*Approved*

**CITY OF YPSILANTI**
**REGULAR/BUDGET WORKING SESSION MINUTES**
**CITY COUNCIL CHAMBERS – ONE SOUTH HURON ST.**
**YPSILANTI, MI 48197**
**Tuesday, June 2, 2015**
**7:00 p.m.**

## I. CALL TO ORDER –

The meeting was called to order at 7:02 p.m.

## II. ROLL CALL –

| | | | |
|---|---|---|---|
| Council Member Anne Brown | Present | Council Member Robb | Present |
| Council Member Nicole Brown (7:45) | Present | Council Member Vogt | Present |
| Council Member Murdock | Present | Mayor Edmonds | Present |
| Mayor Pro-Tem Richardson | Present | | |

Mayor Pro-Tem Richardson moved, supported by Council Member Anne Brown to excuse the absence of Council Member Nicole Brown.

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

## III. INVOCATION –

Mayor Edmonds 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 Pro-Tem Richardson introduced the following individuals: The Hope Clinic Staff, Former Director of Hope Clinic Kathy Robinson, Jean Horak, and Matthew Hudson.

## VI. AGENDA APPROVAL –

Mayor Pro-Tem Richardson moved to remove Resolution No. 2015-116, designating Ypsilanti, Michigan A Bee City USA, until the June 16th Council Meeting. She stated the resolution states the third week in June is Bee Week, which would be appropriate for the resolution.

Council Member Vogt supported the motion.

Mayor Edmonds stated she knows there are a number of members of the audience who attended to hear this resolution read. She stated Ypsilanti Township became a "Bee City" a couple of weeks ago, and the goal of the advisors were to have the resolutions in hand when the pollinator week begins on June 14th. She stated the members of the audience here for the Bee City resolution may still speak during Audience Participation.

On a roll call, the vote to remove Resolution No. 2015-116 from the agenda was as follows:

| | | | |
|---|---|---|---|
| Council Member N. Brown | Absent | Council Member Robb | Yes |
| Council Member Murdock | Yes | Mayor Edmonds | No |
| Mayor Pro-Tem Richardson | Yes | Council Member Vogt | Yes |
| Council Member A. Brown | No | | |

VOTE:

YES: 4 NO: 2 (Anne Brown, Edmonds) ABSENT: 1 (Nicole Brown) VOTE: Carried

On a voice vote, the motion carried, and the agenda was approved as amended.

## VII. PRESENTATIONS –

- Proclamation in honor of Dr. Daniel Hefferman – Mayor Edmonds

Mayor Edmonds stated Hope Clinic is one of the core agencies of support in Ypsilanti. She stated Hope Clinic is a pillar in the community and help those most in need, and the City is excited to honor Dr. Daniel Hefferman.

Dr. Daniel Hefferman thanked the Mayor and Council for recognizing him, and said he feels the work that he has done at Hope Clinic is the Lord's work. He stated he is thankful that he was able to serve for so many years.

- Proclamation in honor of the 100th Birthday of Cordelia Barnes Pitts – Mayor Edmonds

Mayor Edmonds recognized Cordelia Barnes on her 100th birthday.

- ~~Presentation of Resolution No. 2015-116, designating Ypsilanti, Michigan A Bee City USA – Mayor Edmonds~~ **(Removed to the June 16th meeting)**

- WCA Personal Property Tax Reimbursement Presentation – Doug Shaw and Aaron Powers.

City Manager Lange stated Council has had questions regarding personal property tax, and this presentation should answer those questions.

Managing Director of WCA, Aaron Powers introduced himself, and Co-Managing Director Douglas Shaw, and provided a presentation.

Mayor Edmonds asked if state reimbursements are reported annually.

Mr. Powers replied yes.

Council Member Murdock stated the City's essential services are 59%.

Mr. Powers stated essential services cover police and fire, so 59% is likely.

Council Member Murdock stated Mr. Powers mentioned during the first year of the reimbursement the debt was prioritized in terms of reimbursement.

Mr. Powers replied yes, he added business owners are exempt from personal property taxes, and this allows jurisdictions that function from Tax Increment Financing (TIF) revenue to reclaim part of those funds.

Council Member Murdock asked if the reimbursement was for TIF captures covering a debt.

Mr. Powers responded the reimbursement is for full TIF capture.

Council Member Murdock asked if municipal debt that is not millage-based reimbursable.

Mr. Powers responded it would not be reimbursed, the reimbursement would only be given to debt millage and TIF reimbursement.

City Manager Lange stated Ypsilanti does have a debt millage, and asked if the City would be reimbursed.

Mr. Powers responded yes, if the City has a debt millage it will be reimbursed.

Mr. Lange stated the City does, and he is not certain it has been reimbursed.

Mr. Powers responded the reimbursement comes at different times. He stated the TIF districts receive reimbursement at a separate time than a reimbursement for a debt millage. He added that he will research the reimbursement schedule, and speak with the Finance Director.

