

CHARTER TOWNSHIP OF YPSILANTI
MINUTES FOR THE Tuesday, August 21, 2018 WORK SESSION

Supervisor Stumbo called the meeting to order at approximately 5:00p.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, Heather Jarrell Roe, Monica Ross-Williams and Jimmie Wilson, Jr. arrived late

Members Absent: none

Legal Counsel: Wm. Douglas Winters

2017 FINANCIAL AUDIT REVIEW.....RANA EMMONS, PSLZ

Rana Emmons explained the Charter Township of Ypsilanti audited financial statement for the fiscal year ended December 31, 2017. She said she had a very good report. She explained the general fund revenue was up 1.1%. Ms. Emmons said state shared revenue was up 7.7% in 2017. She said we received \$348,000.00 more in state shared revenue this year than in 2016. She acknowledged Attorney Winters for facilitating receiving the \$1.1 million dollar settlement from Nexus, \$700,000.00 from Monarch Towers, and from the American Center for Mobility an additional \$300,000.00, which all went into the General Fund. She said the Board made good decisions in paying down the debt for the Seaver Farm with some of that income. Ms. Emmons stated \$1.316 million was added to the General Fund Balance this year. She said the ending balance in the General Fund was \$6.7 million but \$4 million was earmarked for special projects and improvements within the Township. She said the other funds mostly broke even but there were about three small funds that were negative but that was minor. She said the Building Department activity increased \$200,000.00 in 2017. Ms. Emmons said we spent \$940,000.00 less in expenses then what was projected for 2017. She said \$250,000.00 were capital projects where not all the dollars allocated for the projects was spent. She said the Township was very frugal with their spending and it was not one expenditure it was just being mindful when spending in all departments. She said the Townships' wages and operating expenses have stayed steady. She said we paid down debt an additional \$800,000.00 and there was no

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new debt. Ms. Emmons stated that the Township had very good investment income in 2017. She said the market was up from 2016.

Trustee Eldridge asked to go back to the three funds that were a bit of concern. Ms. Emmons said she did not say they were a concern but that they were negative. She said expenditures exceeded revenue in those three funds. She said it was the Recreation Fund, Building Rental Inspection Fund, the Environmental Services Fund, and the Golf Course Fund. She said they transferred money into the Golf Course Fund so that fund broke even. She said they were not significant dollar amounts that were negative. Ms. Emmons said Environmental Services was over by \$77,375.00. Supervisor Stumbo said they did a budget amendment to accommodate for that. Trustee Eldridge asked if a fund was only breaking even or losing money when should you become concerned. Ms. Emmons stated that it would depend if it were operational expenses that was causing it to go negative. She said the biggest operational expenses would be salaries and fringe benefits. Ms. Emmons said there was no magic number of years it would be what was comfortable for you. Supervisor Stumbo asked what department was concerning Trustee Eldridge. He stated that these funds have been operating in the negative most of the 10 years he has been on the board. He said maybe those funds would never generate revenue. Supervisor Stumbo asked if he was talking about the Golf Course and he said he was talking about Recreation and Golf, any funds that were losing money was a concern. Supervisor Stumbo stated they transfer money from the BS&R II fund, which is the Bike Path, Sidewalk, and Recreation fund to help fund those. Ms. Emmons stated we were negative \$6,200.00 in Recreation and she considers that breaking even. Ms. Emmons stated it would be a Board decision during budget time to decide to continue to fund it. Clerk Lovejoy Roe stated we had some major expenditures at the Golf Course in 2017 and if you put the depreciation together that pretty much covers the \$200,000.00. She said for accounting purposes you do not do that but if it was losing money over and above that then we should be concerned. Ms. Emmons said the Golf Course and Compost Center are enterprise funds and the debt was rolled into those funds where the debt was not rolled into the other funds. Trustee Eldridge stated he was not going after a certain fund but wondered why those were enterprise funds and if they show a deficit for a certain number of years should they come out of an enterprise fund. Ms. Emmons stated that establishing an enterprise fund means that the

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township intends to use the rates that we charge to meet or exceed our operation expenses. She said if you purchase a piece of equipment it would be put into fixed assets and we would depreciate it. She said if you think that an enterprise fund would never stand on its' own then you would think about classifying it as a special revenue fund and you would continue to fund it. She said that as long as it does not use millage money you could designate it as an enterprise fund.

