



APPROVED

**CITY OF YPSILANTI
COUNCIL BUDGET SESSION MINUTES
COUNCIL CHAMBERS - ONE SOUTH HURON STREET
TUESDAY, MAY 16, 2017
6:00 P.M.**

I. CALL TO ORDER –

The meeting was called to order at 6:09 p.m.

II. ROLL CALL –

Council Member Bashert	Present	Council Member Robb	(6:46)	Present
Mayor Pro-Tem Brown	Present	Council Member Vogt		Present
Council Member Murdock	Absent	Mayor Edmonds		Present
Council Member Richardson	(7:54) Present			

Mayor Pro-Tem Brown moved, seconded by Council Member Vogt to excuse the absences of Council Members Murdock, Robb, and Richardson.

On a voice vote, the motion carried, and the absences were 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. AGENDA APPROVAL-

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

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

VI. AUDIENCE PARTICIPATION -

None

VII. REMARKS FROM THE MAYOR –

— Mayor Edmonds stated she was excited to be back after her trip abroad.

VIII. PUBLIC HEARINGS –

Ordinance 1288

1. An Ordinance to Repeal Article II of Chapter 114 "TAXICABS" of the Ypsilanti City Code and Replace with "LIMOUSINE, TAXICAB, AND TRANSPORTATION NETWORK COMPANY."

- A. Resolution No. 2017-112, determination.

RESOLUTION TO APPROVE an ordinance to Repeal Article I and II of Chapter 114 "Vehicles for Hire" of the Ypsilanti City Code and Replace with Limousine, Taxicab, and Transportation Network Company Ordinance

IT IS RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI that: An Ordinance entitled: An ordinance to Repeal Article I and II of Chapter 114 "Vehicles for Hire" of the Ypsilanti City Code and Replace with Limousine, Taxicab, and Transportation Network Company Ordinance, Be approved on first reading.

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Vogt

City Attorney John Barr stated the state has decided to take over the regulation of taxis and limousines. The resolution before Council removes City regulations from the Code of Ordinances.

Mayor Edmonds asked why the state decided to make this change. Mr. Barr responded he cannot provide a definitive answer but he feels the state wants to limit local government. Ms. Edmonds asked if it might have something to do with ride sharing businesses. Mr. Barr responded that it is possibility.

- B. Open public hearing.

None

- C. Resolution No. 2017-113, close public hearing.

That the public hearing for an ordinance to Repeal Article I and II of Chapter 114 "Vehicles for Hire" of the Ypsilanti City Code and Replace with Limousine, Taxicab, and Transportation Network Company Ordinance be officially closed.

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Vogt

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

On a roll call, the vote to approve Resolution No. 2017-112 was as follows:

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

VOTE:

YES: 4 NO: 0 ABSENT: 3 (Murdock, Richardson, Robb) VOTE: Carried

2. Resolution approving a Specially Designated Merchant License for Cool Holdings Inc., at 207 W. Michigan Ave.

- A. Resolution No. 2017-113A, determination.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, Cool Holdings LLC. has applied to the City of Ypsilanti and Michigan Liquor Control Commission requesting the following:

Adding a Specially Designated Merchant Liquor License, as defined by MCL 436.1111(13), is a business licensed to sell, at retail, beer and wine in the original package for consumption off the premises, and Sunday sales at 207 W. Michigan Ave, Ypsilanti, MI 48197, Washtenaw County; and

WHEREAS, a public hearing to consider the proposed Specially Designated Merchant was duly noticed and held on May 16, 2017.

NOW, THEREFORE, BE IT RESOLVED THAT the request of Cool Holdings LLC for the property located at 207 W. Michigan Ave. be approved.

OFFERED BY: Council Member Bashert
SECONDED BY: Mayor Pro-Tem Brown

Mayor Edmonds asked what the difference is between their current license and the license applied. Community Development Director/DDA Manager Joe Meyers responded the current license does not allow them to brew beer on site and this will give them that certification.

- B. Open public hearing.
- C. Resolution No. 2017-113B, close public hearing.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the public hearing to consider the proposed additional classification of "Specially Designated Merchant with Sunday Sales" for Cool Holdings LLC be officially closed.