## VIII. <u>AUDIENCE PARTICIPATION</u> –

1. Bob Krzewinski, Non-Motorized Advisory Committee, stated that the city has allocated $50,000 in the Major Street Fund for non-motorized transportation for bike lanes. He stated the Committee would request that three bike lanes be installed: on Miles, West Cross, and Forest. He stated other request projects would be sidewalk gaps, pedestrian safety signage, and traffic calming. He stated the Non-Motorized Committee would like to see the projects that make up the Border to Border Trail be completed, but do realize the City must cut costs, and make difficult decisions. He stated from Grove Rd. south to Prospect needs serious attention for non-motorized safety. He asked that Council look at the Heritage Bridge and the mid-block crossing as an investment in the City.

2. Mark Hergott, 111 Miles, stated in one and a half years Ypsilanti will be out of money, and the City will need to contract with the Township for fire service and the County for police services. He stated the City will go into receivership as things are currently trending. He stated if Water Street is developed in the next one and a half years then what he said was incorrect. He asked Council to begin thinking that the City will go into receivership, and begin preparing for it.

3. Jamie Berlin, 201 N. Normal, stated she has been working on the "Bee City USA" for some time, and is very excited for the City to receive this designation. She stated Ypsilanti Township has already received a "Bee City" designation, and she was hoping the City of Ypsilanti would have been first in Michigan. She stated she understands Council has postponed the designation until June 16th. She stated it is disappointing that Ypsilanti will not be able to be awarded its designation during pollinator week.

4. Ashely Fox, 905 Pleasant Dr., stated he recently moved into the City, and wanted to thank Council for their service to the City. He thanked Council for their patience for the many students he has advised to ask Council questions. He stated he appreciates Council's support for non-motorized trails, and asked Council to keep that in mind as it considers budget issues.

5. Larry Deck, 3050 Lorraine St, Ann Arbor, stated he sits on the Washtenaw Board of Biking and Walking Coalition which attempts to prioritize non-motorized projects Countywide. He stated the non-motorized projects in Ypsilanti are seen as countywide priorities. He stated he understands there are financial constraints, but the coalition feels that the Border to Border Trail running through Water Street, the mid-block crossing, and the extension down Grove Rd. to Prospect Rd. are very important. He stated if it is possible the coalition would like to see the completion of Heritage Bridge project. He stated cities across the country have revitalized themselves by investing in trails and riverfronts, and Ypsilanti has the opportunity to do that. He added he hopes Council will do everything it can to invest in these facilities, and continue the continuity of the Border to Border Trail.

6. Dave Heikkinen, business owner 133 Michigan Ave, stated he believes in the Border to Border Trail, but he does not think the plan that is in place is affordable, or the right plan for Ypsilanti. He stated he has heard from a County Commissioner that the Michigan Ave. Bridge is to be replaced in the next five to ten years, and if true the path should run under the new bridge. He stated until the new bridge is built the Border to Border trail should use River St. which is a much more affordable, and realistic plan. He stated he understands the City is going through budgetary issues, and asked if there is any consideration of merging with the Township. He stated there are many great things going on in the region, and if the region starts looking at its situation as a much larger piece, it can begin looking at its future as a more collective Ypsilanti.

7. Kevin Hill, 108 Washtenaw Apt #4, stated he has rented his home in Ypsilanti for 33 years, he is the Chairperson of the Downtown Development Authority and the Downtown Association of Ypsilanti, and he is the owner of Wolverine Grill. He stated on Friday, June 5th there will be a music event held at Ypsilanti Public Library. He urged all to go to the First Friday's Facebook page which lists 20 available venues. He stated Mr. Krzewinski should be applauded for the work he has done for non-motorized transportation in Ypsilanti. He asked what would be the best use of the money to tie the Border to Border Trail together, other than spending all of it. He stated it would be wise to complete some things that need to be done, and save other projects until they are more financially feasible. He stated he asked individuals involved with the Heritage Bridge and mid-block crossing projects what data they have for economic impact projects such as these for towns of Ypsilanti size. He stated it is very important to connect the pieces of the Border to Border Trail, and investments should not always be looked at as upfront costs. He stated the economic impact of tying the Border to Border Trail would be very positive. He stated he supports the Depot Town Tax Increment Financing (TIF) Plan renewal as submitted, however, he stated DDA Director Colbeck has been directed to investigate the cost of the services provided by the DDA against what the City could provide the service for, and balances between the money.

8. Ralph Thompson, 330 Chidester #717, stated he was privy to the letter City Attorney Barr provided Building Manager Daniels regarding state laws for mold levels. He said the law states there are no laws regarding mold in Washtenaw County, or the State unless it is black mold. He stated he performed a mold test which indicated there is mold in the Chideseter Place Building. He stated he would like to know if there is anything that City Council has done, or will do to rectify the situation.

## IX. **REMARKS BY THE MAYOR** –

- Stated she agrees with the statements of the individuals regarding the Border to Border Trail, and during budget discussion she will speak toward the economic value of non-motorized trails.

- She stated she does not have a specific response to Mr. Thompson's remarks regarding mold at Chidester Place.

Mayor Pro-Tem Richardson congratulated Mr. Fox on the fact that 71 out of the graduating seniors at International High School, 29 of them received scholarships totaling $5 million, and asked that he be given a round of applause.

