

**REGULAR SESSION - MAY 26, 1993
CONTINUED FROM MAY 17, 1993**

The regular session of the Ann Arbor City Council was reconvened at 5:57 p.m. by Mayor Ingrid B. Sheldon.

ROLL CALL OF COUNCIL

Present: Councilmembers Larry Hunter, Tobi Hanna-Davies, Peter Fink, Jane Lumm, Robert Grady, Ulrich Stoll, Peter Nicolas, Julie Creal, Thais Anne Peterson, David Stead, Mayor Ingrid B. Sheldon, 11

Absent: 0

MOTIONS AND RESOLUTIONS

DEFEATED

**RESOLUTION TO AUTHORIZE APPLICATION FOR AND ACCEPTANCE OF
FEDERAL EMERGENCY MANAGEMENT AGENCY GRANT FUNDS FOR
THE ANN ARBOR OFFICE OF DISASTER PREPAREDNESS AND
TO AUTHORIZE THE EXPENDITURE OF UNBUDGETED GENERAL
FUNDS TO PURCHASE A KAVOURIS WEATHER MONITORING
SYSTEM FOR THE ANN ARBOR EMERGENCY OPERATIONS
CENTER (\$30,000)**

Whereas, The Federal Emergency Management Agency has made the Ann Arbor Office of Disaster Preparedness aware of the potential availability of a 50% reimbursement grant;

Whereas, The approval requires that these funds be expended for the purchase of a Kavouris weather monitoring system for the Ann Arbor Emergency Operations Center;

Whereas, The Ann Arbor Emergency Operations Center is the primary radio control point for the severe weather SKYWARN spotter system in Washtenaw County;

Whereas, The Ann Arbor Emergency Operations Center is the designated secondary Emergency Operations Center for the Washtenaw County Office of Emergency Management which is equipped with a Kavouris weather monitoring system; and

Whereas, It has been determined by the Disaster Preparedness Coordinator for the City of Ann Arbor that the purchase and installation of the Kavouris weather monitoring system is beneficial for the timely monitoring and warning of the citizens of Ann Arbor of severe weather conditions that may impact them;

RESOLVED, That the Ann Arbor City Council authorizes the City Administrator to

apply for a 50% reimbursement grant from the Federal Emergency Management Agency for the purchase and installation of a Kavouris weather monitoring system for the Ann Arbor Emergency Operations Center;

RESOLVED, That if the grant is approved that funds not to exceed \$30,000 are authorized and appropriated from the current unbudgeted General Fund balance to pay for the initial purchase and installation of the Kavouris system;

RESOLVED, That monies received as reimbursement from the FEMA grant will be returned to the unbudgeted General Fund balance; and

RESOLVED, That the City Administrator is authorized to take all administrative actions necessary to implement these actions.

Police Department Budget Account Number: 010-031-0140-5130

Councilmember Hunter moved that the resolution be approved.

On a voice vote, the Chair declared the motion defeated with all dissenting except Councilmember Hunter.

R-222-5-93 APPROVED AS AMENDED

RESOLUTION TO ADOPT ANN ARBOR CITY BUDGET
RELATED PROPERTY TAX MILLAGE RATES AND
RELATED BUILDING DEPARTMENT FEE INCREASES
FOR FISCAL YEAR 1993-1994

Councilmember Hunter moved that the resolution be approved.

Councilmember Nicolas moved that a substitute resolution be approved. The proposed substitute resolution contained the following changes:

<u>Revenues:</u>	<u>Proposed</u>	<u>Revised</u>
Property Taxes————— (All of the rest stay the same)	\$40,416,290	<u>\$38,956,596</u>

RESOLVED, That the following shall be levied for the City of Ann Arbor for the Fiscal Year 1993-94 if Proposal "A" on the June 2nd State Ballot is defeated by the voters:

	<u>Proposed</u>	<u>Revised</u>
General Operating	6.4515	<u>6.2467</u>
Employee Benefits	2.1505	<u>1.7621</u>
(The rest remain the same)		

RESOLVED, That the following shall be levied for the City of Ann Arbor for the Fiscal Year 1993-94 if Proposal "A" on the June 2nd State Ballot is passed by the voters:

