

**ANN ARBOR CITY COUNCIL MINUTES
REGULAR SESSION - NOVEMBER 18, 2002**

Mayor John Hieftje called the regular session of the Ann Arbor City Council to order at 7:35 p.m. in the City Hall Council Chamber.

Council stood for a moment of silence.

Mayor Hieftje led Council in the recitation of the Pledge of Allegiance.

ROLL CALL OF COUNCIL

PRESENT : Councilmembers Kim Groome, Robert M. Johnson, Joan Lowenstein, Michael R. Reid, Jean Carlberg, Heidi Cowing Herrell, Margie Teall, Marcia Higgins, Christopher Easthope, Wendy A. Woods, Mayor John Hieftje, 11.

ABSENT : 0.

ADMINISTRATION OF OATH OF OFFICE

City Clerk Kathleen M. Root administered the Oath of Office to the newly elected Mayor, John Hieftje and Councilmembers: Kim Groome, First Ward; Joan Lowenstein, Second Ward; Jean Carlberg, Third Ward; Margie Teall, Fourth Ward; Christopher Easthope, Fifth Ward.

The newly elected Councilmembers took their seats.

INTRODUCTIONS

PROCLAMATION FOR HOMELESS AWARENESS WEEK

Mayor Hieftje presented and read a proclamation for Homeless Awareness Week. Diane Davidson, Executive Director of the Washtenaw Housing Alliance, accepted the proclamation.

RECOGNITION OF COMMISSION ON ACCREDITATION FOR LAW ENFORCEMENT AGENCIES (CALEA)

Police Chief Daniel J. Oates announced that the Ann Arbor Police Department has been re-accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA) for another three years. Chief Oates recognized Sgt. Angela Abrams, Lt. Greg O'Dell, Lt. David Lovell and Lt. Michael Logghe for their efforts in the accreditation process.

AWARD OF ALTERNATE FUEL VEHICLE REBATE TO ANDY SEILER

Mayor Hieftje presented an Alternate Fuel Vehicle Rebate Award to Andy Seiler for purchasing a vehicle that does not run on gasoline or diesel fuel. The award is part of a \$70,000.00 grant program that was awarded to the City of Ann Arbor to help citizens and police in the Ann Arbor area purchase alternate fuel vehicles.

PUBLIC COMMENTARY - RESERVED TIME

RESOLUTION OPPOSING WAR IN IRAQ

The following people spoke in opposition of a war in Iraq:

Susan Wright, 1616 Traver Road
Marc Richardt, 103 Highbake

RESOLUTION FOR GEORGETOWN BLVD. TRAFFIC CALMING

The following people spoke in support of the Georgetown Blvd. Traffic Calming Resolution:

Sandra Smith, 3188 Rumsey Drive
Roger Mourad, 2559 Georgetown
Lisa Belanger, 2227 Yorktown Drive

DAVID BOEHNKE – TRAFFIC LIGHTS SENATE ADVISORY ROLE TO CITY COUNCIL

David Boehnke, 255 E. Liberty Apt. #278, Vice President of the Youth Empowerment Project Board of Directors, spoke to Council regarding the need for a traffic light near Huron High School.

DOUGLAS MCALPINE – WORKERS FOR REPUBLIC PARKING AND ISSUES WITH THE DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

Douglas McAlpine, 1205 Brooklyn, cashier for Republic Parking, stressed concern over the contract with the Downtown Development Authority and Republic Parking. Mr. McAlpine asked that when the time comes to bargain in negotiations, that it is not done with Republic Parking, but with the Downtown Development Authority.

JOSH SANCHEZ – ART SPACE FOR ANN ARBOR

Josh Sanchez, 1826 Virnakay, introduced Brook Harrison who spoke about the incident that happened at the Technology Center on Washington Street recently. The Fire Marshal was notified about fire safety regulation violations approximately one year ago. She said she felt that the people using the building were asked to vacate the building without notice and that the people who used the building no longer have a place to practice their music or work on their art, etc.

PUBLIC HEARINGS

TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

A public hearing was conducted on the proposed Tax Increment Financing and Development Plan – Ann Arbor/Ypsilanti Smart Zone – Pursuant to Public Act 281 of 1986, as Amended. Notice of public hearing was published October 21 and 22, 2002.

Susan Lackey, President of the Washtenaw Development Council, briefed Council on the Development Plan and was available to answer questions.

There being no one else present to speak, the Mayor declared the hearing closed.

RENEWAL OF THE ANN ARBOR DOWNTOWN DEVELOPMENT AUTHORITY

A public hearing was conducted on the proposal to renew the Ann Arbor Downtown Development Authority – Pursuant to PA No. 197 of the Public Acts of Michigan of 1975, as Amended. Notice of public hearing was published October 20, and 21, 2002.

The following people appeared in support of the proposed renewal:

Bob Gillette, Chairman of the Downtown Development Authority
Mary Ivers, officer of the old Fourth Ward Neighborhood Association
Ellen Schulmeister, Director of the Shelter Association of Washtenaw County
Peter Pollock, 515 Detroit St.
Brant Coltus, member of the “Get Downtown” Program
Margo Merringer, Director of the Kerrytown Historic Market District Association

Herb and Jane Kaufer, 209 E. Washington
Paul Dannels, 203 E. Washington
Margaret Parker, 1218 Olivia Ave.
René Graff, Chairperson for the DDA Planning Committee
Jim Kern, 318 S. Thayer
Ellie Cerris, Event Coordinator for the Main Street Area Association
Richard Saxton, 101 N. Main
Jeff Mortimer, 211 N. Ashley
Anne Murphy, 509 Dartmoor Rd.
Kathy Nolan, 223 E. Ann St.
Meg Delaney, downtown resident
Bob Henderson, 100 S. Fourth Ave.
Dave DeVarti, Ann Arbor resident
Ray Detter, Chairman of the Citizen's Advisory Council for the Downtown Development Authority

The following people appeared in opposition of the proposed renewal:

Jim Mogensen, 3870 Greenbrier Blvd., #354C
Rita Loch-Caruso, 556 Glendale Circle
Paul Lambert, Ann Arbor resident

There being no one else present to speak, the Mayor declared that this hearing would be continued at the next regular session of Council.