## X. **ORDINANCES - SECOND READING** –

***Ordinance No. 1248***

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

   A. Resolution No. 2015 – 109A, determination

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

**That an ordinance entitled "HERMAN KITTLE PLANNED UNIT DEVELOPMENT" be approved on Second and Final Reading.**

OFFERED BY: Mayor Pro-Tem Richardson
SUPPORTED BY: Council Member Nicole Brown

B. Open public hearing

1. Cheryl Farmer, 214 N. Huron, stated when Herman Kittle first came to Ypsilanti with the Water Street Flats proposal it was completely rental, a housing type that the City has an abundance of. The units were 0% market rate, and no PILOT was requested. She stated the plan has been fine-tuned by the Planning Commission, and now has more amenities, better materials, is more attractive, and has a better name, "Riverwalk Commons". She thanked the Planning Commission for the work that they have done to produce these changes. She stated the changes cost money, but will benefit the developer and the community because it will result in a better product. She stated the project is still completely a rental building and at 0% market rate, also the project now includes a PILOT request. She stated PILOT's cost the City money that it does not have, and taxes the City receives from this project will be lower. She asked what the City is receiving in return for awarding the PILOT. She stated there will be a new development in Brush Park in Detroit which will be partly rental, partly owned, and at 80% market rate. She asked why part of the Herman Kittle project cannot be owner occupied, why part of the project can be market rate, and what the planned profit margin of the development is. She stated too much of the future of Ypsilanti rides on the success of Water Street. She stated much of the objections residents have had regarding the project is the lack of market rate housing and the lack of owner occupied units. She asked Council to consider tabling tonight's vote on a PILOT and ask that Herman Kittle go back and crunch the numbers, and come back in two weeks and discuss how much of this development could be offered for homeownership and how much could be market rate. She stated she would also like to know how they arrive at the conclusions they come to.

2. Mark Hergott, 111 Miles, stated the Brownfield TIF will capture any taxes produced by Riverwalk Commons so it does not matter whether it is a PILOT, or another tax structure. He stated the reason that Detroit is able to have a development that is market rate is because it is Detroit, and Ypsilanti is not Detroit. He stated Ypsilanti is 4.5 square miles and 6 miles from Ann Arbor which is a hot real estate market. He stated Ypsilanti has become an affordable housing haven for Washtenaw County, and he is okay with that. He stated other people are not okay with that premise, and have voiced their concerns to Council. He stated it does not matter if it is approved or not because the city will be in receivership by 2017, but keep in mind the objections made by former Mayor Farmer are not very credulous.

3. Dave Heikkinen, business owner 133 Michigan Ave, stated he is not excited about this project, and the City is selling itself short

considering the potential of the City and Eastern Washtenaw County. He stated there have been improvements in the visual aesthetics of the building, but he is concerned with parking. He stated there is not enough parking in the downtown, and this structure will only add to the problem. He stated there is not much financial incentive, and he is not sure why the City is moving forward with the project.

C. Resolution No. 2015 - 117, close public hearing

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

**That the public hearing on an ordinance entitled "HERMAN KITTLE PLANNED UNIT DEVELOPMENT" be Officially Closed.**

OFFERED BY: Mayor Pro-Tem Richardson
SUPPORTED BY: Council Member Nicole Brown

On a voice vote, the motion carried, and the public hearing was closed.

Council Member Murdock stated the memo that Council was given stated there would be other information provided during Second Reading, and asked what that information was.

City Planner Bonnie Wessler responded the test of the Planned Unit Development (PUD) is all but final, it only requires another set of lawyers to sign off on the agreement. She stated she would forward the agreement to Council but warned that there will be slight edits to the agreement text. She stated the agreement basically reinforces the site plan.

Economic Development Director Beth Ernat reiterated that Herman Kittle has been very responsive to this community, and actively trying to stay engaged within the community which is not the case with all developers. She stated she understands the apprehension regarding the PILOT, but that portion of the agreement was already approved, and tonight Council is being asked to approve the remainder of the project to go with the PILOT. She stated every new development needs a project to start, and the City has selected a very responsible developer to begin the process. She stated she realizes rentals are not what individuals view as a high priority, but it is what works in Ypsilanti. She stated the City needs the momentum for development, and encouraged Council to approve the PUD.

Council Member Murdock stated Ypsilanti does not have a community development agreement other than a PUD.

Ms. Ernat responded correct.

Council Member Murdock asked if there are any wage issues in the agreement.

Ms. Ernat responded no, but because it is a MSHDA project they are required to meet the Davis-Bacon requirements which mirror the City's living wage requirements.

Mayor Pro-Tem Richardson stated meeting with Project Director Ms. Creason made her encouraged that Herman Kittle would hire local contractors to perform a lot of work.

Ms. Ernat responded that alludes to the local concerns of Herman Kittle.

Mayor Edmonds added she has seen representatives of Herman Kittle at various other community development engagements, and has had positive discussion at those events.

City Manager Lange stated the proposed site for the Herman Kittle development is possibly the most unattractive site on all of Water Street. He stated the infrastructure that will be provided by Herman Kittle is an enormous contribution to entice future development.

Mayor Edmonds stated the annual household income range estimates of future tenants of Riverwalk Commons along with the designs of the development give her hope that this project will be very successful. She added market rate is based off of Ann Arbor's market rate, and the units offered by Herman Kittle would be market rate in Ypsilanti, and would be in high demand.