Supervisor Stumbo stated we try to stay between 10%-20% in the Fund Balance and asked how we ended this year. Ms. Emmons stated the Charter Township of Ypsilanti looks at their funds throughout the year and has no surprises. She said this year was a very challenging year and would like to express a special thank you to Kristi Troy who picked up the ball and ran with it this year. She said Kristi had to learn about property taxes and it was like having to learn a new language and she did a great job.

AGENDA REVIEW.....SUPERVISOR STUMBO

NEW BUSINESS

**2. 1st READING OF ORDINANCE 2018-480, AN ORDINANCE TO AMEND
CHAPTER 62, ARTICLE IV, SECTION 62-76 OF THE CODE OF ORDINANCES,
CHARTER TOWNSHIP OF YPSILANTI, TO ADJUST WATER RATES**

Jeff Castro, YCUA Director, stated that at the regular meeting on August 22, 2018 the YCUA Board of Commissioners would consider the water and sewer modification to the current rate structure. He said under the new rate structure the minimum use charge will be replaced with a readiness to serve charge. Mr. Castro said the proposed readiness to serve charge rate structure is more economical for our customers. He said the readiness to serve charge rate structure had become the main rate method for utilities while the minimum use charge method was being phased out. He said the current rate structure dates back to the 1970's. He said YCUA was requesting the Boards' consideration for a change in ordinances to modify the current rate structure that would take effect October 1, 2018. Mr. Castro stated a draft of these three ordinances was included in the packet. He said he anticipates that the YCUA Board of Commissioners would

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consider the recommendation to the Board of Trustees to modify the current minimum use structure and replace it with the readiness to service charge at their meeting on August 22, 2018. He said currently if someone used one unit of water the charge would be \$59.41 but with the new readiness to serve structure for one unit of water the charge would be \$36.38. He said if residents use 12 units of water on the current plan they would pay \$94.94 and on the new plan they would pay \$100.34. Mr. Castro stated one unit of water equals 748 gallons. He said for every 748 gallons of water a customer would pay \$3.23.

Trustee Jarrell Roe said she spoke with Mr. Castro and he said about 25% of YCUA customers use less than six units of water.

Trustee Ross-Williams asked what the average use for residents in Ypsilanti Township was. Mr. Castro stated the average was 10-12 units every two months.

Trustee Eldridge said that about 78% of residents would see an increase in their water bill and Mr. Castro confirmed that, but said some would only be a minor increase.

Treasurer Doe stated that 78% would pay more now but 13% have been paying more for over 40 years. Trustee Eldridge asked what other areas were using this new system. Mr. Castro stated that both Saline and Canton were using the readiness to serve charge.

Trustee Jarrell Roe stated Ypsilanti Township helps residents pay their water bill when they are not able to do so.

Supervisor Stumbo stated the new structure promotes the right rate for all residents so they only pay for what they use. Mr. Cooperwasser from Tetra Tech, stated about 50%-75% of communities in Michigan were using the readiness to serve structure.

Clerk Lovejoy Roe stated she supports the change since it would help the residents' who have struggled to pay and only used the minimum. She said it would also help with conservation since everyone pays for their own usage.

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Trustee Ross-Williams said she was concerned for the 78% of residents who would pay more and not understand the change. Mr. Castro stated they would be sending a letter to all residents explaining the change.

CONSENT AGENDA

A. MINUTES OF THE JUNE 17, 2018 WORK SESSION, CLOSED AND REGULAR MEETING AND THE JULY 24, 2018 SPECIAL MEETING

B. STATEMENTS AND CHECKS

- 1. STATEMENTS AND CHECKS FOR AUGUST 7, 2018 IN THE AMOUNT OF \$1,776.651.95**
- 2. STATEMENTS AND CHECKS FOR AUGUST 21, 2018 IN THE AMOUNT OF \$970,718.10**
- 3. CLARITY HEALTH CARE DEDUCTIBLE ACH EFT FOR JULY 2018 IN THE AMOUNT OF \$44,494.00**
- 4. CLARITY HEALTH CARE ADMIN FEE JULY 2018 IN THE AMOUNT OF \$1,096.50**

C. JUNE 2018 TREASURER'S REPORT

Supervisor Stumbo stated she would like to thank Kristi Troy for her quick study, helping with the audit and tax collection during the difficult past year.

