Edmonds asked to explain what Jackson's expenses and income are.

Ms. McMullan stated Jackson and Ypsilanti have totally different philosophies. She stated Jackson has a community development approach, and their main goal is compliance. She stated Jackson has violators that have been in the system for years, and the city assists in bringing properties up to code.

Mayor Pro-Tem Richardson asked if the City receives a refund from its liability insurance provider.

Ms. McMullan replied yes, the City receives a dividend.

Council Member Robb asked where the proposed parking software is listed in the budget.

Ms. McMullan responded she feels it should be in the Clerk Treasurer budget, but it is in the General Budget.

Ms. Uy stated it is listed under City Clerk for $6,000.

Ms. McMullan added the annual cost for the software would be $4,800.

Council Member Robb stated the software is in the spreadsheet, but it is not in the budget book.

General Accountant II Rheagan Basabica responded it would be in one account under capital improvement.

Council Member Robb stated page 69 in the budget book is the beginning of capital improvement budget (computer) begins, and the parking software is not located in this section.

Council Member Nicole moved to extend the meeting one hour.

Council Member Anne Brown supported the motion.

On a voice vote, the motion carried, and the meeting was extended by one hour.

Council Member Anne Brown asked what Iron Mountain's cost is for record retention.

Ms. McMullan responded that falls within the Human Resources budget.

Council Member Murdock stated the next election is the Presidential Primary in March. He stated it is not in this budget, and asked for an estimation of the cost.

Ms. McMullan responded around $14,000.

Council Member Murdock stated the City will be reimbursed for it.

Ms. McMullan stated the budget will be amended to reflect that election, and she is waiting to hear if there will be an August election.

Council Member Anne Brown asked if the increase in FOIA costs are reflected in the Clerk budget, or another department.

Ms. McMullan responded the FOIA coordinator is in the City Attorney's office, but there are charges for FOIA requests to cover costs.

Ms. Uy stated FOIA revenue is lumped in with miscellaneous revenue.

Marilou Uy, Fiscal Services Director:

- Finance Department Revenues – Page 105
- Finance-General Accounting – Pages 115 & 116
- Assessing – Page 118
- Friends Groups (Senior Center, Nutrition Services & Parkridge Comm. Ctr., PCC Foundation, Recreation-Swimming Pool) – Pages 135 to 137
- Vacation & Sick – Page 137
- MTT and Chargebacks – Page 138
- Transfers and Contributions – Page 138
- General Obligation and Water Sewer Bonds
  - G.O. Bonds – Pages 177-182, 204 & 205, 208 & 209
  - W & S Bonds – Pages 183-186, 200-203, 206-207, 210-223
  - DDA 2004 A Bonds (473) – Pages 204 & 205
- Capital Improvement Fund (414) – Pages 192 to 197
- Economic Development Corporation (415) – Pages 198 & 199
- Public Transit Fund (588) – Pages 227 & 228
- Fire & Police Pension Fund (732) – Pages 238 to 241
- Retirees' Benefits Fund (736) – Pages 242 to 245
- Motorpool Replacement Schedule and Cash flow (641) – Pages 229 to 234

- Wrap up by City Manager Lange

Fiscal Services Director Marilou Uy provided a budget presentation. **(See Website)**

Mayor Edmonds asked if the professional contracts to perform the audit are planned to end at the same time.

Ms. Uy stated it is possible they could end at the same time, but City staff does not have the training to complete an audit report.

Council Member Robb stated the City is paying $90,000 to WCA for three days of work for assessing. He asked at what point the City should perform that task internally.

Ms. Uy replied the current contract is for $81,000, and it includes the payment to the board of review.

Mr. Lange added the City only pays $78,000 to WCA for Assessing services. He stated the last contract was only for a two year period, and once that contract expires the City will reassess its strategy.

Mayor Edmonds asked what services are included in that amount.

Ms. Uy responded assessing services three times a week and Board of Review.

Mr. Lange added the company also supplies other services that are not done at City Hall.

Ms. Uy stated if the services are contracted the work will definitely be completed. She stated previous in-house Assessors have not been able to complete reports in time.

Council Member Robb stated it took two months for the Assessor to declare the former Smith's Furniture building an obsolete building. He stated he wants to understand how that contract is managed, and if that contract still makes sense.

Council Member Murdock asked when was the last post-employment actuarial report is completed.

Mr. Basabica responded 2012.

Council Member Murdock asked if that is included on the website in the financial report.

Ms. Uy stated she believes it is included in that report.

Mr. Lange stated the Senior Center will be the next building in the City to have solar panels installed.

Council Member Anne Brown asked if the Senior Center is responsible for paying their telephone bill, or does the City pay.

Council Member Anne Brown asked if the amount for Rutherford Pool includes staffing.

Mr. Lange stated the City makes some revenue for performing human resource duties and accounting for Rutherford Pool.

Council Member Anne Brown asked if that was what the administrative fee covered.