OFFERED BY: Council Member Bashert
SECONDED BY: Mayor Pro-Tem Brown

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

On a roll call, the vote to approve Resolution No. 2017-113A was as follows:

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

VOTE:

YES: 4 NO: 0 ABSENT: 3 (Murdock, Richardson, Robb) VOTE: Carried

IX. MOTIONS, RESOLUTIONS, DISCUSSIONS -

1. Resolution No. 2017-114, approving minutes of April 4th, April 18th, April 27th, and May 4th, 2017. (Clerk)

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

THAT the minutes of April 4th, April 18th, April 27th, and May 4th, 2017 be approved.

OFFERED BY: Council Member Vogt

SECONDED BY: Mayor Pro-Tem Brown

On a voice vote, the motion carried, and Resolution No. 2017-114 was approved.

2. Resolution No. 2017-115, rescinding Resolution No. 2017-084, the homestead certificate resolution for 705 Franklin, and adopt a new facility certificate resolution, and approving . (Community Development)

RESOLUTION APPROVING AN APPLICATION FOR A NEIGHBORHOOD ENTERPRIZE ZONE NEW CERTIFICATE FOR CHARLES RICHMOND LOCATED AT 705 FRANKLIN ST, YPSILANTI MI

WHEREAS, the City Council of the City of Ypsilanti established a Neighborhood Enterprise Zone on April 16, 2016 as required under PA 147 of 1992 after a public hearing held on April 16, 2016; and

WHEREAS, the homeowner Charles Richmond is not delinquent on any taxes related to the home, and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Ypsilanti Be and hereby is granted a Neighborhood Enterprise Zone new facility Exemption for property located at 705 Franklin Street, Ypsilanti MI 48197 for a period of 15 years, beginning December 31, 2017, and ending December 30, 2032, pursuant to the provisions of PA 147 of 1992, as amended.

OFFERED BY: Council Member Bashert

SECONDED BY: Mayor Pro-Tem Brown

On a roll call, the vote to approve Resolution No. 2017-115 was as follows:

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

VOTE:

YES: 4 NO: 0 ABSENT: 3 (Murdock, Richardson, Robb) VOTE: Carried

3. Resolution No. 2017-116, recognizing July as Park and Recreation Month in the City of Ypsilanti. (Community Development)

RESOLUTION DESIGNATING JULY AS PARK AND RECREATION MONTH IN THE CITY OF YPSILANTI

WHEREAS parks and recreation programs are an integral part of communities throughout this country, including the City of Ypsilanti; and

WHEREAS our parks and recreation programs are vitally important to establishing and maintaining the quality of life in the Ypsilanti

Community and ensuring the health of all citizens, and contributing to the economic and environmental well-being of the community and region; and

WHEREAS parks and recreation programs build healthy, active communities that aid in the prevention of chronic disease, provide therapeutic recreation services for those who are mentally or physically disabled, and also improve the mental and emotional health of all citizens; and

WHEREAS parks and recreation programs increase the community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS parks and recreation areas are fundamental to the environmental well-being of our community; and

WHEREAS parks and natural recreation areas improve water quality, protect groundwater, prevent flooding, improve the quality of the air we breathe, provide vegetative buffers to development, and produce habitat for wildlife; and

WHEREAS our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS the U.S. House of Representatives has designated July as Parks and Recreation Month; and

WHEREAS the City of Ypsilanti recognizes the benefits derived from parks and recreation resources

NOW THEREFORE, BE IT RESOLVED BY City of Ypsilanti City Council that July is recognized as Park and Recreation Month in the City of Ypsilanti.

OFFERED BY: Mayor Pro-Tem Brown
SECONDED BY: Council Member Vogt

On a roll call, the vote to approve Resolution No. 2017-116 was as follows:

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

VOTE:

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

X. PRESENTATIONS OF DEPARTMENT BUDGETS –

General Fund Revenues and Non-General Funds Expenditures Review/Questions (FY 2016-2017 and FY 2017-2018)