Mayor Pro-Tem Richardson stated a number of people have told her they are anxious to live at Riverwalk Commons, and added the rental rates for Riverwalk Commons are market rate for Ypsilanti.

Council Member Anne Brown stated she and Council Member Murdock attended several Planning Commission meetings where Herman Kittle representation provided a presentation, and were very willing to work with the Planning Commission. She stated Herman Kittles added bike racks and electric car plug-in stations that were not in the original plan.

Council Member Vogt stated most people know that he opposed this project originally, and now he is only about 45% in favor of it. He explained parking, and some other issues are still unsatisfactory to him, however, if Council votes to end the project it would create an image that the City cannot be relied upon in contracts. He stated that would hinder any future chances for development in the timeframe needed for the City to succeed. He stated because of that he will reluctantly vote to approve the PUD.

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

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

VOTE:

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

**XI. MINUTES –**

Resolution No. 2015-118 approving the minutes of May 12 and May 14, 2015.

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

**That the Minutes of May 12 and May 14, 2015 be approved.**

OFFERED BY: Council Member Vogt

SUPPORTED BY: Council Member Nicole Brown

On a voice vote, the motion carried, and the minutes were approved as submitted.

## XII. RESOLUTIONS/MOTIONS/DISCUSSIONS –

1. Resolution No. 2015 - 119, approving reappointment of Rois Saavides to the Ypsilanti Downtown Development Authority.

**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 EXPIRATION |
|---|---|---|
| **Rois Savvides<br>1834 Collegewood<br>Ypsilanti, MI 48197** | **YDDA** | **7/7/2019** |

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

Mayor Edmonds stated this is a reappointment of Mr. Savvides, the owner of Tower Inn, to the Downtown Development Authority (YDDA). She added currently Mr. Savvides is the only member on the YDDA who represents the West Cross district.

Council Member Vogt stated he has met Mr. Savvides, and his family, and stated he has been a solid addition to the Downtown Development Authority.

On a roll call, the vote to remove Resolution No. 2015-119 from the agenda was as follows:

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

VOTE:

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

## XIV. BUDGET DISCUSSION/WORKING SESSION -

- Revised 2014-2015/2015-2016 Budget Presentation – Marilou Uy

City Manager Lange and Fiscal Services Director Marilou Uy provided a presentation regarding the budget. **(See website)**

Council Member Anne Brown asked what is involved in the process of the State forgiving the Community Development Block Grant (CDBG), and how soon will the City engage in that conversation.

Mr. Lange replied when he first became City Manager the payment was required next year, and he pleaded with the State to change the interest rate from 4% to 2%, and allow time to recover dropping the amount owed from $378,000 to $305,000. He stated he does not mind asking the State for another reduction, but he wants to do it when the City can show what it has accomplished on Water Street.

Council Member Anne Brown asked Mr. Lange's if his plan is to have projects in line for Water Street to demonstrate progress to the State.

Mr. Lange replied yes, and said he also hopes to have a market rate development on Water Street at that time.

Mayor Edmonds asked if the goal is to ask for partial forgiveness of the CDBG debt.

Mr. Lange responded the goal is to get whatever is possible, and the payment or interest rate will go down as a result of the Herman Kittle development.

Council Member Murdock asked if the entire plan depends on the forgiveness of the CDBG debt.

Mr. Lange responded no, it is his goal to show the State the progress of Water Street before he asks for debt forgiveness.

Council Member Murdock stated in the Fiscal Year 2014-15 budget the City was budgeting over $1 million in debt, and the following year the debt was $200,000. He asked what happened to make that change, and why the fiscal year's debt is $1.6 million.

Mr. Lange replied capital projects are driving the excess debt.

Mayor Edmonds asked for a list of projects that are driving up the debt.

Council Member Murdock stated some of the changes occurred as a result of hiring freezes in the City.

Mr. Lange stated yes, positions were budgeted, and they were not filled.

Council Member Murdock asked for a summary of projects.

Mr. Lange responded the Fire Station roof was not repaired last budget year, the carport for the Police Department, all the budgeted positions were not filled, overtime projections were higher than actual hours worked, and there was a sale of a City asset. He said the City also lost $91,000 worth of revenue from the Forest Health settlement.

Council Member Robb stated the budget lists $1,350 for parking enforcement for Fiscal Year 2015.

Mr. Lange responded parking enforcement is listed in two separate line items, one before the City used the court and one when the City used the court.

Council Member Murdock stated that neither the Garbage Fund nor the Motorpool are in the General Fund. He stated Mr. Lange's rationale for the deficit is not even included in the General Fund.

Mr. Lange replied the General Fund was putting $500,000 into the Motorpool.

Council Member Murdock pointed out that it was not for solid waste.

Mayor Edmonds asked what the $1.2 million in-kind for the recreation center was for.

Mr. Lange responded it is for four acres of land.

Council Member Murdock asked what Ypsilanti Communities Utility Authority's (YCUA) contribution to the Adams Rd. project is.

DPS Director Stan Kirton responded YCUA is renewing the water main.

Council Member Murdock asked if YCUA will be contributing anything to paving.

Mr. Kirton responded he is not certain, and said Mr. Lange has been in discussion with YCUA.