	<u>Proposed</u>	<u>Revised</u>
General Operating	6.6375	<u>6.4269</u>
Employee Benefits	2.2125	<u>1.8131</u>
(The rest remain the same)		

add:

RESOLVED, that the City Council shall support a 5-year plan to increase the pension and benefits millage from that adopted for the 1993-94 fiscal year by .1 mill per year until the millage reaches the Headlee maximum or the amount necessary to fund the pension and benefits fund at the actuarial recommended level including the cost of administration, health and life insurance, and social security which ever is lower; and

RESOLVED, that the City Council recognizes the difficult financial situation the City is experiencing because of various tax relief measures and high burden of taxes on the general citizenry, and that the administrator take an appropriate bargaining position to reflect this situation with city unions for labor contracts beginning July 1, 1993.

On roll call the vote was as follows: Yeas, Councilmembers Fink, Lumm, Nicolas, Creal, 4
Nays, Councilmembers Hunter, Hanna-Davies, Grady, Stoll, Peterson, Stead, Mayor Sheldon, 7

The Chair declared the motion defeated.

Councilmember Fink moved that the resolution be amended by adding the following paragraph as follows:

RESOLVED, that the City Council shall support a 5-year plan to increase the pension and benefits millage from that adopted by the 1993-94 Fiscal Year by .1 mill per year until the millage reaches the Headlee maximum or the amount necessary to fund the pension and benefits fund at the actuarial recommended level including the cost of administration, health and life insurance, and social security which ever is lower;

On roll call the vote was as follows: Yeas, Councilmembers Grady, Stoll, Nicolas, Creal,

Peterson, Stead, Hunter, Hanna-Davies, Fink, Lumm, Mayor Sheldon, 11
Nays, 0

The Chair declared the motion carried.

Councilmember Stead moved that the resolution be amended as follows:

Delete from General Fund Expenditures - Non-Departmental:

Contingency/Pay Increases	\$ -120,000
Contingency/Tax Appeals	\$ -26,494
Other Non-Departmental (City-Center Building Rents)	\$ -50,000

and correspondingly reduce the total operating millage, for a total reduction of
\$196,494.

On roll call the vote was as follows: Yeas, Councilmembers Stoll, Nicolas, Creal, Peterson, Stead, Hunter, Hanna-Davies, Fink, Lumm, Grady, Mayor Sheldon, 11
Nays, 0

The Chair declared the motion carried.

Councilmember Stead moved that the resolution be amended by reducing the Solid Waste Millage by .0752 mills (or -\$185,000), and to replace that revenue with Solid Waste surplus funds.

Councilmember Nicolas moved to add to Councilmember Stead's motion the following language:

RESOLVED, That the city administration be directed to examine ways to reduce staffing expenditures in the Solid Waste Department over the next 2 years to reflect reduced funding;

On roll call the vote was as follows: Yeas, Councilmembers Nicolas, Creal, Fink, Lumm, Mayor Sheldon, 5
Nays, Councilmembers Peterson, Stead, Hunter, Hanna-Davies, Grady, Stoll, 6

The Chair declared the motion defeated.

The question under consideration is the amendment proposed by Councilmember Stead.

On roll call the vote was as follows: Yeas, Councilmembers Creal, Peterson, Stead, Hunter, Hanna-Davies, Fink, Lumm, Grady, Stoll, Nicolas, Mayor Sheldon, 11
Nays, 0

The Chair declared the motion carried.

RECESSED

Council recessed at 7:48 p.m. and reconvened at 8:04 p.m.

Councilmember Stead moved that the Parks Department Expenditures - Contingency Budget be reduced by \$51,462 and that the General Operating Millage be adjusted accordingly.

On roll call the vote was as follows: Yeas, Councilmembers Peterson, Stead, Hunter, Hanna-Davies, Fink, Lumm, Stoll, Nicolas, Creal, Mayor Sheldon, 10
Nays, Councilmember Grady, 1

The Chair declared the motion carried.

Councilmember Stead moved that the General Operating Funds be increased by a sum of \$10,000 to be appropriated to the Community Events Fund.

Councilmember Fink moved that the motion be deferred to the end of the budget considerations.