ATTORNEY REPORT

- A. GENERAL LEGAL UPDATE (to be given at the Regular Meeting)**

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OLD BUSINESS

- 1. 2nd READING OF RESOLUTION 2018-18, PROPOSED ORDINANCE 2018-479,
AN ORDINANCE AMENDING THE CHARTER TOWNSHIP OF YPSILANTI'S
CODE OF ORDINANCES, CHAPTER 46 TOWNSHIP PARKS, SECTION 61
(FIRST READING HELD AT THE JULY 17, 2018 REGULAR MEETING)**

Supervisor Stumbo stated the state law changed allowing air and gas soft guns or paint ball guns to be carried in township parks but our Ordinance prohibits them from being discharged in the township parks.

- 2. RESOLUTION 2018-21, ESTABLISH TOWNSHIP SUPERVISOR'S SALARY
(TABLED AT THE July 17, 2018 REGULAR MEETING)**
- 3. RESOLUTION 2018-22, ESTABLISH TOWNSHIP CLERK'S SALARY
(TABLED AT THE JULY 17, 2018 REGULAR MEETING)**
- 4. RESOLUTION 2018-23, ESTABLISH TOWNSHIP TREASURER'S SALARY
(TABLED AT THE July 17, 2018 REGULAR MEETING)**

Treasurer Doe stated he was the reason the Salary Resolutions were tabled at the last meeting. He said we are one of the top ten townships in the State of Michigan based on their population. He passed out a break down on other municipalities' salaries in the top ten. He said the Supervisor makes \$79,400.00, which is the same salary as the Clerk and Treasurer, but the average wage on this handout was \$100,000.00 for the Supervisor. He said he then took out the highest salary and lowest salary and the average came out to about \$96,000.00. Treasurer Doe recommended that we give the Supervisor a larger raise to at least \$85,000.00 or \$86,000.00. Treasurer Doe would like to form a commission that would look at all the salaries and give a recommendation to the board on what they all should be making.

Supervisor Stumbo stated she was not comfortable being present for this discussion. (She left for part of discussion)

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Trustee Jarrell Roe asked Treasurer Doe if he looked at the Clerk and Treasurer wages for the top ten Townships. Treasurer Doe responded he felt he got a fair wage for what he does. He said that looking at the other top 10 supervisors he believes the supervisor is under paid. Trustee Jarrell Roe stated that she believes over the last year Treasurer Doe had worked harder than anyone. Treasurer Doe said he was a delegator and he delegates. He stated he was fortunate to have Kristi Troy as his Deputy and as you have heard tonight, she has done an excellent job. Trustee Jarrell Roe stated she believes in solidarity among the three full time officials no matter who they are because its' about the positions and not the persons. She said she knows how hard Supervisor Stumbo works and if she had her way she would double all the salaries of the Full Time Officials.

Trustee Jarrell Roe asked Treasurer Doe when she looked back on our budget and the Treasurer reports and she realized we had lower revenues and wondered if that was a concern. Treasurer Doe stated the Treasurers' Report currently reflects money that was taken out for the Schools and Library. He said we do not start collecting money from taxes for the Township until December. He said it appears that our accounts are depleted but those dollars will be replaced in December when we start receiving the revenues from the winter taxes. He said the money collected now must be turned over within 7 days to the schools and the library. Treasurer Doe stated that in all the top 10 townships in Michigan their Supervisors make larger salaries than our Supervisor.

Trustee Eldridge said he would oppose a compensation committee because the people elected us and wages should be determined by the seven of us. He said he was not opposed to an increase but an appropriate time would be in November when we were looking at the budget.

Trustee Ross-Williams stated she concurred with Trustee Eldridge. She said she agrees with Treasurer Doe that someone who had 24/7 responsibilities should make a higher salary.

Clerk Lovejoy Roe stated that when she was Supervisor she recommended not having a hierarchical board and making the three positions equal as they shared in decision-making. She said she did some research when Larry told her what he

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wanted to propose. Clerk Lovejoy Roe stated that Ypsilanti Township Elected Officials salaries were right at the 50 percentile of all townships with comparable taxable values. She said 25% of all three elected officials were paid more and 25% were paid less. She said the Big 10 was based on population and we are the sixth largest. She said most all the wages for the Elected Officials were based on the taxable value (SEV), on the revenue of the townships. She said when you have the recession as we did all the officials may have to work harder to keep the organization together. She said all of them including the employees shared in that sacrifice with the increased workload. Clerk Lovejoy Roe said that although our SEV dropped our population has grown. She said that previously we always got the same percent the union employees received.