Mr. Lange stated currently there is a $50,000 difference in dispute between the City and YCUA. He added it is difficult to negotiate when it is unclear what the final cost will be, and that information will not be known until the bid closing which will be Friday, June 5th.

Council Member Murdock stated the Heritage Bridge is $350,000 over budget.

Mr. Lange responded correct.

Council Member Murdock stated the City did not budget for that.

Mr. Lange responded in the last round the City budgeted funds.

Council Member Murdock asked what round Mr. Lange was referring.

Mr. Lange replied these projects have components that transpire over several years. He stated the project is $350,000 over budget but the City has budgeted money for that.

Council Member Murdock stated the City never budgeted for that project.

Mr. Lange replied the City did budget for that project.

Council Member Murdock stated up until the time the project was bid, no City money was allocated for this project.

Mr. Lange responded correct.

Council Member Murdock stated if the City is going to do the project it will need to budget $350,000.

Mr. Lange stated this budget accounts for that.

Council Member Murdock stated a month ago it was $350,000 over budget, and now it isn't.

Mr. Lange responded it is in this budget.

Fiscal Services Director Marilou Uy added that the Major Street Fund was used to fund this project along with $25,000 from the Downtown Development Authority; $100,000 Economic Development Corporation, and $160,000 from Major Streets.

Mayor Edmonds asked on what document is this reflected, and on what date.

Ms. Uy responded it is reflected in the original budget.

Council Member Nicole Brown responded the $160,000 is not reflected in the original budget.

Ms. Uy replied that is what was originally budgeted, and when this plan was written it was changed.

Council Member Murdock stated the City has a project that is $350,000 over budget, and it needs to ask if it should move forward with that project.

Mr. Lange stated that $100,000 has already been spent on the project between the County and the City, most of it being the County money.

Mayor Edmonds asked for clarification of the Transportation Alternatives Program (TAP) grant used for the mid-block crossing.

Mr. Lange responded the TAP grant covers the mid-block crossing. He stated that grant is still in limbo depending on what City Council decides.

Council Member Murdock asked if there have been any changes to capital projects from the original budget, and the one given to Council tonight.

Mr. Lange responded there have been no changes.

Council Member Murdock asked if all projects are included in both budgets.

Ms. Uy responded no, it includes some but not all projects.

Council Member Murdock asked what capital improvements projects are included in the budget.

Council Member Anne Brown replied Mr. Lange was asked to come back with modifications to the budget, and these are the modifications.

Mr. Lange responded these are the modifications.

Council Member Murdock responded the budget includes exactly what it did before Council asked for modifications.

Mr. Lange stated the spreadsheets illustrate the differences between what was proposed in the original budget, what was reconciled and what staff believes it would cost now to complete these projects.

Council Member Vogt responded what he is hearing is there is confusion about what was discussed two months ago from what was discussed two weeks ago. He asked if what was discussed two weeks ago is no longer being considered.

Mr. Lange responded correct, staff is comparing this budget with the latest data.

Council Member Vogt stated the questions Council had two weeks ago should be disregarded then.

Mr. Lange responded yes, and added that what is important from a decision point is when Council votes on this project what would be the differential cost.

Council Member Murdock stated the narrative that describes the capital projects in a way that suggests Council needs to pick if it wants to do them, or not.

Mr. Lange responded the narrative includes the amount the City would save if it decided not to do a certain project.

Council Member Murdock stated Council and Staff need to concentrate on projects that the City is not locked into for cuts.

Mr. Lange agreed.

Council Member Anne Brown asked for clarification of the progress of the Freighthouse, and asked what the $220,000 City commitment was.

Council Member Murdock responded the $220,000 was budgeted last year.

Council Member Murdock asked if the federal aid money has been allocated to the City for Adams St.

Mr. Lange responded yes.

Council Member Murdock stated it was supposed to be reimbursed out of next year's budget, and there is no next year's budget.

Mr. Lange replied there are many projects where funding is on hold, but not Adams St.

Council Member Anne Brown asked if the required task of Council to complete the Adams St. project is to approve a match of $121,000.

Mr. Lange replied correct, again that is a conservative number as the project has not gone out for bid. He added that $40,000 has already been spent for design costs.

Mayor Edmonds asked if the $161,000 is reflected in the budget.

Mr. Lange answered yes and stated Council needs to approve an increase of $24,000.

Council Member Murdock asked if the City was going to use some Metro Funds for the Prospect Rd. construction.

Mr. Lange replied that is a possibility.

Council Member Vogt asked what are the safety improvements on Prospect.

Mr. Lange responded he would have to clarify with DPS Director Kirton, but from what he understands is the traffic signals and ADA remaps are being improved.

Council Member Murdock added the safety improvements are mostly signalization, striping, and ADA ramps.

Council Member Anne Brown asked what Metro Funds are.

Council Member Robb responded funds developed by the Metro Act, through use of utility easements.

Council Member Anne Brown asked if using it for Prospect Rd. is worth pursuing.

Mr. Lange stated it would be replacing Major Street funds with Metro Act funds, which is also the fund used for the sidewalk program.

Mr. Kirton stated the Prospect intersection project consists of ADA ramps, left turn arrows, and curb radii, but that project won't receive funding until next year.