On roll call on the motion to table, the vote was as follows: Yeas, Councilmembers Fink, Lumm, 2
Nays, Councilmembers Stead, Hunter, Hanna-Davies, Grady, Stoll, Nicolas, Peterson, Stead, 8
Absent for the vote, Councilmember Creal, 1

The Chair declared the motion defeated.

The question under consideration is the motion by Councilmember Stead that \$10,000 be appropriated to the Community Events Fund.

On roll call the vote was as follows: Yeas, Councilmembers Hunter, Hanna-Davies, Grady, Stoll, Nicolas, Creal, Peterson, Stead, Mayor Sheldon, 9
Nays, Councilmembers Fink, Lumm, 2

The Chair declared the motion carried.

Councilmember Stead moved that the Street Repair millage be increased by .0752 to last year's total of 16.660 mills and to transfer that amount of approximately \$185,000 to Street

Repair.

Councilmember Lumm moved that the motion be deferred to the end of the budget considerations until anticipated action on larger appropriations and deficit spending in the budget is taken.

On roll call on the motion to defer, the vote was as follows: Yeas, Councilmembers Fink, Lumm, 2

Nays, Councilmembers Hanna-Davies, Stoll, Nicolas, Creal, Peterson, Stead, Mayor Sheldon, 7

Absent for the Vote: Councilmembers Hunter, Grady, 2

The Chair declared the motion defeated.

The question under consideration is Councilmember Stead's motion regarding appropriation to the Street Repair Fund.

On roll call the vote was as follows: Yeas, Councilmembers Grady, Stoll, Creal, Peterson, Stead, Hunter, Hanna-Davies, Mayor Sheldon, 8

Nays, Councilmembers Fink, Lumm, Nicolas, 4

The Chair declared the motion carried.

Councilmember Nicolas moved that the budget be amended by reducing the General Fund Balance appropriation by \$31,000 with the elimination of 1 vacant auto mechanic position.

On roll call the vote was as follows: Yeas, Councilmembers Lumm, Nicolas, Creal, Fink, Mayor Sheldon, 5

Nays, councilmembers Grady, Stoll, Stead, Hunter, Hanna-Davies, 5

Absent for the vote: Councilmember Peterson, 1

The Chair declared the motion defeated.

Councilmember Lumm moved the following amendment to the resolution:

Whereas, City Council is committed to the City's providing services to Ann Arbor residents at the least possible cost and minimum tax burden; and

Whereas, City Council remains committed to providing its citizens with an acceptable level of essential services;

Whereas, The City must retain adequate general fund surpluses to meet unexpected adverse events and maintain its bond ratings, and

that reaching such balance of services and tax levels should not continually be achieved by depletion of those surpluses;

Whereas, City Council does not support the budget as submitted, which results in a property tax increase above inflation for the average homeowner, and utilization of \$1.4 million of general fund surplus;

Whereas, City Council recognizes that the majority of the City's expenditures are personnel costs and that significant long-term reductions in spending likely will be achieved only through reductions in personnel costs; and

Whereas, City Council also believes that essential services can be maintained with moderate reductions in City staffing levels;

RESOLVED, That effective July 1, 1993, and until such time as the FTE count is at least 10 fewer than year end 1992/93, the City of Ann Arbor shall cease hiring new employees to fill vacancies created by any existing employee's voluntary termination (i.e., attrition), and that any position resulting from this attrition for which the Administrator wishes to hire a new employee shall be first approved by Council and, in no case, shall the Administrator recommend or the Council approve a hiring that results in an FTE count more than year end 1992/93 minus 10;

RESOLVED, That the City Administrator is authorized to transfer employees across departments as necessary and allowed by labor contracts to balance any disproportionate effects of this action;

RESOLVED, That monetary savings that result from this action are used to reduce the projected \$1.4 million general fund surplus usage; and

RESOLVED, That this policy shall be in effect until such time as the FTE count is at least 10 fewer than year end 1992/93.

On roll call the vote was as follows: Yeas, Councilmembers Nicolas, Creal, Fink, Lumm, Mayor Sheldon, 5

Nays, Councilmembers Grady, Stoll, Peterson, Stead, Hunter, Hanna-Davies, 6

The Chair declared the motion defeated.