Marilou Uy, Fiscal Services Director

- Finance – Pages 118-119
- Assessing – Page 123
- Friends Groups (Senior Center, Nutrition Services & Parkridge Community Center, PCC Foundation, Recreation-Swimming Pool) Pages 158-161, 163-164
- Vacation & Sick Payout– Page 171
- MTT and Chargebacks – Page 172
- Transfer and Contributions – Page 173
- General Obligation and Water Sewer Bonds
 - G.O. Bonds – Pages 247 – 259, 300 - 303
 - W&S Bonds – Pages 260 - 261, 292 - 295, 298 - 299, 304 - 324
 - DDA 2004A Bonds (473) Pages 296 - 297
- Economic Development Corporation (415) – Pages 287 -291
- Public Transit Fund (588) – Pages 330 – 332
- Workers’ Compensation Fund (677) – Pages 342 - 348
- Fire & Police Pension Fund (732) – Pages 349 - 354
- Retirees’ Benefits Fund (736) – Pages 355 - 360
- Motorpool Replacement Schedule and Cash Flow (641) – Pages 333 – 341

Fiscal Service Director Marilou Uy provided an overview of the City’s budget.

Mayor Edmonds asked if it would make sense financially for the City to employ an in house Assessor. Ms. Uy responded the cost have been compared and to hire an in house Assessor it would be more expensive.

Council Member Bashert asked type of assurance payment would be made the City received from Mr. Barfield. Mr. Barr responded the contract was Mr. Barfield will establish a fund of \$200,000 with the Ann Arbor Area Community Foundation. He also agreed to contribute \$11,000 to the City a year to begin this year. Ms. Bashert asked if the City invoices Mr. Barfield for the \$11,000, or wait passively until payment is made. Mr. Barr responded he does not have that information. Ms. Bashert asked who does have that information. Ms. Uy replied the City could send Mr. Barfield an invoice if that is the directive of Council.

Mayor Edmonds stated the City is not contributing very much to either the Senior Center or Rutherford Pool in terms of operating costs while contributing \$48,000 to Parkridge. Ms. Uy responded in the affirmative.

Council Member Bashert asked why the police and fire vacation and sick payout so much higher than the other departments. Ms. Uy responded those department accumulate a lot of vacation and sick time that needs to be paid once they retire. Mayor Edmonds asked if that is a contract issue. Mr. McClary responded in the affirmative, and said that is going to be addressed in the current negotiations.

Council Member Bashert asked if the Administrative Hearings Bureau has case management software. City Clerk McMullan responded no. Ms. Bashert asked how the bureau is being recorded. Mr. McMullan responded with the use of excel spreadsheets. Ms. Bashert asked if the software would help for collections. Ms. McMullan responded no.

Mayor Pro-Tem Brown asked if the police body cameras were proposed to be discontinued in FY2017-18. Ms. Uy responded in the affirmative. Council Member Bashert voiced concerns about discontinuing that program. Ms. Brown agreed.

Mayor Edmonds asked the City Manager to contact DTE and ask if the agreement for infrastructure for Water Street was still in effect.

Council Member Bashert asked why the budget for insurance premium has increased so much higher than last year. Ms. Uy responded the City is no longer self-insured and the premium is to be paid to Michigan Municipal League.

Darwin D. P. McClary, City Manager

- Administration Pages 116
- Community Services Page 117
- Attorney-Personnel Litigation Page 130
- Human Resources – Page 131
- Unemployment – Page 171
- Wrap-up

City Manager Darwin McClary provided an overview of the City Manager and Human Resources budgets.

Mayor Edmonds asked if there is funding for additional memberships and dues for employee training. Mr. McClary responded in the affirmative.

Council Member Robb asked for an explanation of how to calculate six months of healthcare costs. Ms. Uy responded the COBRA rate sent was guidelines used to budget the actual expenditure. Mr. Robb asked what the number is used to calculate the expenditure for the second half of the year. Ms. Uy responded in the affirmative.

John Kaczor, Municipal Analytics, LLC

- Five year projection July 1, 2017 to June 30, 2023

Mayor Edmonds asked what the projected amount of mandated state revenue sharing that has not been allocated in years. Mr. Kaczor responded he is not certain of that amount. Ms. Edmonds stated she believes the amount is around \$1.2 million a year. Mr. McClary responded not quite that much, but over the past thirteen years the City has lost a total of \$8.2 million in revenue sharing as of 2016. Mr. Kaczor asked if that includes fire protection payments. Mr. McClary responded that does not include the payments for fire protection. Council Member Bashert stated that is the lowest amount for the shortfall she has heard. \$10.2 million is the amount she was told but that could include fire protection.