Council Member Murdock asked if the City could fund that next year.

Mr. Lange replied no.

Mayor Edmonds stated east of that intersection is a major safety concern, and asked if there is anything planned to be done there.

Mr. Kirton responded not as a part of this project, but MDOT may be doing something as a part of a "mill and fill" project on Michigan Ave.

Council Member Vogt asked if the ADA ramps that will be installed during the Prospect intersection project will decrease the City's yearly ADA obligations.

Mr. Kirton responded yes, and all of it must be completed eventually.

Council Member Vogt asked if the $100,000 allocated for ADA ramps for this project will have to be paid for by the City.

Mr. Kirton responded not those on the state trunk line, and staff is ensuring MDOT meets their ADA obligation on Michigan Ave.

Mr. Lange stated the Heritage Bridge and the mid-block crossing should either both be completed, or not completed. He stated the bridge and the trail were bid together, but the trail can be done without the bridge. He added the TAP grant also covers the mid-block crossing and the trail to Grove, and it isn't very costly.

Council Member Murdock asked if those projects can be separated.

Mr. Lange responded he believes so, and it is his hope to at least complete the trail to Grove so the City can use the TAP grant. He added at minimum the trail can be completed from Michigan Ave. to Prospect St.

Council Member Murdock asked where the money in the Land Revolving Fund comes from.

Ms. Uy responded Visteon made some contributions to the City for future repair of train tracks.

Council Member Murdock stated it was his understanding that the City negotiated out of that.

City Attorney John Barr explained that in 2002 when Water Street was beginning to redevelop there was a railroad spur running through Water Street, and it was decided it was impacting the development. He stated the City negotiated a deal with Visteon who gave up that spur, and the City agreed to reinstall that spur if it was needed by Visteon. He stated in 2004 Visteon wanted tax abatement for personal property. He said the City reached a deal that it would award Visteon a tax abatement if it would share it with the City for the rail. He stated there is nothing in the agreement that requires the fund be placed in a trust, or what the City is allowed to do with the money in the interim. He added if this money is used now if the spur was needed later, it would have to be paid for out of the General Fund.

Mr. Lange stated as of today, June 2nd, St. Joseph's Hospital's President. Michael Miller offered to contribute $25,000 to the completion of the Heritage Bridge, and another $25,000 if there is a match for the project. He stated Ken Dobson of Eastern Michigan University (EMU) is working with both the university and Eastern Leaders Group (ELG) for the $25,000 match. He stated if Mr. Dobson is successful that would produce a total of $75,000. Mr. Lange stated if EMU contributes it will require some naming rights to the Heritage Bridge (Heritage EMU St. Joe's Bridge).

Mayor Edmonds stated the City needs to seriously consider projects that have already received grant funds for, and what foregoing those project does to the City's future ability to be awarded those grants. She added turning down the grants awarded by the Department of Natural Resources could be detrimental to the City.

Council Member Murdock stated, to be contrary to what Mayor Edmonds stated if by the City moving forward with the projects funded by the grants causes it to go bankrupt there is no value in the grant. He stated the most important issue in the success of the City is Water Street, and the City should focus on the completion of the recreation center and the Border to Border Trail. He stated during that process the City needs to ensure the recreation center honors its commitment, and develops infrastructure on the site.

Council Member Robb added decisions should not be made with the intention of making an agency happy for the possibility for future grants. Mr. Robb stated the funding from the Economic Development Corporation for the bridge can be used for infrastructure development on Water Street. He stated he understands the concern of not upsetting an agency, but spending $350,000 that the City many not have is not a wise decision.

Council Member Murdock stated initially this project was a Border to Border Trail project initiated by the Washtenaw County Parks and Recreation prior to the recreation center even being considered for Water Street. He stated when the County Parks and Recreation Commission developed this project it provided the match, and knew that the City did not have funds to provide a match. He stated now the project is $350,000 over budget, and the County does not appear to be coming forward with funding. He stated the County prioritized the Border to Border Trail projects, and the most important is the trail through Water Street, and the Heritage Bridge is the least important. He stated the City has the ability to complete those projects, and should be weary of draining reserves that the City needs for the future.

Council Member Robb stated the City is budgeting money from the Major Street Fund for projects like the Heritage Bridge rather than for crack sealing which it should be used for. He asked Council what is more important, maintaining its infrastructure or building the Heritage Bridge.

Council Member Vogt stated the City should first budget the fundamentals: police, fire, roads, utilities, and regulation. He stated if there is money left over it can be used for the next level of items, and if there is money left over from that it can be used for projects such as the Heritage Bridge. He stated the only aspect of the trail that he sees as fundamental is the Michigan Ave to Grove Rd. section. He stated the Heritage Bridge and the mid-block crossing he has supported since their inception, and he is reluctant to support them now, but there are other ways to cross Michigan Ave. He stated the connection can still be completed, and keep possible future developers satisfied with the trail. He added spending $1 million for a bridge is far beyond any rational cost, and at this point is a pure luxury.

Council Member Murdock stated if the Heritage Bridge project is not completed the County will save at least $100,000 which can be used for other items on the Border to Border Trail.

Mr. Lange agreed.

Mayor Edmonds asked if the City decides not to move forward with the mid-block crossing, how will that will affect the City with future TAP would grant applications.