Councilmember Nicolas moved that the resolution be amended as follows:

RESOLVED, That the City Council recognizes the difficult financial situation the City is experiencing because of various Tax Relief

Measures and high burden of taxes on general citizenry, and that the Administrator take an appropriate bargaining position to reflect this situation with City unions for labor contracts beginning July 1, 1993.

On a voice vote, the Chair declared the motion carried unanimously.

Councilmember Nicolas moved that the resolution be amended as follows:

RESOLVED, That the appropriation to the General Fund Balance be reduced by \$80,500 through delayed hiring in General Fund departments.

On roll call the vote was as follows: Yeas, Councilmembers Stoll, Nicolas, Creal, Fink, Lumm, 6

Nays, Councilmembers Peterson, Stead, Hunter, Hanna-Davies, Grady, 5

The Chair declared the motion carried.

Councilmember Nicolas moved that the resolution be amended as follows:

RESOLVED, That a 1% across-the-board cut be made in all departmental budgets.

On roll call the vote was as follows: Yeas, Councilmembers Nicolas, Creal, Fink, Lumm, 4
Nays, Councilmembers Peterson, Stead, Hunter, Hanna-Davies, Grady, Stoll, Mayor Sheldon, 7

On a voice vote, the Chair declared the motion defeated.

The question on the floor is approval of the resolution as amended, on roll call the vote was as follows: Yeas, Councilmembers Creal, Peterson, Stead, Hunter, Hanna-Davies, Fink, Lumm, Grady, Stoll, Nicolas, Mayor Sheldon, 11
Nays, 0

The Chair declared the motion carried.

Following is the resolution as amended and approved:

R-222-5-93

RESOLUTION TO ADOPT ANN ARBOR CITY BUDGET,
RELATED PROPERTY TAX MILLAGE RATES AND
RELATED BUILDING DEPARTMENT FEE INCREASES
FOR FISCAL YEAR 1993-1994

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 93-94 for the City of Ann Arbor;

Whereas, A public hearing was held to obtain citizen input on the proposed budget;

Whereas, A public hearing on increasing property taxes was held in accordance with Public Act 5 of 1982; and

Whereas, A public hearing on increasing fees was held in accordance with City Council resolution;

RESOLVED, That the following appropriations shall constitute the General Fund Budget for 1993-1994:

<u>Revenues:</u>	<u>Proposed</u>	<u>Revised</u>
Property Taxes	\$40,416,290	\$39,222,623
Licenses, Permits & Registrations	1,112,615	1,112,615
Intergovernmental Revenues	10,144,731	10,144,731
Charges for Service	5,109,579	5,109,579
Fines & Forfeits	4,349,850	4,349,850
Investment Income	656,150	656,150
Miscellaneous	82,090	82,090
Prior Year Surplus	1,400,000	1,319,500
Transfers	1,625,478	1,810,478
Contributions	5,000	5,000
Intra Governmental Sales	<u>1,679,435</u>	<u>1,679,435</u>
Total	<u>\$66,581,218</u>	<u>\$65,492,051</u>

<u>Expenditures</u>		
Mayor and City Council	\$185,837	\$185,837
City Administrator	455,457	455,457
City Attorney	595,635	595,635
Fifteenth District Court	1,716,636	1,716,636
Administrative Services	3,815,564	3,815,564
City Clerk	661,224	661,224
Finance	1,811,245	1,811,245
Fire	6,220,638	6,220,638
Human Resources	571,561	571,561
Parks & Recreation	3,413,818	3,362,356

Building	1,218,459	1,218,459
Community Development	813,586	813,586
Planning	375,171	375,171
Police	10,492,132	10,492,132
Public Services	5,893,704	5,893,704
Solid Waste	<u>5,307,852</u>	<u>5,307,852</u>
Total	<u>\$43,548,519</u>	<u>\$43,497,057</u>

Transfers to Other Funds

AATA Levy	\$5,291,627	\$5,291,627
Insurance	4,394,901	4,394,901
Retiree Insurance	1,173,430	1,173,430
Retirement Administration	202,530	202,530
Pension/Social Security	3,915,667	2,959,907
Transfer to Parks Rehabilitation Fund	1,162,711	1,162,711
Transfer to Parks Maint. & Repair Fund	899,160	899,160
Transfer to Street Resurfacing Fund	<u>4,396,149</u>	<u>4,581,198</u>
Total Transfers to Other Funds	\$21,436,175	\$20,665,464