The Mayor called a recess at 9:37 p.m.

The Mayor again called the meeting to order at 9:45 p.m.

LIBERTY HEIGHTS CONDOMINIUMS

A public hearing was conducted on the proposed Liberty Heights Condominium Site Plan, 4.67 acres, on the north side of West Liberty Street east of Burwood Avenue. Notice of public hearing was published on November 10, 2002.

The following people appeared in opposition of the proposed site plan:

Vince and Rita Caruso, 556 Glendale Circle
Ethel Potts, 1014 Elder
Jan Bower, 633 Dartmoor Rd.
Susan Swantek, 602 Ridgewood
Judith Marx, 2508 W. Liberty
David Shier, 1529 W. Liberty
Anne Murphy, 509 Dartmoor Rd.
Jack Sirotkin, 650 Ridgewood

Phillip Daly, 1995 W. Liberty
David Olmstead, 600 Ridgewood
Marty Bealer, 1991 W. Liberty

Tom Covert of Atwell-Hicks, Inc. and Jim Haeussler were present to answer questions of Council.

There being no one else to speak, the Mayor declared the hearing closed.

APPROVAL OF AGENDA

AGENDA APPROVED WITH CHANGES

Councilmember Woods moved that the agenda be approved with the following changes:

CONSENT AGENDA

Correct

Title Resolution to Approve a New Wine Tasting Room Licensed Business Located at [~~114-118 East Washington Street~~] **115 W. LIBERTY STREET** – D/B/A [~~Arbor Brewing Company~~] **TABOR HILL WINERY** (City Clerk - Kathleen M. Root, City Clerk)

MOTIONS AND RESOLUTIONS

Revise: Resolution to Approve Liberty Street Heights Condominium Site Plan and Develop Agreement, 4.67 acres, north side of West Liberty Street east of Burwood Avenue (Planning Commission recommendation: Motion to approve Failed 4 yeas, 4 nays and 1 abstention)

Delete: [~~Resolution to Award Contract for the Filter Operating Controls Project to Sorenson Gross Construction Co., Inc. (Bid No. 3572) and Modify the Project Budget (\$4,300,000.00) (8 Votes Required) (Utilities – Sue F. McCormick, Director)]~~

On a voice vote the Mayor declared the motion carried.

APPROVAL OF COUNCIL MINUTES

MINUTES OF OCTOBER 28, 2002 AND NOVEMBER 7, 2002 APPROVED

Councilmember Easthope moved that the working session minutes of October 28, 2002 and the regular session minutes of November 7, 2002 be approved as presented.

On a voice vote the Mayor declared the motion carried.

CONSENT AGENDA

CONSENT AGENDA ITEMS APPROVED

Councilmember Reid moved that the following Consent Agenda items be approved as presented:

R-440-11-02 APPROVED

RESOLUTION TO APPROVE A NEW WINE TASTING ROOM
LICENSED BUSINESS LOCATED AT 115 W. LIBERTY STREET –
D/B/A TABOR HILL WINERY

RESOLVED, That the request from Chi Company (d/b/a Tabor Hill Winery) for a new Wine Tasting Room License located at 115 W. Liberty Street, be approved.

R-441-11-02 APPROVED

RESOLUTION TO APPROVE A THREE-YEAR CONTRACT FOR
OCCUPATIONAL MEDICAL SERVICES FOR WORKERS' COMPENSATION,
EMPLOYMENT RELATED MEDICAL SERVICES AND THE
FIRE DEPARTMENT'S WELLNESS/FITNESS PROGRAM WITH BUSINESS
HEALTH SERVICES – RFP NO. 537

Whereas, The City obtains from Business Health Services, occupational and medical services, including workers' compensation and employment related services, averaging an annual cost of \$234,000.00;

Whereas, The City received a grant from FEMA (R-374-8-02) in the amount of \$172,387.00 for a Wellness and Fitness initiative, with a 30% Fire Department funds match, which was approved by Council on August 19, 2002;

Whereas, The City placed the services out for bid and two companies responded;

Whereas, The contract for occupational and medical services through Business Health Services will not result in an increase in service fees over the next three years;

Whereas, The contract for a Fire Department Wellness/Fitness Program will not

exceed the approved grant amount;

Whereas, Business Health Services provided the best proposal with the lowest per service fees for the occupational and medical services;

Whereas, Business Health Services provide the best proposal, but was not the lowest bidder on the Fire Department Wellness/Fitness Program;

Whereas, Business Health Services received Human Rights and Living Wage Compliance approvals on November 6, 2002; and

Whereas, It is recommended that the City enter into a three-year contract with Business Health Services for occupational and medical services and a Fire Department Wellness/Fitness Program, totaling an estimated annual cost of \$357, 725.00 based on service utilization;

RESOLVED, That City Council approve a three-year contract with Business Health Services for City's Occupational and Medical Services Contract for Workers' Compensation, Employment Related Medical Services and the Fire Department Wellness/Fitness Program with Business Health Services beginning fiscal year 2002-2003; and

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the contract for services with Business Health Services after approval as to substance by the City Administrator and approval as to form by the City Attorney.