Mr. Lange replied the TAP grant would be used to fund the mid-block crossing and the tail of the trail. He stated if Council decides not to move forward with the bridge or the crosswalk it could still use the one DNR grant and one TAP grant for the other projects. He added if neither of the TAP grants were used it could raise a problem.

Economic Development Director Beth Ernat stated the City needs to do what it can without over taxing itself. She stated the trail absolutely needs to be done, the mid-block crossing could be completed with minimal out of pocket expense, but the bridge may prove to be more difficult.

Council Member Anne Brown asked what will happen to the DNR grant if the City chooses not to move forward with those projects.

Ms. Ernat responded a meeting is scheduled for Thursday, June 4th with a representative from DNR and MDOT, and she will be able to provide a better report on Tuesday, June 9th.

Council Member Murdock stated it is not unusual for communities to not move forward on projects with grants it applied for.

Ms. Ernat stated she does not think it is unusual, but the issue is the grant is 2.5 years old, and relations with DNR are not in the greatest standing. She added as long as the City does something with some of the grant funding it would be helpful in maintaining positive relations with DNR.

Council Member Murdock stated due to the interest in non-motorized transportation and traffic calming initiatives, the funds budgeted in the last budget that went unused should be moved forward for non-motorized initiatives.

Council Member Nicole Brown moved to extend the meeting until 11:00 p.m.

Council Member Vogt supported the motion.

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

Mayor Edmonds asked how essential underground electric is at the Water Street site.

Mr. Lange responded it is absolutely essential to the site. He stated the current electrical on the site runs right through Herman Kittle housing and the recreation center sites.

Mayor Edmonds asked if the underground electrical is essential at this time.

Mr. Lange replied yes, and stated he asked if it is possible to be done in phases, but it would add an additional $72,000 to the project.

Council Member Robb asked if the underground electric grid which was on the previous budget, was submitted to Council.

Mr. Lange relied it was not, negotiations have taken around six months.

Council Member Murdock asked if the County will still going to do Parsons St.

Mr. Lange replied yes.

Council Member Murdock asked if the underground grid will encompass the entire site.

Mr. Lange replied yes.

Council Member Murdock asked if Herman Kittle will be informing the City soon if it will be able to perform the work for the grid.

Mr. Lange replied yes.

Council Member Murdock asked if this will require another agreement.

Mr. Lange responded he does not think it would be required.

Council Member Murdock asked if Herman Kittle will be adding the electric grid into the brownfields plan.

Mr. Lange responded yes, that is the only way that it will work.

Council Member Murdock stated he thinks the underground electrical grid is important to the Water Street site, however he would prefer not to make that decision today.

Mr. Lange added the grid will be completed in a year after receiving payment.

Mayor Pro-Tem Richardson asked if the part-time police officer positions are cut, will that effect overtime levels.

Mr. Lange responded he thinks overtime levels will stay the same if a 32 officer is hired.

Council Member Murdock asked if the last column in the spreadsheet of the budget included the budget increases and decreases.

Ms. Uy responded yes.

Council Member Murdock stated $104,000 has been taken out of the budget for contractual services for building maintenance, and $25,000 for Janitorial service, and asked for an explanation on the impact of the budget cut.

Mr. Kirton responded the City has spent $2,000 a month for janitorial services, and it has recently bid out the contract, and they came in reasonably.

Mr. Lange stated in the original budget staff forecasted a higher amount for those services.

Mr. Kirton stated it is difficult to meet City ordinances for under $3,600 a month.

Council Member Murdock asked what department did the $28,000 in savings come from.

Ms. Uy replied the Planning Department will not be hiring a Planning Manager, and instead will replace it with Planner I.

Mr. Lange added the City really needs this position filled, and if filled the position will not be the entire year.

Council Member Murdock stated the Planning Department is a three position department: Planner I, Planner II, and the Planning Manager, and asked what needs to be done to fill these positions.

Ms. Ernat stated the City has been marketing the Community Development Manager for the better part of the last three months with little success. She stated when the City has had a possible prospect they were lost to another organization. She stated she suggested the City pull the position for the next six months, and increase interns to do daily work, or move forward without that position. She stated currently she would like to pursue a Planner I, Associate Planner as office support staff, and re-evaluate in six months.

Council Member Anne Brown asked if staff worked with either Community Development Advocates of Detroit (CDAD), or Community Economic Development Association of Michigan (CEDAM).

Ms. Ernat responded yes, as well as Michigan Municipal League. She stated the position was not filled because of lack of candidates, but from lack of quality candidates.

Council Member Murdock stated in the Clerk's Office there were additions to the budget, and he assumes that it was from the Presidential Primary election.

Ms. Uy replied correct.

Council Member Murdock stated in the last budget there was a wage increase and bonus for non-union employees, and asked if it is still intact.

Mr. Lange responded yes, there are 22 non-union employees that will receive a 2% raise and a $1,000 bonus. He added the exception is any employee recently hired, or any employee to receive a recent promotion.

Council Member Murdock asked why the energy efficiency account shows no revenue.

Ms. Uy responded every year during the June audit the savings are calculated, and any savings are added to the fund, and any expenses are subtracted.