Non-Departmental

Contingency/Pay Increases	\$711,388	\$591,388
Contingency/Tax Appeals	176,494	150,000
Delay Hiring Savings		(80,500)
Other Non-Departmental	<u>708,642</u>	<u>668,642</u>
Total Non-Departmental	<u>\$1,596,524</u>	<u>\$1,329,530</u>

Total General Fund Expenses	<u>\$66,581,218</u>	<u>\$65,492,051</u>
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RESOLVED, That the following appropriations shall constitute the 1993-94 budget for the other operating funds of the City:

Intergovern. Service Funds

	<u>Revenues</u>	<u>Revised Revenues</u>	<u>Expend.</u>	<u>Revised Expend.</u>
Insurance	\$8,395,815	\$8,395,815	\$8,395,815	\$8,395,815
Parks Serv. Headqtrs.	155,791	155,791	155,791	155,791
Cent. Stores&Radio Maint.	1,061,822	1,061,822	1,061,822	1,061,822
Total	<u>\$9,613,428</u>	<u>\$9,613,428</u>	<u>\$9,613,428</u>	<u>\$9,613,428</u>

Enterprise Funds

Water System	\$12,347,606	\$12,347,606	\$11,721,848	\$11,721,848
Sewage Disposal System	14,648,574	14,648,574	14,648,574	14,648,574
Stormwater Sewer System	1,619,827	1,619,827	1,561,677	1,561,677
Hydro Power System	741,025	741,025	741,025	741,025
Parking System	3,095,731	3,095,731	3,095,731	3,095,731

DDA Parking System	2,979,408	2,979,408	2,979,408	2,979,408
Airport	637,468	637,468	637,468	637,468
Recreation Facilities	2,592,085	2,592,085	2,592,085	2,592,085
Market	69,409	69,409	69,409	69,409
Total Enterprise Funds	<u>\$38,731,133</u>	<u>\$38,731,133</u>	<u>\$38,047,225</u>	<u>\$38,047,225</u>

Special Revenue Funds

Downtown Development	\$2,704,390	\$2,704,390	\$2,704,390	\$2,704,390
Cable Communications	612,000	612,000	612,000	612,000
Parks Acquisition	2,139,275	2,139,275	2,139,275	2,139,275
Park Rehabilitation	3,025,892	3,025,892	3,025,892	3,025,892
Parks Maint. & Repair	899,160	899,160	899,160	899,160
Leslie Trust	101,970	101,970	101,970	101,970
Affordable Housing	154,586	154,586	154,586	154,586
CDBG Entitlement	803,213	803,213	803,213	803,213
CDBG Housing	2,191,516	2,191,516	2,191,516	2,191,516
Special Assistance	360	360	360	360
Drug Enforcement	40,000	40,000	40,000	40,000
Michigan Justice Training	46,000	46,000	46,000	46,000
Solid Waste	300,000	485,000	300,000	485,000
Local Streets	1,358,552	1,358,552	1,358,552	1,358,552
Major Streets	4,375,253	4,375,253	4,375,253	4,375,253
Street Repair	<u>4,396,149</u>	<u>4,581,198</u>	<u>4,396,149</u>	<u>4,581,198</u>
Total Spec. Rev. Funds	<u>\$23,148,316</u>	<u>\$23,518,365</u>	<u>\$23,148,316</u>	<u>\$23,518,365</u>

Trust & Agency Fund

Elizabeth R. Dean	\$149,170	\$149,170	\$149,170	\$149,170
Emp. Retirement System	\$3,684,962	2,729,202	907,530	907,530
Police Awards	2,000	2,000	2,000	2,000
Disability Issues	<u>4,357</u>	<u>4,357</u>	<u>4,357</u>	<u>4,357</u>
Total	<u>\$3,840,489</u>	<u>\$2,884,729</u>	<u>\$1,063,057</u>	<u>\$1,063,057</u>