R-442-11-02 APPROVED

RESOLUTION TO ACCEPT BOARD OF INSURANCE MINUTES OF
NOVEMBER 1, 2002 AND TO AUTHORIZE PAYMENTS

RESOLVED, That the attached Board of Insurance Administration Minutes of November 1, 2002 be accepted and that the recommended courses of action therein, including settlements and payments, be authorized:

MINUTES
NOVEMBER 1, 2002
CITY OF ANN ARBOR BOARD OF INSURANCE ADMINISTRATION

Present: James Armstrong - Risk Manager
Marilyn Mack – Claims Specialist
Bob West – Assistant City Attorney
Joe Upton – Councilperson
Mary Siefert – Treasurer
Mary Fales, Acting City Attorney

CLAIMS DENIED:

CC080-02 Marsha Meyerhoff
Vehicle Damage
Discussed by James Armstrong, Risk Manager

CC054-02 Andrew Johnson
Sewer Back Up
Discussed by James Armstrong, Risk Manager

CC068-02 Issa M. Issa
Bodily Injury
Discussed by James Armstrong, Risk Manager

CC082-02 Country Place Condo Assoc.
Property Damage
Discussed by James Armstrong, Risk Manager

CC085-02 Dennis Gaca
Property Damage
Discussed by James Armstrong, Risk Manager

CC077-02 Myron Czubko
Sewer Back Up

Discussed by James Armstrong, Risk Manager

CC091-02 Helen Aminoff
Vehicle Damage
Discussed by James Armstrong, Risk Manager

CLAIMS APPROVED:

CC181-98 David Hutchison
Sewer Back Up
Discussed by Mary Fales, Assistant City Attorney

CC063-02 Lisa Hussan
Sewer Back Up
Discussed by James Armstrong, Risk Manager

CC033-02 Blair Dudley
Bodily Injury
Discussed by Bob West, Assistant City Attorney

BI001-01 Brenda Acquaviva
Workers' Compensation
Discussed by James Armstrong, Risk Manager

CC072-02 Barabara/Donald Zekany
Property Damage
Discussed by James Armstrong, Risk Manager

BI045-97 Marvin Bray
Workers' Compensation
Discussed by James Armstrong, Risk Manager

OTHER BUSINESS:

Amendment to increase by \$150,000.00 Legal Services contract with Pear, Sperling approved

Discussed by Mary Fales, Acting City Attorney

Prepared by:
Marilyn Mack, Claims Specialist 11/1/02

RESOLUTION TO APPROVE AN AMENDMENT TO THE PROFESSIONAL
SERVICES AGREEMENT WITH INFRASTRUCTURE ENGINEERING, LLC
FOR THE PACKARD STREET RECONSTRUCTION PROJECT

Whereas, On April 20, 2001, the City entered into an agreement with Infrastructure Engineering, LLC in the amount of \$104,100.00 for the construction services associated with the Packard Street Reconstruction Project; and

Whereas, Infrastructure Engineering, LLC is entitled to additional compensation from the City to pay for additional work performed as part of the Packard Street Reconstruction Project based on a revised scope of work;

RESOLVED, That City Council authorize the amendment to the professional services agreement with Infrastructure Engineering, LLC, which will increase the professional services agreement amount to \$111,027.32, an increase of \$6,927.32, for the Packard Street Reconstruction Project;

RESOLVED, That the Mayor and the City Clerk be authorized and directed to execute said amendment after approval as to form by the City Attorney, and approval as to substance by the City Administrator; and

RESOLVED, That the City Administrator be authorized to take all necessary administrative actions to implement this resolution.

R-444-11-02 APPROVED

RESOLUTION TO APPROVE CONTRACT WITH PLANTE & MORAN FOR
ORGANIZATIONAL STUDY OF THE ANN ARBOR POLICE DEPARTMENT

Whereas, The Police Department has an opportunity to make organizational changes which will help to improve services and reduce operational expenses;

Whereas, Plante and Moran is a company which provides human resource consulting services and was selected from a bid process (RFP 536) as a desired vendor to conduct a Comprehensive Organizational Study of the Ann Arbor Police Department;

Whereas, Plante and Moran submitted a bid not to exceed \$70,000.00 to conduct this study and the Police Department has funds allocated in their budget for this study; and

Whereas, Plante and Moran received Human Rights approval October 16, 2002;

RESOLVED, That City Council approves a contract with Plante and Moran in an amount not to exceed \$70,000.00 for a comprehensive organizational study of the Ann Arbor Police Department;

RESOLVED, That the Mayor and City Clerk be authorized to sign the agreement after approval as to substance by the City Administrator and as to form by the City Attorney; and

RESOLVED, That City Council authorize the expenditure of funds from the Police Department General Fund Budget for the life of the contract without regard to fiscal year.

R-445-11-02 APPROVED

RESOLUTION TO APPROVE THE AMENDED WASHTENAW COUNTY
800 MHz COMMUNICATIONS CONSORTIUM AGREEMENT

Whereas; In 1984, the Cities of Ann Arbor, Milan, Saline, and Washtenaw County entered into an agreement to establish an 800 Mhz Communications Consortium Agreement;

Whereas; The original agreement allowed for the City of Ann Arbor to apply for an 800 MHz Trunking Communications license from the Federal Communications Commission that would authorize all public safety entities in Washtenaw County to eventually use the trunked radio system;

Whereas; The license was granted to the City of Ann Arbor and governing bodies of Ann Arbor, Milan, Saline and Washtenaw County approved a Consortium Agreement;

Whereas, The Consortium Agreement allowed any government or entity that provides emergency or non-emergency public safety or public service voice communications to be considered for membership;

Whereas, 800 Mhz Consortium membership has been expanded to include 18 public safety/public service entities;

Whereas; Reimbursement for original capital costs has been accomplished through system buy-in charges paid by the membership;

Whereas; Management responsibilities for the 800 MHz trunked radio system have been transferred by the 800 Mhz Consortium to Washtenaw County as part of the 911 surcharge funding plan;

Whereas; Washtenaw County is the owner or lessee of the land and capital equipment for the 800 MHz equipment through the 911 surcharge funding plan; and

Whereas; The current members of the 800 MHz Consortium have approved for submission to their respective governing bodies for approval the amended 800 MHz Consortium Agreement;

RESOLVED, That the City Council approve the amended 800 MHz Consortium Agreement;

RESOLVED, That the Mayor and City Clerk be directed and authorized to execute the Consortium Agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Clerk be directed to forward a copy of this Resolution to the 800 Mhz Consortium with the effective date of Council's approval of the amended Consortium Agreement.

