

**CHARTER TOWNSHIP OF YPSILANTI
MINUTES OF THE AUGUST 27, 2012 WORK SESSION**

The meeting was called to order by Supervisor Brenda L. Stumbo at approximately 5:30 p.m. in the Ypsilanti Township Civic Center Board Room, 7200 S. Huron River Drive, Ypsilanti Township.

Members Present: Supervisor Brenda L. Stumbo, Clerk Karen Lovejoy Roe, Treasurer Larry Doe, Trustees Stan Eldridge, Mike Martin and Scott Martin

Members Absent: Trustee Jean Hall Currie

Legal Counsel: Wm. Douglas Winters

1. PRESENTATION OF FINANCIAL STATEMENTS – ALAN PANTER

Alan Panter, CPA, Abraham & Gaffney, provided a brief overview of the Audit Report and Review of the General Fund Balance Sheet, Revenues & Expenditures for 2011 (see attached).

2. PROPOSED PAVING OF SENATE AND COLLEGEWOOD

Clerk Lovejoy Roe gave a brief review of the project and said the Washtenaw County Road Commission no longer does any maintenance. She explained the Road Commission wanted residents to petition the homeowners. She said if there was support by homeowners, the improvements could be done with the road bond funds.

The Board agreed to move forward.

3. ADDENDUM TO 99-YEAR GROUND LEASE AGREEMENT BETWEEN YPSILANTI TOWNSHIP AND EASTERN MICHIGAN UNIVERSITY

Leigh Greden, Executive Director of Government and Community Relations at EMU, explained there would be a request coming forward to do an addendum to the 99-year lease.

Roy Wilbanks, Chair of the EMU Board of Regents, provided a brief overview of the background history of the funding resources for the golf course and conference center. He said those had included several grants as well as private support, including General Motors, Ford Motor Company and Chrysler. Mr. Wilbanks said the Department of Natural Resources Trust Fund Grant of 1.2 million dollars was used to purchase the land. He said EMU did a bonding project for three million allowing for the construction of the golf course and conference center. He shared there was also a small cities grant of \$150,000 and a federal grant of two million.

Mr. Wilbanks said EMU was currently collaborating with the Marriott Hotel to change the scope of the project. He said the University was losing a significant amount of money and needed to resolve this issue. EMU was seeking to be a part of the Marriottgolf.com site in an attempt to promote the golf course. He said the addendum change would allow them to make construction changes to the course in order to qualify for the Marriottgolf.com site and become self-supporting and would remain open to the public, with reduced rates for Ypsilanti Township residents.

**CHARTER TOWNSHIP OF YPSILANTI
AUGUST 27, 2012 WORK SESSION MINUTES
PAGE 2**

Supervisor Stumbo questioned if construction would only be to the golf course. Mr. Wilbanks said that was correct.

Attorney Winters stated there was a 5-year Master Plan to improve several holes a year. The addendum would provide the necessary checks & balances. The lease should be ready by next meeting.

Mr. Greden said 1,258 trees had been planted since the course was built.

Trustee Eldridge thanked Attorney Winters and Mr. Wilbanks for all their work.

REVIEW AGENDA

Supervisor Stumbo briefly reviewed the agenda:

TRUSTEE REPORT

Trustee Scott Martin thanked Mike Saranen for all his efforts maintaining the lake.

ATTORNEY REPORT

A. 1034 MAPLEWOOD, 1269 LESTER, 1292 CLARITA, 1345 RAMBLING AND 1095 JONES

Attorney Winters provided a brief background concerning 1034 Maplewood. He said this was one of the worst public nuisances encountered thus far. He commended Belfour for the work they did to remediate this property. Attorney Winters said Child Protective Services was also called regarding a 10 year old child and the Humane Society was going to bring charges regarding animal cruelty.

Ron Fulton, Building Director said he just learned there was a mortgage of \$150,000 in addition to the \$5,600 due the Township for the clean-up on the Maplewood property. The bank was willing to consider writing the mortgage off with a Quit Claim to Habitat if the owner was willing to do the same. Mr. Fulton said that at this point the owner was interested in rehabilitating it instead and must decide before Judge Connors next week.