Treasurer Doe said he believed that the Supervisor should have her salary raised now but if the board would want to wait for the budget he would abide by that.

Supervisor Stumbo thanked Treasurer Doe for his kind words and appreciated what he said but she agrees with the 3% increase now and discussing the rest during the budget in December. She said we talked about a compensation committee for a long time and it would be more independent, it would not be political, it would not be personal and when you do that, you can reject the recommendation or accept it. She said she could see why a compensation committee was used in other communities.

Trustee Wilson, Jr. stated that he agreed with different points from everyone but solidarity is a little misconstrued. He said solidarity came when previous boards chose not to take an increase because their employees did not get an increase or you were taking a 3% raise because your employees received 3%. He said solidarity was not necessarily the three officials having the same salary because the face of every organization is paid a little more even in labor unions. He said he did not think it was wrong to give an increase to the Supervisor because whoever the Supervisor was they were the face of the organization and they should be compensated more. He said he would be fine with waiting until the budget but he does believe the Supervisor should be paid more. Trustee Wilson said he was not in agreement with the compensation committee and he said this board could handle

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it. He said he would also like to see the data for the Treasurer and Clerk salaries from the Big 10 townships.

NEW BUSINESS

1. BUDGET AMENDMENT #12

Clerk Lovejoy Roe explained Budget Amendment #12.

2. 1ST READING OF ORDINANCE 2018-480, AN ORDINANCE TO AMEND CHAPTER 62, ARTICLE IV, SECTION 62-76 OF THE CODE OF ORDINANCES, CHARTER TOWNSHIP OF YPSILANTI, TO ADJUST WATER SERVICE RATES.

Jeff Castro, YCUA Director explained the three ordinances were not for a rate increase because the rate structure was revenue neutral. He said the three ordinances were the (RTS) rate structure for the water, (RTS) rate structure for the sewer, and the surcharge which was being removed but it was being incorporated into the (RTS) commodity rate. He said a 2% sewer increase and a 0% water increase were going to be incorporated in the old water rate. Mr. Castro stated that if they had not come with the ready to serve program there would have been a 2% sewer increase and a 0% water increase.

Supervisor Stumbo asked if the increase on the water would be a certain percentage when you put all the numbers together and its' all incorporated in the three ordinances. Mr. Castro said yes that it would be a 0% increase for water and a 2% increase for sewer. Trustee Eldridge stated it would not be an increase in YCUA's revenue but for 78% of the residents it would be an increase. Mr. Castro confirmed that but stated they would get the information out to residents.

Trustee Jarrell Roe, Trustee Eldridge, and Trustee Ross-Williams shared suggestions for Mr. Castro when explaining the changes to residents to make it easier for residents to understand the change.

Supervisor Stumbo suggested Mr. Castro bring a draft letter to the next board meeting. Mr. Castro said he would. Supervisor Stumbo stated this was the first

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reading so there was time for Mr. Castro to bring to the board a clearer explanation of the changes. She said changing to the ready to serve structure was the right thing to do because residents would only pay for what they use.

- 3. 1st READING OF ORDINANCE 2018-481, AN ORDINANCE TO AMEND CHAPTER 62, ARTICLE IV, SECTION 62-77 OF THE CODE OF ORDINANCES, CHARTER TOWNSHIP OF YPSILANTI, TO ADJUST SEWAGE DISPOSAL RATES**
- 4. 1st READING OF ORDINANCE 2018-482, AN ORDINANCE TO REPEAL CHAPTER 62, ARTICLE IV, SECTION 62-79(K) OF THE CHARTER TOWNSHIP OF YPSILANTI CODE OF ORDINANCES**
- 5. REQUEST APPROVAL OF PROPOSAL FROM OHM FOR PROFESSIONAL ENGINEERING DESIGN SERVICES FOR A BUS STOP AT SCHOONER COVE BLVD. AND S. HURON RIVER DR. IN THE AMOUNT OF \$14,330.00 BUDGETED IN LINE ITEM #101-970-000-974-100 CONTINGENT UPON THE FOLLOWING CONDITIONS:**
 - 1. APPROVAL OF THE WASHTENAW COUNTY ROAD COMMISSION**
 - 2. OBTAINING EASEMENTS**
 - 3. APPROVAL OF THE WASHTENAW COUNTY OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT**
 - 4. APPROVAL OF TOWNSHIP ATTORNEY**

Supervisor Stumbo stated CDBG funds would be used to pay for this bus stop. Trustee Jarrell Roe and Trustee Ross-Williams questioned other areas in the Township that may qualify for bus shelters.