R-446-11-02 APPROVED

RESOLUTION TO APPROVE FIRST AMENDMENT TO AGREEMENT WITH OZONE HOUSE FOR THE REHABILITATION OF TRANSITIONAL HOUSING FACILITY – 508 MILLER ROAD

Whereas, Ozone House has operated a transitional housing facility in an aging facility originally built in 1927 at 508 Miller Road;

Whereas, The facility is in need of major renovation and updating in order to continue to provide a safe environment to house homeless youth;

Whereas, The Community Development Executive Committee recommended the additional allocation on October 14, 2002; and

Whereas, Human Rights and Living Wage approval was received for the organization on July 1, 2002;

RESOLVED, That City Council approve the First Amendment to the Agreement with Ozone House for rehabilitation of the transitional housing facility at 508 Miller Road for an additional \$40,000.00 of Community Development Block Grant Funds;

RESOLVED, That the Mayor and City Clerk be hereby authorized and directed to execute the First Amendment to the Agreement with Ozone House subject to approval as substance by the City Administrator and approval as to form by the City Attorney with funds to be available until expended without regard to fiscal year; and

RESOLVED, that the City Administrator be authorized to take necessary administrative actions to implement this resolution.

R-447-11-02 APPROVED

RESOLUTION TO APPROVE CONTRACT AMENDMENT WITH INSIGHT ENVIRONMENTAL SERVICES, INC. FOR METHANE GAS PROBES AT THE ANN ARBOR LANDFILL

Whereas, Methane gas is a by-product of decomposing refuse at the Ann Arbor Landfill;

Whereas, It is necessary to properly monitor and contain the movement of methane gas in order to protect life and property;

Whereas, The placement of three permanent methane gas probes on the north side of Ellsworth Road across from the Ann Arbor Landfill will allow for quarterly monitoring of possible methane movement across Ellsworth Road;

Whereas, Insight Environmental Services (Insight) has been implementing the City's landfill gas monitoring program since October 1997; and

Whereas, Insight received updated Human Rights and Living Wage approval on June 5, 2002;

RESOLVED, That City Council authorize an amendment to the Professional Services Agreement with Insight Environmental Services, Inc. in the amount of \$14,132.00 for the installation of three methane gas probes north of the Ann Arbor Landfill;

RESOLVED, That funding for this project will be provided through the environmental bond without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute this Amendment after approval as to form by the City Attorney and approval as to substance by the City Administrator and Interim Solid Waste Director; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.

The question being the foregoing Consent Agenda items as presented, on a voice vote the Mayor declared the motion carried.

ORDINANCES - SECOND READING

None.

ORDINANCES - FIRST READING

42-02 APPROVED

PERMANENT OPEN SPACE PRESERVATION

An Ordinance to Amend
Chapter 55 of Title V of the Code of the City of Ann Arbor

(The complete text of Ordinance 42-02 is on file in the City Clerk's Office.)

Councilmember Carlberg moved that the ordinance be approved at first reading.

On a voice vote the Mayor declared the motion carried.

43-02 APPROVED

ANN ARBOR MEDICAL/DENTAL OFFICE BUILDING REZONING

An Ordinance to Amend the Zoning Map Being a Part of
Chapter 55 of Title V of the Code of the City of Ann Arbor

This ordinance would change the zoning of 1.77. acres, located on the north side of Eisenhower Parkway between Ann Arbor-Saline Road and South Main Street, from R4D (Multiple-Family District) to) (Office District). (The complete text of Ordinance 43-02 is on file in the City Clerk's Office).

Councilmember Carlberg moved that the ordinance be approved at first reading.

On a voice vote the Mayor declared the motion carried.

MOTIONS AND RESOLUTIONS

R-448-11-02 APPROVED

RESOLUTION TO REVISE THE GEORGETOWN
TRAFFIC CALMING VOTING DISTRICT

Whereas, The traffic calming program for Georgetown Boulevard was recently re-started, as a result of the City Council resolution approved on August 19, 2002, and this action closely followed the unsuccessful vote on a previous plan for the area;

Whereas, The traffic calming program, as amended by the City Council on August 5, 2002, would create a new voting district which would disenfranchise a large section of the neighborhood which had been actively involved in the traffic calming process since the inception of the process on this street in April 2000; and

Whereas, Residents requested that the re-started process add the participant list and voting district as originally designed to the one established by the recent council resolution;

RESOLVED, That City Council direct that the voting district for traffic calming on Georgetown Boulevard include the households specified by the rules in the August, 2002 Council resolution and in addition any household that was in the voting district used in the previous vote in July 2002.

Councilmember Lowenstein moved that the resolution be adopted.

On roll call the vote was as follows:

Yeas, Councilmembers Higgins, Easthope, Woods, Groome, Johnson, Lowenstein, Carlberg, Herrell, Teall, Mayor Hieftje, 10;

Nays, Councilmember Reid, 1.

The Mayor declared the motion carried.

DEFEATED

RESOLUTION TO APPROVE LIBERTY STREET HEIGHTS CONDOMINIUM SITE PLAN AND DEVELOPMENT AGREEMENT

Whereas, Peters Building Company has requested site plan approval in order to construct 33 townhouse condominium dwelling units on the north side of West Liberty Street east of Burwood Avenue;

Whereas, The Ann Arbor City Planning Commission, on November 6, 2002, reviewed said request;

Whereas, The contemplated development will comply with all applicable state, local and federal law, ordinances, standards and regulations;

Whereas, The development would limit the disturbance of natural features to the minimum necessary to allow a reasonable use of the land, applying criteria for reviewing a natural features statement of impact set forth in Chapter 57; and

Whereas, The development would not cause a public or private nuisance and would not have a detrimental effect on the public health, safety or welfare;

RESOLVED, That City Council approve the Development Agreement, substantially in the form on file in the City Clerk’s Office, dated November 14, 2002; and

RESOLVED, That City Council approve the Liberty Heights Condominium Site Plan upon the conditions that (1) the Development Agreement is signed by all necessary parties and (2) all terms of the Development Agreement are satisfied.