Supervisor Stumbo said she understood the water had been off at that address for a year. Mr. Fulton responded that it had been off for a year and a half. She then asked if there was any way to find out that type of information before things got to this point. There was some discussion on the proper way get this accomplished.

Ron Fulton further reviewed the deplorable conditions of the properties located at 1269 Lester, 1292 Clarita, 1345 Rambling and 1095 Jones.

Attorney Winters gave a brief report on each of these addresses as well.

Mr. Fulton reported that two of the properties were pending for Habitat for Humanity to take over.

B. 1397 CRESTWOOD

Attorney Winters provided a brief overview regarding the odor problem due to the cultivation of marijuana at this property.

**CHARTER TOWNSHIP OF YPSILANTI
AUGUST 27, 2012 WORK SESSION MINUTES
PAGE 3**

Mike Radzik, OCS Director reported there was a grow operation at the home which had a hazardous and offensive odor, to the point of causing illness to one or more neighbors. He explained the state law and the township zoning law does permit those registered as medical marijuana patients to grow up to twelve plants for personal use. He continued that those registered as care-givers were permitted to grow up to sixty plants to provide for five patients but our zoning laws do not permit that. The Sheriff's Department and federal agents had been in contact but no one had been able to determine the exact number of plants grown at this property. Mr. Radzik explained that we were left to deal with the violation of the zoning law. He said it had been verified that a District Court order to cease those emissions had been ignored, therefore making it necessary to seek to abate this through the Circuit Court, for which we were requesting authorization.

C. GENERAL LEGAL UPDATE

Attorney Winters reported moving forward with demolishing of the mobile home parks on Harris Road and E. Michigan Ave.

Attorney Winters said the Board needed to decide how to move forward with the problems at yet another David Kircher property.

Mike Radzik provided a brief overview of the deplorable conditions at the Riley Court apartments, which had resulted in his staff moving forward to seek administrative authorization to deal with those problems permanently. He said there had been nine Notice of Violations recently issued.

Ronald Fulton added that he and Bill Elling had gone into additional units and found additional violations in all of them.

Clerk Lovejoy Roe asked if there was something that could be done to legally help tenants facing issues and property owners such as this that were afraid of retaliation by their landlords.

NEW BUSINESS

1. Budget Amendment #6

Clerk Lovejoy Roe briefly explained the amendments.

2. Benefit Package Change

Supervisor Stumbo briefly explained the change and Karen Wallin explained it was a reduced monthly premium.

3. Resolution No. 2012-12

Supervisor Stumbo said the change would limit when fireworks could be displayed.

4. Ordinance No. 2012-42 – Sewer Rate Increase

Jeff Castro, Interim Director of YCUA proved of brief explanation of the increase.

5. HUD Grant

Clerk Lovejoy Roe provided a brief overview regarding the grant for the Re-Imagine project.

Joe Lawson gave a short explanation of the financial breakdown and the planning firm's work.

6. WCRC Sixth Agreement

Supervisor Stumbo briefly explained the agreement and that Barrett Paving which was located on the same street had offered to pay \$20,000 of the cost of this project.

7. Resolution No. 2012-22

**CHARTER TOWNSHIP OF YPSILANTI
AUGUST 27, 2012 WORK SESSION MINUTES
PAGE 4**

Joe Lawson, Planning Director said the resolution gave the Board final approval of the Master Plan revision.

ADJOURNMENT

The meeting adjourned at approximately 6:55 p.m.

