APPROVED

CITY OF YPSILANTI
COUNCIL BUDGET SESSION AGENDA
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
THURSDAY, MAY 11, 2017
6:00 P.M.

I. CALL TO ORDER –

The meeting was called to order at 6:06 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	Present
Mayor Pro-Tem Brown	Present	Council Member Vogt	Present
Council Member Murdock	Present	Mayor Edmonds	Absent
Council Member Richardson	Present		

Council member Vogt moved, seconded by Council Member Bashert to excuse the absence of Mayor Edmonds.

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

III. INVOCATION –

Mayor Pro-Tem Brown 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 Richardson moved, seconded by Council Member Vogt to approve the agenda.

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

VI. AUDIENCE PARTICIPATION -

None

VII. REMARKS FROM THE MAYOR -

None

VIII. MOTIONS, RESOLUTIONS, DISCUSSIONS -

1. Resolution No. 2017-106, determining to submit the Water Street Debt Millage Initiatory Proposal to the electors of the City. (Attorney)

WHEREAS, the City of Ypsilanti, Michigan ("City") has previously issued various series of bonds to finance and refinance the costs relating to the land acquisition, environmental cleanup and public infrastructure in an area of the downtown referred to the Water Street Redevelopment Project; and

WHEREAS, the City's General Obligation Limited Tax Capital Improvement Refunding Bonds, Series 2016A (Taxable) (the "Bonds" are currently outstanding in the principal of amount of $7,405,000, payable through 2031; and

WHEREAS, the City is currently paying the debt service on the Bonds from its general fund and other sources; and

WHEREAS, the City Council has received an initiative petition by electors of the City of Ypsilanti, pursuant to City Charter section 2.15 et seq., requesting City Council to seek voter approval to pledge the City's unlimited tax full faith and credit for payment of the Bonds and to allow a millage to be levied to pay the debt service on the Bonds,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Ypsilanti, Michigan, in honor of said electors' initiative petition, as follows:

The following proposal be submitted to the qualified electors of the City at the election to be held August 8, 2017:

1. *WATER STREET DEBT MILLAGE PROPOSAL*

Shall the City of Ypsilanti be authorized to pledge its unlimited tax full faith and credit for payment of its Limited Tax General Obligation Refunding Bonds, Series 2016A (Taxable), which are outstanding in the principal amount of $7,405,000 payable through 2031, which were issued for the purpose of financing and refinancing capital improvement costs relating to the Water Street Redevelopment Project? The estimated millage to be levied in 2018 is 2.30 mills ($2.30 per $1,000 of taxable value) and the estimated simple average annual millage rate required to retire the bonds is 2.3 mills ($2.30 per $1,000 of taxable value).

2. The City Clerk is hereby authorized to cause the above proposal to be placed on the ballot at the election to be held on August 8, 2017.

3. The canvass and determination of votes of said question shall be made in accordance with the laws of the State of Michigan and the Charter of the City of Ypsilanti.

OFFERED BY: Council Member Bashert
SECONDED BY: Council Member Richardson

City Attorney Barr stated the resolution before only cleans up the language of the ballot proposal initially approved by Council.

On a roll call, the vote to approve Resolution No. 2017-106 was as follows:

Council Member Bashert	Yes	Council Member Robb	No
Mayor Pro-Tem Brown	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Council Member Richardson	Yes		

Vote:

Yes: 5 No: 1 Absent: 1 (Mayor Edmonds) Vote: Carried

2. Resolution No. 2017-100t, approving a Purchase Agreement with The Original and Only Thompson Block for the sale of City owned right-of-way around 400 N. River Rd. ***(Tabled 5/4/17)***

   WHEREAS, The City of Ypsilanti is interested in conveying its rights-of-way for the purpose of redevelopment of a historic building; and

   WHEREAS, the subject parcels are located on or about 400 N. River Street, ID#11-11-04-495-024; and

   WHEREAS, a purchase agreement has been created and outlines an access easement for a public sidewalk to be reserved, use restrictions on the property, the sale price of $1, and the reversion of the property if the development is not completed within five years; and

   WHEREAS, this redevelopment of the property known as the Thompson Block would not be historically accurate without the additional rights-of-way.

   NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that the City Council authorizes the Mayor and Clerk of the City of Ypsilanti to enter into the attached purchase agreement with the Original and Only Thompson Block, LLC, subject to the review and approval of the City Attorney.

OFFERED BY: Council Member Murdock
SECONDED BY: Council Member Richardson

Mr. Barr explained when this matter was first brought to Council a request was added that language be included in the agreement stating if the right-of-way be returned to the City it be in the same condition it was received, which is now included in the proposed contract.

On a roll call, the vote to approve Resolution No. 2017-100 was as follows:

Mayor Pro- Tem Brown	Yes	Council Member Vogt	Yes
Council Member Murdock	Yes	Mayor Edmonds	Absent
Council Member Richardson	Yes	Council Member Bashert	Yes
Council Member Robb	Yes		

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

IX. PRESENTATIONS OF DEPARTMENT BUDGETS –

General and Non General Fund Expenditures Review/Questions (FY2016-17 and FY 2017-18)

Joe Meyers, DDA Executive Director

- DDA Depot Town Fund (275) - Pages 241-246
- DDA Downtown Fund (413) - Pages 267-272

Community Development Director/DDA Director Joe Meyer provided an overview of the DDA's budget.

Council Member Richardson asked if the DDA will keep the planters on the median of Michigan. Mr. Meyers responded in the affirmative, and explained the planters will be much more vibrant than last year.

Council Member Bashert asked if there were enough garbage receptacles in order to avoid using the terracotta planters as trash bins. Mr. Meyers replied the terracotta planters were used as ashtrays rather than standard garbage. He explained they were not serving the purpose they were intended, they were inhibiting accessibility, and they became cost prohibitive.

Council Member Richardson asked what contractor the DDA uses for plantings. Mr. Meyers responded WH Cannon. Ms. Richardson stated they should be pushed for better displays. Mr. Meyers responded WH Cannon did not design the displays that was done by the DDA.

Council Member Bashert asked what will be planted this year that will be more colorful. Mr. Meyers responded he is not certain and will have more information once he speaks with the contractor.

Council Member Murdock asked what the DDA's purpose is. Mr. Meyers responded to better the downtown districts through enhancing the public areas. Mr. Murdock asked when the last public project completed by the DDA. Mr. Meyers responded the DDA considers the façade grant as an asset to clean-up the downtown. Mr. Murdock stated the DDA gives money to private interests. Mr. Meyers added the DDA also maintains the streetscape maintenance contract that beautifies the downtown and work to fund events. Mr. Murdock stated the administrative cost of implementing those tasks is 50% to 60%. He added the tax increment financing used to fund the DDA is supposed to be an adjunct to private investment to complete projects in the public sphere. He explained little of that has been performed lately by the Ypsilanti DDA. He asked if the DDA is still planning on bonding to assist in the financing of the train platform. Mr. Meyers responded that is a part of the intergovernmental agreement. He added current bond payments from projects in the past have made it difficult to budget for larger projects, however the DDA has committed grant matches to other projects in the City.

Council Member Murdock stated the City has granted several Obsolete Property Rehabilitation (OPRA) Grants throughout the years and when those expire the increase in taxes will be captured by the DDA TIF. He asked if the City has a schedule for when the OPRAs will expire. Mr. Meyers responded in the affirmative.

Council Member Richardson stated several years ago the DDA Director was very good a bringing projects to the City which marketed the City. These projects were done by grant and really got the people of the City excited, she asked if the DDA has any plans for similar projects. Mr. Meyers responded the DDA is always looking for projects to enhance the districts, but the grants available are very few and all require a match.

Council Member Murdock stated the bond for the downtown parking lot ends in 2024, and now need to be repaired. He asked if that project is in the long term plan. Mr. Meyer responded he does not have an answer, however the Board has not yet discussed that possibility.