A communication was received from the City Planning Commission transmitting its recommendation of denial of the proposed, 4.67 acres north side of West Liberty street east of Burwood Avenue.

Councilmember Carlberg moved that the resolution be adopted.

On roll call the vote was as follows:

Yeas, Councilmembers Lowenstein, Reid, Carlberg, Teall, Higgins, 5;

Nays, Councilmembers Easthope, Woods, Groome, Johnson, Herrell, Mayor Hieftje, 6.

The Mayor declared the motion was defeated.

R-449-11-02 APPROVED

RESOLUTION FOR APPROVAL OF AMENDMENT NO. 1
TO THE EXISTING CONTRACT WITH MICHIGAN TRENCHING SERVICES
(\$443,375.00) AND REVISE A PROJECT BUDGET FOR PRIORITY
1A & 1B IMPLEMENTATION OF THE COMPREHENSIVE CITY-WIDE FOOTING
DRAIN DISCONNECTION PROGRAM

Whereas, Ann Arbor City Council approved a City ordinance (32-01) on August 20, 2001 which provides for implementation of a citywide footing drain disconnection process;

Whereas, City Council authorized a project budget (R-488-11-01) of \$2,344,875.00 on November 8, 2001 and approved a contract with Michigan Trenching Service (R514-12-01) for \$580,780.00 on December 3, 2001;

Whereas, The Utilities Department has determined it appropriate to proceed with the completion of curb drain installation to the remaining 1A priority homes in the Footing Drain Disconnection Project and Michigan Trenching Service (MTS) has agreed to amendment of the existing contract to include proposed installation of the additional curb drain at a significant cost savings as compared to previous bidders; and

Whereas, MTS has received Human Rights approval on September 18, 2002;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Amendment No. 1 to the contract with MTS for curb drain installation in support of Footing Drain Disconnection of 1A priority homes following approval as to substance by the City Administrator, and approval as to form by the City Attorney;

RESOLVED, That City Council adopt the following revised budget for the life of

the project, to be expended without regard to fiscal year:

RESOLVED,

Section I, Revenue

\$2,344,875.00	Sewage Collection System Fund (Previous Budget)
631,445.00	Sewage Collection System Fund (Future Bonds)
<u>125,000.00</u>	Developer Mitigation Funding (Curb Drain Contingency)
\$3,101,320	TOTAL

Section II, Expenses

\$ 950,000.00	Homeowner FDD Incentives (250 - 1A homes)
1,070,320.00	Curb Drain Construction (475 - 1A homes)
125,000.00	Curb Drain Contingency (Developer Mitigation)
526,000.00	Construction Management (645 - 1A & 1B homes)
41,000.00	Public Engagement Support
50,000.00	Flow Removal Verification
164,000.00	Miscellaneous Costs (internal labor (2x50%), city vehicles, materials, supplies, etc.)
<u>175,000.00</u>	Contingencies (5.5%) approved by the Administrator
\$3,101,320.00	TOTAL; and

RESOLVED, That City Council authorize the City Administrator to take necessary administrative actions to implement this resolution and approve change orders with contingency funds.

Councilmember Johnson moved that the resolution be adopted.

On a voice vote the Mayor declared the motion carried.

R-450-11-02 APPROVED

RESOLUTION AUTHORIZING THE ISSUANCE OF 2003 MICHIGAN
TRANSPORTATION FUND, GENERAL OBLIGATION LIMITED TAX BONDS
FOR THE BROADWAY BRIDGES RECONSTRUCTION PROJECT NOT TO
EXCEED \$4,000,000.00

Whereas, 34 Public Acts of Michigan, 2001, as amended, the Revised Municipal Finance Act (“Act 34”), Act 175 Public Acts of Michigan, 1952, as amended (“Act 175”), and Act 51, Public Acts of 1951, as amended (“Act 51”) permit the City of Ann Arbor (the “City”) to borrow money in anticipation of the receipt of funds pursuant to Act 51 to finance all or a portion of projects described in Section 13 of Act 51, including, but not limited to for maintenance, improvement, construction, reconstruction, acquisition, and extension of major street system within the City; and

Whereas, City Council has determined that it is in the best interest of the City to issue and sell one or more series of Michigan Transportation Fund Bonds, pursuant to Act 175, Act 51 and Act 34, in an amount not to exceed Four Million Dollars (\$4,000,000.00) for the purpose of paying all or part of the cost of the reconstruction of and improvements to the Broadway Bridges and approach roadways, including utility replacements and upgrades; street lighting, sidewalk and park improvements (the “Project”), paying capitalized interest, if any, and the costs of issuance of the Bonds;

RESOLVED,

1. Bonds of the City designated 2003 Michigan Transportation Fund Bonds (Broadway Bridges Project) General Obligation Limited Tax, (the “Bonds”) are hereby authorized to be issued in the aggregate principal sum of not to exceed Four Million Dollars (\$4,000,000.00) for the purpose of paying all or part of the cost of the reconstruction of and improvements to the Broadway Bridges and approach roadways, including utility replacements and upgrades; street lighting, sidewalk and park improvements (the “Project”), paying capitalized interest, if any, and the costs of issuance of the Bonds. The Bonds shall be issued in fully-registered form of the denomination of \$5,000.00, or multiples thereof not exceeding, for each maturity, the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of January 1, 2003, or such later date as may be specified in the order approving the sale of the Bonds to be executed by the Finance Director (the “Sale Order”). The Bonds shall bear interest, mature, be subject to redemption, and be payable at the times and in the manner set forth in Sections 8 and 9 hereof and as finally determined in the Sale Order.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. Interest shall be payable by check or draft drawn on the Transfer Agent (as hereinafter defined) mailed to the registered owner at the registered address, as shown on the registration books of the City maintained by the Transfer Agent. The principal of the Bonds shall be payable upon presentation and surrender to the Transfer Agent.