Council Member Murdock stated the City's intern stock comes from either University of Michigan or Eastern Michigan University, and asked what the interns cost.

Mr. Lange responded $10.10 per hour is the base, and if they have gotten their Master's Degree then they are given another $2 an hour. He stated interns work roughly around 20 hours a week. He added the Historic District Commission Intern, a program in conjunction with EMU, does an exceptional job and they are hired as a permanent intern until they find full-time employment.

Council Member Murdock asked how much is spent on interns a year.

Account II Rheagan Basabica stated interns are paid around $12,000 to $15,000 per year.

## XV. <u>LIASON REPORTS</u> –

A. SEMCOG Update – General meeting will be on Thursday, June 25th at the Detroit Zoo, and will include a tour at 2 p.m. followed by the meeting at 3:30 p.m., and a reception at 6:00 p.m.

B. Washtenaw Area Transportation Study – Nothing to report
C. Washtenaw Metro Alliance – Nothing to report
D. Urban County – Nothing to report
E. Freight House – Nothing to report
F. Parks and Recreation – Stated she spoke with the Chairperson who will be meeting with DPS Director Kirton to discuss mowing schedule for each park. She stated last week three mowers were inoperable.

   DPS Director Kirton stated it is very unusual for DPS not to mow the park, but the equipment is close to being back in operation.

   Council Member Anne Brown stated Carrie Mattingly Park was mowed on Saturday.

G. Millennial Mayors Conference – Working on the Charter
H. Ypsilanti Downtown Development Authority – Nothing to report
I. Eastern Washtenaw Safety Alliance – Next meeting is on June 22nd.

   Mr. Lange stated the YCAT team received a commendation for a drug bust. Director of Homeland Security for Michigan, Colonel Peter C. Munoz was present during the last meeting.

   Mayor Pro-Tem Richardson stated Director Munoz will be present at the July meeting.

## XIV. <u>COUNCIL PROPOSED BUSINESS</u> –

<u>Robb</u>

- Stated staff needs to become more organized, if Council was provided with all materials prior to the meeting the meeting could have been half the time.

<u>Vogt</u>

- Stated 1404 Whitter was empty, and the water was shut-off and now it appears to be occupied.

  City Attorney Barr responded there is a search warrant for that property which will be executed this week.

  Council Member Vogt asked that he be included in any updates.

<u>Nicole Brown</u>

- Stated some of Council attended Ypsilanti Community High School's graduation and her brother graduated. She stated the school was very excited to have Council in attendance, and she would like to see Council attend graduations in the future.

<u>Anne Brown</u>

- Stated Council was invited by EMU's student government to hold a Council Meeting at EMU in October.

- Stated there is a house on Sherman St. that has become dilapidated, and asked that it be looked into.

- Stated the schools have asked for a larger participation from City Council. She stated one of the School Board Members had spoken with Economic Development Director Beth Ernat about a model used in Saginaw, and asked that a trip be planned to observe that model.

Murdock
- Stated he is in agreement with Mr. Robb that staff needs to become more organized with Council packet materials.

Richardson
- Thanked Mr. Kirton for mowing the grass at Parkridge Community Center.

- Stated there is a community meeting at Parkridge Community Center every Monday morning.

- Stated there is a new Social Work student from EMU working at Parkridge who lives at Normal Park. She stated she found it interesting that the individual spoke about how different things are handled on the north side of Michigan and the south side of Michigan Ave.

- Stated she attended a Board of Education meeting recently and stated she is glad Ypsilanti holds Closed Session either before the Regular Meeting or after the Regular Meeting. She reported that Maria Edwards asked that the Board and City Council come together for a meeting.

**XV. COMMUNICATIONS FROM THE MAYOR –**

- Apologized for her brief absence, and explained she and the Chief needed to secure a building that had been broken into so she would be able to sleep.

**XVI. COMMUNICATIONS FROM THE CITY MANAGER –**

- Stated correspondence was sent last week regarding Adam's Outdoor that has a lease with the City, and is 9 years in to the lease. He stated he is working with the attorney to move the sign of the business. He stated this would provide an extra revenue stream as well as provide the City the ability to sell the landfill.

**XVII. AUDIENCE PARTICIPATION –**

1. Mark Hergott, 111 Miles, stated when he moved back to Ypsilanti in 2010 the Municipal Corporation was ending, and now the City is doing everything it can to survive. He stated things are not as bad as they could have been, and that is

a commendation for all the work that Council and staff have accomplished. He stated he wanted Council to hear appreciation for all its work.

2. Rashid Atwater, student at Eastern Michigan University, stated he created the Society of Afrocology who go to Parkridge Community Center weekly to help community kids with reading and writing, and have had a tremendous effect. He stated he also works at SPARK East.

**XVIII. <u>REMARKS FROM THE MAYOR</u> –**

**Nominations:**

<u>Ypsilanti Downtown Development Authority</u>
Ben Harrington (appointment) Term Exp. 7/7/19
811 Washtenaw Ave. #4
Ypsilanti, MI 48197

**XIX. <u>ADJOURNMENT</u> -**

Resolution No. 2015-121, adjourning the City Council meeting.

**RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:**

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

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

On a voice vote, the motion carried and the meeting adjourned at 10:58 p.m.