Respectfully submitted,

Karen Lovejoy Roe, Clerk

YPSILANTI CHARTER TOWNSHIP

AUDIT PRESENTATION

DECEMBER 31, 2011

I INTRODUCTION

II BASIC FINANCIAL STATEMENTS

- A. Independent Auditor's Report (Pg. i-ii)
- B. Basic Financial Statements (Pgs. 1-21)
 - 1. Governmental Funds Balance Sheet (Pgs. 3-4)
 - 2. Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

III COMMENTS AND RECOMMENDATIONS

IV QUESTIONS

V CONCLUSION

Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

3511 Coolidge Road
Suite 100
East Lansing, MI 48823
(517) 351-6836
FAX: (517) 351-6837

INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Charter Township of Ypsilanti
Washtenaw County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Ypsilanti, Michigan, as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Ypsilanti as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2012, on our consideration of Charter Township of Ypsilanti's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Ypsilanti's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

As discussed in Note O, during the year the Township implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As a result of this implementation, fund balance classifications in the governmental fund financial statements have been changed to reflect the five new classifications under GASB Statement No. 54.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

June 27, 2012

Charter Township of Ypsilanti

Governmental Funds

BALANCE SHEET

December 31, 2011

	<u>General Fund</u>	<u>Fire Department</u>	<u>Environmental Services</u>
ASSETS			
Cash and cash equivalents	\$ 14,414,167	\$ 2,082,676	\$ 3,418,627
Restricted cash	141,324	-	-
Receivables			
Accounts	771,675	650,185	687
Taxes	7,687,460	3,596	1,126
Special assessments	1,003,097	-	-
Due from other funds	235,680	-	115
Due from other governmental units	785,832	-	-
Inventories	73,118	-	-
Prepays	53,846	47,997	3,043
	<u>\$ 25,166,199</u>	<u>\$ 2,784,454</u>	<u>\$ 3,423,598</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 483,025	\$ 14,201	\$ 178,547
Accrued payroll	63,759	85,126	8,763
Accrued liabilities	22,873	-	-
Due to other funds	2,920	88,253	4,827
Due to other governmental units	667	-	-
Deferred revenue	17,131,946	-	-
	17,705,190	187,580	192,137
FUND BALANCES			
Nonspendable	204,248	47,997	3,043
Restricted	250,000	2,383,886	3,141,398
Committed	-	-	-
Assigned	4,997,493	164,991	87,020
Unassigned	2,009,268	-	-
	<u>7,461,009</u>	<u>2,596,874</u>	<u>3,231,461</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 25,166,199</u></u>	<u><u>\$ 2,784,454</u></u>	<u><u>\$ 3,423,598</u></u>

26⁸⁷⁰ Fund Balance

See accompanying notes to the financial statements.

Charter Township of Ypsilanti

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended December 31, 2011

	<u>General Fund</u>	<u>Fire Department</u>	<u>Environmental Services</u>
REVENUES			
Taxes	\$ 2,067,748	\$ 4,311,058	\$ 2,275,404
Licenses and permits	25,303	755	-
Intergovernmental	4,581,102	23,582	-
Charges for services	937,637	2,263	9,438
Interest and rents	329,098	5,944	8,754
Other	165,440	63,963	2,434
TOTAL REVENUES	8,106,328	4,407,565	2,296,030
EXPENDITURES			
Current			
General government	3,902,366	-	-
Public safety	-	5,092,832	-
Public works	438,274	-	2,602,941
Community and economic development	161,260	-	-
Recreation and culture	597,475	-	-
Other	1,591,269	-	-
Capital outlay	766,704	13,812	-
Debt service	18,541	-	-
TOTAL EXPENDITURES	7,475,889	5,106,644	2,602,941
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	630,439	(699,079)	(306,911)
OTHER FINANCING SOURCES (USES)			
Transfers in	524	-	-
Transfers out	(207,530)	-	-
EXTRAORDINARY ITEM			
Legal settlement	(732,927)	-	-
TOTAL OTHER FINANCING SOURCES (USES) AND EXTRAORDINARY ITEM	(939,933)	-0-	-0-
NET CHANGE IN FUND BALANCES	(309,494)	(699,079)	(306,911)
Restated fund balances, beginning of year	7,770,503	3,295,953	3,538,372
Fund balances, end of year	\$ 7,461,009	\$ 2,596,874	\$ 3,231,461

See accompanying notes to the financial statements.