A bank or financial institution shall be appointed to serve as bond registrar, paying agent and transfer agent (the "Transfer Agent") for this issue and be so designated in the Official Notice of Sale for the Bonds. The Treasurer of the City is hereby authorized to execute one or more agreements with the Transfer Agent on behalf of the City. The City reserves the right to replace the Transfer Agent at any time upon written notice to the registered owners of record of the Bonds not less than sixty (60) days prior to an interest payment date.

2. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from the Treasurer of the City upon payment of the purchase price for the Bonds in accordance with the bid therefore when accepted. The Bonds may be issued in book entry-only form through the Depository Trust Company in New York, New York ("DTC") and any officer of the City if authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form and to make such changes in the Bond form with the parameters of this resolution as may be required to accomplish the foregoing.

3. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. The cost of the Project is estimated to be not more than Thirty-One Million Dollars (\$31,000,000.00). The useful life of the Project is estimated to be not less than 50

years.

5. The Bonds are payable from funds derived from collected taxes returned to the City from the State of Michigan for highway purposes pursuant to Act 51. The City hereby pledges and promises to annually appropriate, such funds derived from collected taxes returned to the City from the State of Michigan for highway purposes pursuant to Act 51 to the payment of the Bonds in amounts sufficient to pay the principal of and interest on the Bonds. It shall be the duty of the City Treasurer during each fiscal year that the Bonds are outstanding, to set aside in a separate fund revenues as shall be received during such year from the motor vehicle highway fund not previously pledged to the payment of any other bonds, in an amount sufficient to pay the interest of and principal on the Bonds next coming due.

6. As additional security for the payment of the Bonds the City hereby pledges its limited tax full faith and credit for the payment of principal and interest on the Bonds. In the event the amounts received and set aside pursuant to section 5 above are insufficient to pay the Bonds when due, the Bonds are payable as to principal and interest from any funds available to the City for that purpose, including, the proceeds of annual ad valorem property taxes, which may be levied on all taxable property with the boundaries of the City, subject to charter, statutory and constitutional limitations.

7. The proceeds of the Bonds shall be used to pay all or a part of the Project, paying capitalized interest, if any, and the costs of issuance of the Bonds. Upon receipt of the proceeds of sale of the Bonds, the Bond proceeds which constitute accrued interest and premium, if any, shall be deposited in a fund designated the 2003 Michigan Transportation Fund Bonds Debt Retirement Fund. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated the 2003 Michigan Transportation Fund Bonds Costs of Issuance Fund. Moneys in the 2003 Michigan Transportation Fund Bonds Costs of Issuance Fund shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the 2003 Michigan Transportation Fund Bonds Costs of Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds.

The balance of the proceeds of the Bonds shall be deposited in a fund designated the 2003 Michigan Transportation Fund Bonds Construction Fund, shall be used to pay all or a part of the costs of the Project.

8. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WASHTENAW

CITY OF ANN ARBOR
2003 MICHIGAN TRANSPORTATION FUND BONDS
(BROADWAY BRIDGES PROJECT)
GENERAL OBLIGATION LIMITED TAX

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of</u>
<u>CUSIP</u>		<u>Original Issue</u>
	June 1, ____	January 1, 2003

Registered Owner:

Principal Amount: _____ Dollars

KNOW ALL MEN BY THESE PRESENTS, that the CITY OF ANN ARBOR, County of Washtenaw, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, unless redeemed prior to maturity on the Maturity Date specified above with interest thereon until paid from the Date of Original Issue specified above or such later date to which interest has been paid, at the Interest Rate per annum specified above, first payable on June 1, 2003 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of _____, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to an interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner not less than sixty (60) days prior to an interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resource of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$_____, issued for the purpose of paying all or part of the cost of the reconstruction of and improvements to the Broadway Bridges and approach roadways, including utility replacements and upgrades; street lighting, sidewalk and park improvements (the "Project"), paying capitalized interest, if any, and the costs of issuance of the Bonds.

Optional Redemption

Bonds of this issue maturing on or before June 1, 2012 shall not be subject to redemption prior to maturity. Bonds maturing on or after June 1, 2013 are subject to redemption on or after June 1, 2012, at the option of the City at a price equal to the principal amount thereof, without premium, plus interest accrued to the date of redemption.

[Mandatory Sinking Fund Redemption

Bonds of this issue maturing on or after June 1, -____,____,____(the "Term Bonds") are subject to mandatory redemption in part by the City, by lot, prior to maturity, at a price equal to the principal amount thereof , without premium, plus interest accrued to the date of redemption in the amounts as set forth below.

_____ Term Bonds Maturing June 1, 20__
_____Year_____Principal Amount]

In case less than the full amount of the bond is called for redemption the Transfer Agent upon presentation of the bond called in part shall register, authenticate and deliver to the registered owner a new bond of the same maturity and in the principal amount of the portion of the original principal amount not called for redemption.

Notice of redemption shall be given by the Transfer Agent to the registered owner of any bond or portion hereof to be redeemed by mailing of such notice by first class mail not less than thirty (30) days prior to the date fixed for redemption to the registered owner at the address of the registered owner as shown on the registration books of the City maintained by the Transfer Agent. No further interest payable on any bond or portion thereof called for redemption shall accrue after the date fixed for redemption whether presented for redemption or not, provided that funds are on hand with the transfer agent for such redemption.