Council Member Bashert for clarification of Mr. Kaczor estimated 10% and staffs estimated 15% increase in healthcare costs. Mr. Kaczor responded because his projections go five years he does not want to compound 15% increases each year. Council Member Robb stated healthcare costs decreased 1% last year and over the past five years have only increased 6.25%. He said he feels this budget puts funds into this account that do not need to be there.

Mr. McClary stated when the original budget was prepared the only a \$66,000 deficit remained, and since there have been capital needs placed back into the budget. Those capital projects include the storage tanks at the Police and Fire Departments in the amount of almost \$170,000. This creates a budgetary shortfall of around \$270,000. He explained he can identify onetime costs to eliminate from the budget that will cover that shortfall.

Council Member Robb stated the fee schedule is not posted on the City's website and asked for that schedule in order to propose raising fees. He asked for an explanation of how revenues were forecasted for the building department.

IX. AUDIENCE PARTICIPATION –

1. Segrid Melvin, 401 W. Michigan Ave, asked how much funding the City will receive as a part of the 2020 Census. She stated things have improved at the Towne Center, except the Center's gardens have been taken by Growing Hope. People are pulling

plants that were but in by residents of the Towne Center. She asked the City Attorney what would be legal. She explained the residents have paid a membership to Growing Hope to plant in the gardens and management is not getting involved in the disagreement.

Mr. McClary stated the City Attorney provides legal advice to City Council and Department Heads. The City Attorney does not provide legal advice to the public and needs to be careful not to do that.

2. Dave Burger, SEMCOG, stated the City is a member of SEMCOG and five years ago a Fiscal Operational Assessment was completed for the City. The assessment was completed to try to assist in efficiency of operations and reduce cost. The City has requested a similar assessment be completed now to help to narrow the budgetary deficit it is experiencing.
3. Adam Gainsley, 409 N. Adams, stated he is representing Citizens for Ypsi working toward passing the Water Street Debt Millage. He said there is a lot of work ahead with only a few months to complete it. He said the organization needs everything from web development to people knocking on doors. He looks forward to working with everyone over the next couple of months.
4. Spencer Collins, owner of 836 N. Mansfield, stated his tenant received a snow violation and wanted to contest the \$50 administration fee for the abatement. He was told he was lucky to avoid paying the judgment fines for not winning his case. He said the Administration Hearings Bureau Officer asked the Ordinance Officer what should be done and was told the case should be dismissed if the fine was paid. He asked if it was true if he presented a case and lost he would have had to pay an extra \$250.

City Clerk McMullan responded it is true if a person loses a case they would be required to pay court costs. Mr. Collins stated he is appalled the City would charge those fines.

XI. REMARKS FROM THE MAYOR –

— Thanked all those who spoke.

XII. CLOSED SESSION –

Resolution No. 2017-117, to approve convening into closed session pursuant to Section 8(c) of the Michigan Open Meetings Act, Public Act 267 of 1976, being MCL 15.268(c), for the purpose of strategy sessions connected with the negotiation of the IAFF, COAM, POAM, and AFSCME contracts.

RESOLVED BY THE COUNCIL OF THE CITY OF YPSILANTI:

WHEREAS, the collective bargaining agreements for all four of the City of Ypsilanti's bargaining units expire on June 30, 2017; and

WHEREAS, it is necessary for the City Council and city administration to meet and confer in closed session on collective bargaining strategy prior to engaging in contract negotiations;

NOW THEREFORE BE IT RESOLVED BY THE CITY OF YPSILANTI that the City Council does hereby approve convening into closed session pursuant to Section 8(c) of the Michigan Open Meetings Act, Public Act 267 of 1976, being MCL 15.268(c), for the purpose of strategy sessions

connected with the negotiation of the AFSCME, POAM, and COAM contracts.

OFFERED BY: Council Member Robb

SECONDED BY: Council Member Vogt

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

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

VOTE:

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

XI. ADJOURNMENT -

Resolution No. 2017-118, 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 Robb

SECONDED BY: Council Member Bashert

On a voice vote, the motion carried, and the meeting adjourned at 8:00 p.m.