Trustee Eldridge asked why we were using CDBG funds and why this was not covered by the millage for AAATA. Supervisor Stumbo and Clerk Lovejoy Roe stated bus shelters were not included in the millage.

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- 6. REQUEST OF WAYNE DUDLEY, PUBLIC SERVICES SUPERINTENDENT FOR APPROVAL OF A CHANGE ORDER WITH TECHNICAL ENVIRONMENTAL SERVICES FOR SOIL REMEDIATION DURING THE FUEL TANK REMOVAL AT THE CIVIC CENTER IN THE AMOUNT OF \$2,453.89 BUDGETED IN LINE ITEM #101-265-000-931-020**

- 7. REQUEST OF WAYNE DUDLEY, PUBLIC SERVICES SUPERINTENDENT TO ACCEPT A DONATION IN AN AMOUNT NOT TO EXCEED \$2,400.00 FROM THE STRICOF FAMILY FOUNDATION FOR THE INSTALLATION OF WINDSCREENS AT THE FORD LAKE PARK PICKLEBALL COURTS AND TO WAIVE THE FINANCIAL POLICY AND ACCEPT THE QUOTE FROM ALL COURT FABRICS IN THE AMOUNT OF \$2,400.00 FOR THE WINDSCREENS BUDGETED IN LINE ITEM #212-212-000-977-000**

Wayne Dudley, Public Service Superintendent stated the family would donate the money once the Board approves it. Mr. Dudley said then we would use the quote from the vendor that they have used in other communities. He said we would use our staff to install it with the Pickle Ball Associations' help.

- 8. REQUEST OF MICHAEL SARANEN, HYDRO OPERATIONS FOR APPROVAL OF CHANGE ORDER #2 FROM JAMES LEFFEL AND COMPANY FOR ADDITIONAL WORK ON GENERATOR #2 IN THE AMOUNT OF \$47,760.00 BUDGETED IN LINE ITEM #252-252-000-977-000**

- 9. REQUEST OF MICHAEL RADZIK, OCS DIRECTOR FOR APPROVAL OF THE AUTHORIZING DOCUMENT FOR CONVERSION SERVICES WITH THE STATE OF MICHIGAN RECORDS MANAGEMENT SERVICES AND GRAPHIC SCIENCES, INC. TO \$73,000.00 BUDGETED IN LINE ITEM #249-249-000-801-000**

Mike Radzik, OCS Director explained the volumes of files that would be converted into digital format. He said Graphic Sciences, Inc. would convert the old files into digital. He said they were the company that was approved by the State of Michigan to do this conversion. Mr. Radzik stated the company would come in and box all

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the files up and transport them to their facility. He said it was estimated that it would take them two to three days to box up the files which would be in 300-400 boxes and would take them about 10 weeks to complete. Mr. Radzik said that during that time if a document was needed from those files, we would contact them and they would send us a copy of what we needed. Mr. Radzik stated he would like to make his request contingent upon successful completion of the test files. He said he sent them a sample of about 30-40 files which we expected back by now and they called yesterday and said they ran into a glitch, they didn't realize we were one of few departments that have color photos and that makes a difference in how they do it. Mr. Radzik said this would not affect the cost but it would affect the file size.

Attorney Winters asked if it would be possible for them to take some of the boxes at a time so all the files would not be taken away at the same time in case there were a catastrophe such as a fire, all our files would not be destroyed. Mr. Radzik said they would take them in 50 box increments.

Clerk Lovejoy Roe suggested Mr. Radzik have the documents put on the silver CDs'. She said they did that when they converted the files in the Clerks' Office and she suggested they have two sets of CDs' made.

Work session adjourned at 7:01 p.m.

Respectfully Submitted,

Karen Lovejoy Roe, Clerk