Council Member Murdock stated at one time there were several projects planned for the West Cross District, such as the ally in the 700 Block, the Ballard St. Parking Lot a, or traffic calming methods on Cross. He asked if the DDA would still be interested in those projects. Mr. Meyers responded he believes there is still interest. He added the DDA is trying to get more interest from merchants in the West Cross District, and have received complaints they have been left out of discussions. He said the biggest concern of West Cross merchants is parking and are very much in support of rehabilitating the Ballard St. Lot, but it is not in the district. Mr. Murdock responded some time ago a resolution was proposed to put that lot in the West Cross District and extend the district past the water tower. Mr. Meyers responded he was unaware of a resolution, and not sure why there was not support for that expansion.

Beth Ernat, Director of Economic Development

- Building Inspection – Pages 144-145
- Building Ordinance Enforcement – Pages 146
- Planning and Development – Page 153-154
- Neighborhood Enterprise Zone – Page 155
- Water Street Activities - Page 156
- LSRRF Grant – Page 157
- Michigan Blight Elimination Program – Page 165
- Building Healthy Community-Come out and Play – Page 166
- Building Healthy Community-Walk With Ease – Page 167
- Building Healthy Community-Parks Improvements – Page 168
- CTAP Grant – Page 5169Historic District Commission – Page 58
- Capital Improvement Fund (414)-Water Street Infrastructure – Page 283
- Motorpool Fund (641)-Building – Page 340

Community Development Director/DDA Director Joe Meyer provided an overview of the Planning and Building Departments budgets.

Council Member Robb asked how much of Mr. Meyers time is spent on DDA activities. Mr. Meyers responded roughly 30%.

Council Member Bashert asked what happens with inspections when an inspector is away on Family Leave Act. Mr. Meyer responded the Building Department Manager also acts as an inspector and a new inspector was hired to complete inspections required for business licenses can fill in the void.

Council Member Murdock stated there was greater revenue projected for the new business license program, and asked why that was not achieved. Mr. Meyers responded as a result of the Department being down an inspector the full potential of the program was not realized. Council Member Robb stated when the October Budget amendments were made it was an estimated revenue, and asked when this program would begin to achieve projected revenues. Mr. Meyers responded he did not have that answer. Mr. Robb suggested removing that revenue from the budget. Mr. Meyer replied the program will be implemented in FY2017-18.

Stan Kirton, Department of Public Services Director

- Public Building Maintenance – Page 125
- Energy Efficiency/Conservation - Page 126
- Peninsular Dam – Page 127
- DPS Administration Page 148
- Parking Lots – Page 150
- DPS Utilities street Lighting – Page 151
- DPS Parks – Pages 152
- CDBG Tot Lot – Page 162
- Major Streets Fund – Pages 175-209
- Local Streets Fund – Pages 210-222

- Garbage Fund – Pages 223-231
- Sidewalk Fund (495) – Pages 325-329
- Motorpool DPS – Pages 335-336
- Environmental Services – Pages 339

Department of Public Services Director Stan Kirton provided an overview of the DPS budget.

Council Member Murdock asked what was done with the underground storage tanks this past year. Mr. Kirton responded the tanks at the DPS Yard were replaced.

Council Member stated the City is repairing Congress and Summit this year. Mr. Kirton responded in the affirmative. Mr. Murdock stated much of the financing is being provided by the Washtenaw Area Transportation Study (WATS), and asked if county funding would also be used for that project. Mr. Kirton responded in the affirmative.

Council Member Murdock asked what the project is for the Maus and Prospect intersection. Mr. Kirton responded ADA ramps and the intersection.

Council Member Murdock stated it appears the grade closures needed for the train platform went over the approved amount. DPS Office Manager Janice Beckett responded $20,000 over the estimations.

Council Member Richardson stated she recently drove down Cornell and was very impressed by the quality of the construction. Mr. Kirton responded it is much improved.

