

**PUBLIC HEARING AND BUDGET WORKING SESSION -
MAY 10, 1993**

The public hearing and budget working session of the Ann Arbor City Council was called to order at 7:11 p.m. in the City Hall Council Chamber by Mayor Ingrid B. Sheldon.

ROLL CALL OF COUNCIL

PRESENT: Councilmembers Larry Hunter, Peter Fink, Jane Lumm, Robert C. Grady, Ulrich Stoll, Peter Nicolas, Julie Creal, Thais Anne Peterson, David F. Stead, Mayor Ingrid B. Sheldon, 10.

ABSENT : Councilmember Tobi Hanna-Davies, 1.

PUBLIC HEARINGS

1993-94 CITY OF ANN ARBOR BUDGET

A public hearing was conducted on the proposed 1993-94 City of Ann Arbor Budget. Notice of public hearing was published May 3, 1993.

There being no one to speak the Chair declared the hearing closed.

PROPERTY TAXES INCREASE ("TRUTH IN TAXATION")

A public hearing was conducted on the proposed increase of 1.0504 mills in the 1993 operating tax millage rate above the Truth in Taxation rate of 14.9071 mills. The City of Ann Arbor has complete authority to establish the number of mills to be levied from within its authorized millage rate. The operating tax rate for 1992 was 15.546 mills. The proposed operating tax rate for 1993 is 15.9575 mills which is a proposed increase of 1.0504 mills. However, because of the "Truth in Taxation" requirement (P.A. 75 of 1991) a rate of 14.9071 mills would be required under the law compared to the proposed rate of 15.9575 mills which can be adopted by the City Council after a public hearing. If adopted, the proposed additional millage will increase operating revenues from ad valorem property taxes by 7.05%. Notice of public hearing was published May 3, 1993.

There being no one to speak the Chair declared the hearing closed.

BUILDING DEPARTMENT FEE INCREASES

A public hearing was conducted on the proposed City Building Department fee increases. (Proposed fees on file in the City Clerk's Office). Notice of public hearing was published May 3, 1993.

There being no one to speak the Chair declared the hearing closed.

1993-94 BUDGET REVIEW

The following City department heads and staff presented overviews of their 1993-94 budget highlights and answered questions from Council. Also available for questions were City Administrator Alfred Gatta, Budget Director Alan Burns, and Assistant to the Administrator Jeff White.

ANN ARBOR TRANSPORTATION AUTHORITY

Ann Arbor Transportation Executive Director Michael Bolton introduced AATA Board Chairperson Rosemarion Blake, AATA Board Treasurer Dorothy Walker, and AATA Controller Thomas Pope.

Mr. Bolton addressed Council's concerns regarding AATA's request to authorize the City to collect the Authority's full millage, subject to Headlee. He reported that AATA has not collected its full millage since 1982, and that the Board authorized a 25% fare increase as well as an 8% reduction in service before making the millage request.

Mr. Bolton stated that while federal and state funding (45% of AATA's operating budget) has become increasingly uncertain, AATA is experiencing increased costs from federal mandates and for responsibilities under the Ann Arbor Transportation Plan Update. He explained that due to these funding constraints and costly mandates, the AATA Board is requesting the full millage in order to provide the funding required for the responsible operation of the Authority.

("Ann Arbor Transportation Authority TDP Make-Up "89/96" on file in the City Clerk's Office)

BUILDING

Building Director Jack Donaldson reviewed the Building Department's six major functions: Administration, Central Permit Desk, Plan Review, Construction Inspection, Housing Inspection, and Secretarial Services for Boards of Appeals.

Mr. Donaldson reported that the Building Department's budget highlights include: a 2.5% reduction from the current budget, transfer of a staff position funded by the Water Supply Fund to the Utilities Department, the construction inspection supervisor position to be left vacant, recovery of approximately \$73,500 over initial projections from fee increases, and recovery of 80% of the department's operating costs based on projected revenues.

COMMUNITY DEVELOPMENT

Community Development Director Eileen Ryan introduced CDBG Executive Committee Chairperson Jean Robinson, and staff members: Kathleen Muscato, Acting Fiscal and Administrative Manager; Larry Friedman, Housing Services Manager; and Merrill Crockett, Acting Human Services and Economic Development Manager.

Ms. Ryan explained that the reorganization of the Community Development Department, into the Administrative and Housing Services divisions, was a response to federal regulations as well as an attempt to utilize the staff more flexibly. Budget highlights include: an \$18,000 reduction from the current budget, \$813,000 funding from general funds, an 11% increase in the CDBG entitlement, payment of HOME funds for administrative costs, increased monitoring of the human services agencies, and continued work with Washtenaw County and non-profit agencies for housing development partnership arrangements.

FINANCE/DEBT SERVICE/RETIREMENT SYSTEM

Finance Director Dean Moore introduced the Finance Department division managers: David Gould, Chief Assessor; James Rushton, City Assessor; Steven Hendel, Chief Accountant; Daniel Cullen, Risk Manager; Brenda Smith, City Treasurer; and Dorothy Erby, Pension Coordinator.

Mr. Moore reviewed the functions of each division and reported on the following major projects for the next fiscal year: upgrading the payroll computer system and OASIS tax assessment system, rebidding insurance coverage, exploring ways to reduce health care insurance costs, implementing software for claims administration, and streamlining administrative procedures.

Chief Accountant Hendel reviewed the debt service fund and Finance Director Moore presented an overview of the retirement system, which has assets of over \$200,000,000.

PLANNING

Planning Director Karen Hart reviewed the functions of the Planning Department which include preparing and implementing the City Master Plan, preparing the Capital Improvements Plan, and administration of special projects such as annexation issues.

Ms. Hart reported that the proposed budget was slightly under target, in spite of absorbing \$11,000 in advertising costs transferred from the City Clerk's Office. Budget highlights include: no fee increases, \$57,000 in revenues, an increase for Planning Commission and staff training, and consulting services to review the City Code for affordable housing disincentives. Major goals for the next fiscal year include: completion of the West Area Plan, continued participation in the Parks and Open Space Plan Update and the Utilities Department facilities master planning, participation in the Fuller/Geddes Corridor Study, and beginning the overhaul of the Capital Improvements Projects process.

COMMUNICATIONS FROM THE MAYOR

COMMITTEE OF THE WHOLE MEETING

Mayor Sheldon announced that a Committee of the Whole meeting is scheduled for 7:00 p.m., May 11, in the City Hall Council Workroom, to discuss the 1993-94 Budget.

MEETING WITH VA HOSPITAL REPRESENTATIVE

Mayor Sheldon invited new Councilmembers to attend a meeting at 3:00 p.m., May 14, with Dr. Jacobs of the VA Hospital who will review the VA hospital site plan and answer any questions concerning the expansion.

CLEAN-UP DOWNTOWN

The Mayor reminded Councilmembers to meet at 8:00 a.m. on May 8 in the City Hall parking lot for "Clean-Up Downtown" activities.

ADJOURNMENT

There being no further business to come before Council, the Chair declared the meeting adjourned at 11:17 p.m.

Janet L. Chapin
Acting Clerk of the Council
Recording Secretary