Mr. Lange responded yes.

Council Member Anne Brown asked if the pool carries its own liability insurance.

Mr. Lange replied he believes the pool is covered by the City's liability insurance.

Ms. McMullan responded the City holds liability insurance for the building.

Council Member Anne Brown asked if employees that qualify for retirement have been offered incentives to retire.

Ms. Uy responded no.

Mayor Edmonds asked how many retiring employees would require the projected retirement amount of $71,000.

Ms. Uy responded four or five employees.

Mr. Lange stated sick time is greatly reduced from tier one to tier two employees.

Council Member Robb asked if the Tax Increment Financing Authority (TIFA) is paid out of the City's funds.

Ms. Uy replied in 1992 the City was audited by the State, and was told that the funds needed to be returned to all taxing units.

Mr. Lange asked if that was a part of the brownfield economic development.

Ms. Uy responded yes.

Council Member Anne Brown asked what the total amount was.

Ms. Uy responded it was provided in three different funds, but she can provide the information to Council.

Mr. Lange added the Brownfield Economic Development fund does not come from the General Fund.

Council Member Robb asked that Ms. Uy take some time and send an email describing the process in more detail. He said if that is a TIFA reimbursement it means the TIFA collected too much money.

Ms. Uy responded it is possible that the City collect too much money.

Council Member Robb stated the TIFA not the City collected too much money.

Ms. Uy responded there was also some collection done by the City.

Council Member Anne Brown asked if this was a onetime reimbursement.

Ms. Uy responded yes.

Mayor Edmonds asked that Council receive the report with a narrative.

Ms. Uy replied there is also a spreadsheet attached that explains each item in greater detail.

Council Member Anne Brown asked what expires for the Downtown Development Authority this year.

Ms. Uy replied the revenue balance.

Council Member Anne Brown asked if other municipalities contract with the County for IT services.

Ms. Uy replied yes.

Assistant to the City Manager Ericka Savage asked if there was a breakdown of all capital improvements for this year.

Ms. Uy replied yes.

Council Member Anne Brown asked if contracting IT services has reduced costs.

Mr. Uy replied yes.

Council Member Anne Brown asked if the City gets a discount for computer systems because it is a governmental entity.

Ms. Uy responded yes.

Mayor Edmonds asked if there is options to lease computers instead of buy them.

Ms. Uy responded she would look into that.

Mr. Lange stated there is a volume discount through the County. He added the City did audit its computer systems and its phones, and was able to get rid of several that were unused.

Council Member Anne Brown asked if the unused equipment is donated.

Ms. Uy replied the unused equipment are donated.

Mr. Lange stated once the contract expires IT services will go out for bid.

Council Member Anne Brown asked if the Freighthouse still needs $220,000 budgeted for this year.

Ms. Uy responded the $220,000 is for next year.

Council Member Anne Brown asked if there is a breakdown of what is included in that amount.

Ms. Uy replied she will provide that to Council.

Council Member Murdock stated $80,000 was not spent on the Freighthouse this year.

Council Member Anne Brown asked if it was all City money.

Council Member Murdock responded it came from separate entities.

Council Member Anne Brown asked why the funds are in the City's accounts.

Council Member Robb responded the funds flow through the City.

Council Member Murdock stated the two numbers provided for the River's Edge project are the total cost of the project spread over two years.

Ms. Uy responded that is correct.

Mr. Lange stated he will provide Council with a sources and uses with updated information so it is clear where the money is coming from, and when it will be spent.

Mayor Edmonds asked that Council be provided a summary especially for bigger projects.

Council Member Murdock asked where the Economic Development Corporation (EDC) gets money.

Mr. Lange stated the EDC has a fund balance.

Council Member Robb asked how the EDC has amassed $100,000 at $400 a year.

Ms. Uy responded through the sale of property.

Mr. Lange added the EDC had property in the light industrial park.

Council Member Murdock stated that property was all the EDC's.

Mr. Lange stated he wanted to provide decision points for capital projects just for this Fiscal Year 2015-2016. He stated this was done to assist Council to focus on the bigger expenses. He asked for a work session on May 26th.

Council Member Murdock stated it is difficult for Council when there is changing information.

Mr. Lange responded he understands which is why he is proposing an extra work session.

Mayor Edmonds stated she is unavailable on May 26th.

XIII. AUDIENCE PARTICIPATION –

None

XII. REMARKS FROM THE MAYOR –

None

XIV. CLOSED SESSION –

~~Closed Session to discuss purchase of land. OMA 15.268(8)(c)~~
(Moved and Heard before Presentation of Department Budgets)

XV. ADJOURNMENT -

Resolution No. 2015-111, adjourning the City Council Meeting.

OFFERED BY: Council Member Nicole Brown
SUPPORTED BY: Council Member Vogt

On a voice vote, the motion carried, and the meeting adjourned at 10:50 p.m.