General Debt Service Funds

1984 Motor Vehicle Highway	\$320,225	\$320,225	\$320,225	\$320,225
AABA 1967 Rec. Facilities	26,000	26,000	26,000	26,000
AABA 1980 Comm. Bldgs.	55,150	55,150	55,150	55,150
General Debt Service	4,504,479	4,504,479	4,504,479	4,504,479
Spec. Asses. Gen. Debt	<u>1,126,307</u>	<u>1,126,307</u>	<u>1,126,307</u>	<u>1,126,307</u>
Total GDS Funds	<u>\$6,032,161</u>	<u>\$6,032,161</u>	<u>\$6,032,161</u>	<u>\$6,032,161</u>

RESOLVED, That the following shall be levied for the City of Ann Arbor for the fiscal year 1993-94 if Proposal "A" on the June 2nd State Ballot is defeated by the voters:

	<u>Proposed</u>	<u>Revised</u>
General Operating	6.4515	6.3548
Employee Benefits	2.1505	1.7621
Refuse Collection	2.5806	2.5054
AATA 2.1505	2.1505	
Street Repair	1.7865	1.8617
Parks (Combined)	0.8379	0.8379
Debt Service	<u>1.1876</u>	<u>1.1876</u>
Total	<u>17.1451</u>	<u>16.6600</u>

RESOLVED, That the following shall be levied for the City of Ann Arbor for the fiscal year 1993-94 if Proposal "A" on the June 2nd State Ballot is defeated by the voters:

	<u>Proposed</u>	<u>Revised</u>
General Operating	6.6375	6.5351
Employee Benefits	2.2115	1.8121
Refuse Collection	2.6550	2.5765
AATA 2.2115	2.2115	
Street Repair	1.8380	1.9145
Parks (Combined)	0.8561	0.8561
Debt Service	<u>1.2214</u>	<u>1.2213</u>
Total	17.6310	17.1271

RESOLVED, That the fees for Building Permits, Housing Inspections, Electrical Permits, Plumbing Permits, Mechanical Permits, Environmental Permits, Sign Permits, and Appeal Board Fees are increased as filed in the City Clerk's Office;

RESOLVED, That the City Council shall support various ordinance modifications and subsequent resolution that will be presented in subsequent Council meetings that support the various fee increases that were used to balance the revised budget;

RESOLVED, That the City Council shall support a 5-year plan to increase the Pension Millage from that adopted for the 1992-93 fiscal year by .1 mill per year until the millage reaches the Headlee maximum or the amount necessary to fund the Pension Fund at the actuarial recommended level including the cost of administration, health and life insurance, and social security which ever is lower; and

RESOLVED, That the City Council recognizes the difficult financial situation the City is experiencing because of various tax relief measures and the already high burden of taxes on the general citizenry, and that the Administrator take an appropriate bargaining position to reflect this situation with City unions for labor contracts beginning July 1, 1993.

R-223-5-93 APPROVED

RESOLUTION TO APPROVE THE FISCAL YEAR 1993-94
STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES AND
PROJECTED USE OF FUNDS FOR SUBMISSION TO THE
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (\$1,375,000)

Whereas, The Community Development Department has prepared the Statement of Community Development Objectives and Projected Use of Funds for the period of July 1, 1993 through June 30, 1994;

Whereas, Public hearings were held to solicit the views of Ann Arbor residents

interested in the City's program; and

Whereas, The CDBG Executive Committee has reviewed the proposed statement at its meeting on May 18, 1993 and recommends its approval to City Council;

RESOLVED, That the City Council hereby approves the FY 1993/94 Statement of Community Development Objectives and Projected Use of Funds and authorizes its submission to the U.S. Department of Housing and Urban Development (HUD);

RESOLVED, That upon approval by the Department of Housing and Urban Development, the City Council accepts the \$1,375,000 allocation and authorizes the Mayor and City Clerk to enter into the required agreements for the CDBG 1993/94 entitlement; and

RESOLVED, That the City Council authorizes the Community Development Department to negotiate contractual agreements with subgrantees detailed for subsequent City Council review and approval.

Councilmember Hunter moved that the resolution be approved.

On a voice vote, the Chair declared the motion carried unanimously.

ADJOURNMENT

There being no further business, Councilmember Stead moved that the meeting be adjourned.

On a voice vote, the Chair declared the motion carried and the meeting was adjourned at 10:58 p.m.

Linda J. Wise
Acting Clerk of the Council
Recording Secretary