Council Member Bashert asked why there was such a high increase to recycling. Council Member Murdock responded because there is not a market for the materials. Mr. Murdock stated there has been discussion about forming a County facility.

Council Member Murdock asked if the relocation of the recycling center is included in the budget. Mr. Kirton responded no. Mr. Murdock asked if the City needs the center. Mr. Kirton responded the center services the apartments in the City. Mr. Murdock responded there are other ways they could be serviced.

Council Member Murdock stated the Motor Pool is an enterprise fund and each department that has vehicles pays into that fund. He said for some time replacement costs were being added to that fund, however, for several years the City was unable to achieve that goal. He asked what the plan is for replacement plan for City vehicles. Mr. McClary responded it is staff's intent to rebuild the fund and contributions have increased to do so.

Council Member Robb asked what the Full Time Employee (FTE) level is. Mr. McClary responded 91, but will be reducing to 89 in the next fiscal year. Mr. Robb asked how the number is developed that is applied to healthcare costs. Mr. McClary responded the current year's numbers and project out based on the estimated increase. Mr. Robb responded even though the City is aware of what the last six months will cost it is estimated there is no need to project. He stated he would like to see the budget as tight as possible and sees those funds as being spent on real things. He said when it is time to make budget amendments he would like to understand how to create better estimations than what was presented. Council Member Vogt stated he assumes the six months is in the next fiscal year. Fiscal Service Director Marilou Uy stated she will do some research on possible different projections. Accounting Supervisor Rheagen Basabica stated the 15% increase also include projected insurance claims. Mr. Robb asked for a list of all funds included in the General Fund.

Council Member Robb stated the City spends $75,000 on the DDA and it only collects $58,000 in revenue. He asked if that is something Council would still like to do. Council Member Vogt asked what Mr. Robb is including in the $75,000. Mr. Robb responded the prorated share of Mr. Meyers's salary, $30,000 in stipends, and $22,000 for the DDA Coordinator. Council Member Bashert stated she doesn't have enough context and it only creates more questions. She asked if the arrangement is changed this year could it negatively affect possible revenue in the future. Mr. Robb responded the contract states the DDA is to pay the City $58,000 regardless of its revenues. Mr. McClary added staff will prepare a breakdown of what the City pays for DDA and what the DDA pays to the City. Mr. Vogt agreed it is worth looking at, but he would need to reexamine the numbers. Council Member Murdock stated if the contract is eliminated there will be issue on how to fund the City's Planning Department. Mr. Robb stated so far the only departments to propose reductions to staff are Police and Fire. He asked should the City begin to decrease staff in the Planning Department. Ms. Bashert stated she would not agree to decrease staff in the Planning Department with potential projects. Mr. Robb stated the Planning Department increased staff to create development on Water Street but nothing has happened to date. He said these are difficult decisions and asked if any one department is sacrosanct. Ms. Bashert responded sometime staff cuts can eliminate potential revenue generators. Mr. Robb stated the only revenue generating departments in the City are Parking Enforcement, Ordinance Enforcement, and Building. Ms. Bashert stated there is indirect ways to produce revenue such as bringing a business to the City and creating tax revenue. Mr. Robb stated unless the business is large enough to collect personal property taxes or is a new construction it would not increase taxes. Mr. Murdock stated the DDA has a contract with the City to provide services that would be shifted to the City without the contract. Ms. Bashert stated why not amend the contract to tell the DDA it will only be provided $58,000 in staffing.

Council Member Murdock asked when collection of overdue fines will be discussed. Mr. McClary responded within the next couple of meetings.

IX. <u>AUDIENCE PARTICIPATION</u> –

None

X. <u>REMARKS FROM THE MAYOR</u> -

None

XI. <u>ADJOURNMENT -</u>

Resolution No. 2017-111, 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
SECONDED BY: Council Member Vogt

On a voice vote, the motion carried, and the meeting adjourned at 7:47 p.m.