This bond is payable out of the City's Debt Retirement Fund established for this issue of bonds. This bond, and the series of bonds of which this is one are payable from funds derived from collected taxes returned to the City from the State of Michigan for highway purposes pursuant to Act 51. The City has pledged and promised to annually appropriate, funds derived from collected taxes returned to the City from the State of Michigan for highway purposes pursuant to Act 51 to the payment of the Bonds in amounts sufficient to pay the principal of and interest on the Bonds.

As additional security for the payment of the bonds the City hereby pledges its limited tax full faith and credit for the payment of principal and interest on the bonds. In the event the amounts collected and set aside from funds derived from collected taxes returned to the City from the State of Michigan for highway purposes pursuant to Act 51 are insufficient to pay the bonds when due the bonds are payable as to principal and interest from any funds available to the City for that purpose, including, the proceeds of annual ad valorem property taxes, which may be levied on all taxable property with the boundaries of the City, subject to charter, statutory and constitutional limitations.

The bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefore as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond, does not exceed any constitutional, statutory or charter debt limitation. This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, by its legislative body, has caused this bond to be signed in the name of the City by the manual or facsimile signatures of its Mayor and Clerk and a manual or facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF ANN ARBOR

By: _____
Its Mayor

By: _____
Its City Clerk

(SEAL)

(Form of Transfer Agent's Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

_____, Michigan,
Transfer Agent

By: _____
Authorized _____

DATE OF REGISTRATION:

[Bond printer to insert form of assignment]

9. The Finance Director is hereby authorized and directed to file any and all applications with the Department of Treasury pursuant to Act 34, necessary to obtain an order approving the issuance of the Bonds or granting the City Qualifying Status under Act 34. Upon receiving the order of approval or Qualifying Status, the Finance Director is hereby authorized and directed to fix a date of sale for the Bonds, and publish notice of sale of the Bonds in the Detroit Legal News, Detroit, Michigan, or in the Bond Buyer, New York, New York, which notice of sale shall be in substantially the following form:

OFFICIAL NOTICE OF SALE

\$4,000,000.00

CITY OF ANN ARBOR
COUNTY OF WASHTENAW, STATE OF MICHIGAN
2003 MICHIGAN TRANSPORTATION FUND BONDS
(BROADWAY BRIDGES PROJECT)

GENERAL OBLIGATION LIMITED TAX

SEALED BIDS for the purchase of the above bonds will be received by the undersigned at the City Clerk's offices located at 100 N. Fifth Ave., Ann Arbor, Michigan 48107-8647, on _____, the ____ day of _____, 2002, until _____ o'clock p.m., Eastern Standard Time, at which time and place said bids will be publicly opened and read. Sealed bids will also be received simultaneously and publicly opened and read at the offices of the Municipal Advisory Council of Michigan, 1445 First National Building, Detroit, Michigan 48226-3517.

ELECTRONIC BIDS will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or Client Services, 395 Hudson Street, New York, New York 10014, (212) 806-8304. NO ELECTRONIC BID WILL BE ACCEPTED UNLESS THE BIDDER HAS SUBMITTED A FINANCIAL SURETY BOND OR A CERTIFIED OR CASHIER'S CHECK IN THE AMOUNT DESCRIBED IN THE SECTION CAPTIONED "GOOD FAITH" BELOW. IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE SHALL CONTROL.

The City Council will meet at 7:30 o'clock p.m., on the date at the above address to consider the award or rejection of bids.

BOND DETAILS: Said bonds will be registered bonds of the denomination of \$5,000.00 multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated January 1, 2003, numbered in order of registration, and will bear interest from their date payable on June 1, 2003, and semiannually thereafter.

The bonds will mature on the 1st day of June of each of the years, as follows:

2004	\$120,000.00
2005	125,000.00
2006	130,000.00
2007	140,000.00
2008	145,000.00
2009	155,000.00
2010	160,000.00
2011	170,000.00
2012	180,000.00
2013	185,000.00
2014	195,000.00
2015	205,000.00
2016	215,000.00
2017	230,000.00
2018	240,000.00
2019	255,000.00

2020	265,000.00
2021	280,000.00
2022	295,000.00
2023	310,000.00

PRIOR REDEMPTION

Optional Redemption

Bonds of this issue maturing on or before June 1, 2012 shall not be subject to redemption prior to maturity. Bonds maturing on or after June 1, 2013 are subject to redemption on or after June 1, 2012, at the option of the City at a price equal to the principal amount thereof, without premium, plus interest accrued to the date of redemption.

Mandatory Sinking Fund Redemption

The initial purchaser of the bonds may designate any one or more maturities after June 1, 2013 through the final maturity as term bonds. Any such designation must be made within 24 hours of the sale.

BOOK-ENTRY ONLY: The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000.00 or any multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. The book-entry-only system is described further in the Preliminary Official Statement for the bonds.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 7% per annum, to be fixed by the bids therefore, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rates bid shall not exceed 2%. No proposal for the purchase of less than all of the bonds or at a PRICE LESS THAN 98½% OF THEIR PAR VALUE WILL BE CONSIDERED.

TRANSFER AGENT AND REGISTRATION: Principal and interest shall be payable at _____, Michigan, or such other transfer agent as the City of Ann Arbor (the "City") may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check or draft mailed to the registered owner of record as shown on the registration books kept by the transfer agent as of the 15th day prior to an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds are issued for the purpose of paying all or part of the cost of the reconstruction of and improvement to the Broadway Bridges and approach roadways, including utility replacements and upgrades; street lighting, sidewalk and park improvements (the "Project"), paying capitalized interest, if any, and the costs of issuance of the Bonds. The bonds are payable from funds derived from collected taxes returned to the City from the State of Michigan for highway purposes pursuant to Act 51. The City has pledged and promised to annually appropriate, funds derived from collected taxes returned to the City from the State of Michigan for highway purposes pursuant to Act 51 to the payment of the bonds in amounts sufficient to pay the principal of and interest on the bonds when due. As additional security for the payment of the bonds the City hereby pledges its limited tax full faith and credit for the payment of principal and interest on the bonds. In the event the amounts collected and set aside from funds derived from collected taxes returned to the City from the State of Michigan for highway purposes pursuant to Act 51 are insufficient to pay the bonds when due the bonds are payable as to principal and interest from any funds available to the City for that purpose, including, the proceeds of annual ad valorem property taxes, which may be levied on all taxable property with the boundaries of the City, subject to charter, statutory and constitutional limitations.

GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a financial surety bond, in the amount of \$_____, and payable to the order of the Treasurer of the City is required for each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the bonds. If a check is used, it must accompany each bid. If a financial surety bond is used, it must accompany each bid. If a financial surety bond is used, it must be from an insurance company licensed to issue such bond in the State of Michigan and such bond must be submitted to the City's financial advisor at least one hour prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the bonds are awarded to a bidder utilizing a financial surety bond, then the purchaser required to submit its good

faith deposit to the City in the form of a cashier's check (or wire transfer such amount as instructed by the City or its financial advisor) no later than Twelve o'clock, Noon, prevailing Eastern Time, on the next business day following the award. If such good faith deposit is not received by that time, the financial surety bond may be drawn by the City to satisfy the good faith deposit requirement. The good faith deposit will be applied to the purchase price of the Bonds. In the event the purchaser of the bonds fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith checks, and checks of the unsuccessful bidders will be promptly returned to each bidder's representative or by registered mail. The good faith check of the successful bidder may be immediately cashed, in which event payment for the balance of the purchase price of the bond shall be made at the time closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest interest cost computed by determining, at the rate or rates specified in the bid, the total dollar value of all interest on the bonds from January 1, 2003, to their maturity and deducting therefrom any premium and adding thereto any discount.

TAX MATTERS: In the opinion of bond counsel, assuming compliance with certain covenants, interest on the bonds is excluded from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation in the State of Michigan except inheritance taxes and taxes on gains realized from the sale, payment or other disposition thereof. The successful bidder will be required to furnish, prior to the delivery of the bonds, a certificate in a form acceptable to bond counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986.

"NOT QUALIFIED TAX EXEMPT OBLIGATIONS": The City will NOT designate the bonds as "qualified tax exempt obligations" for purposes of deduction of interest by financial institutions.

LEGAL OPINION: Bids shall be conditioned upon the unqualified approving opinion of Lewis & Munday, A Professional Corporation, attorneys of Detroit, Michigan, a copy of which opinion will be printed on the reverse side of each bond and the original of which will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Lewis & Munday, A Professional Corporation for services rendered in connection with such approving opinions are expected to be paid from bond proceeds. Except to the extent necessary to issue its unqualified approving opinion as to validity of the above bonds, Lewis & Munday, A Professional Corporation has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser at a place to be agreed upon.

The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. The bonds will be tendered for delivery by twelve o'clock noon, Eastern Daylight Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery. Unless the purchaser furnishes the transfer agent with a list giving the denominations and names in which it wishes to have the certificates issued at least 5 business days prior to delivery of the bonds, the bonds will be delivered in the form of a single certificate for each maturity registered in the name of the purchaser.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

FINANCIAL CONSULTANT: A copy of the Official Statement relating to the Bonds may be obtained by contacting Stauder, Barch & Associates, Inc. at 3989 Research Park Drive, Ann Arbor, MI 48108, (734) 668-6688. The Official Statement is in a form deemed final by the City for purposes of paragraph (b)(1) of SEC Rule 15c2-12 (the "Rule"), but is subject to revision, amendment and completion in a final Official Statement.

After the award of the bonds, the City will provide on a timely basis a reasonable number of a final Official Statement, as that term is defined in paragraph (e)(3) of the rule, at the expense of the City (and such additional copies of the final Official Statement as reasonably requested by, and at the expense of, the successful bidder or bidders) to enable the successful bidders or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board. Requests for such additional copies of the final Official Statement shall be made to Stauder, Barch & Associates at the above address within 24 hours of the award of the bonds.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City will agree to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, (i) on or prior to the last day of the sixth month after the end of the fiscal year of the City, commencing with the fiscal year ended June, 30, 2002, certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, (or if audited financial statements are not available, unaudited financial statements) generally consistent with the information contained or cross-referenced in the Official Statement

relating to the Bonds, (ii) timely notice of the occurrence of certain material events with respect to the Bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

THE RIGHT IS RESERVED TO REJECT TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked “Proposal for MTF Bonds.”

City Clerk

10. The City shall not invest, reinvest or accumulate any moneys deemed to be proceeds of the bonds pursuant to Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder, in such a manner as to cause the bonds to be “arbitrage bonds” within the meaning of said Internal Revenue Code of 1986, as amended and the applicable regulations thereunder.

11. The City covenants it shall comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission regarding continuing disclosure, as shall be more fully set forth in the resolution of the City Council awarding the Bonds.

12. The Finance Director be hereby authorized and directed to approve the final terms of the Bonds within the parameters of this resolution, including, but not limited to, the dated date, the maturity dates and interest rates for the Bonds in the Sale Order to be executed after the sale and prior to delivery of the Bonds.

13. The City Clerk be hereby authorized and directed to publish this resolution as and when adopted by the City Council, once in a daily or weekly newspaper of general circulation in the City as required by Section 2 of Act 175. This resolution shall become effective upon such publication

14. The officers, agent and employees of the City are authorized to take all other actions necessary and convenient to facilitate sale and issuance of the Bonds.

15. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Councilmember Easthope moved that the resolution be adopted.

On a voice vote the Mayor declared the motion carried.

R-451-11-02 APPROVED

RESOLUTION TO APPROVE COST AGREEMENT WITH THE MICHIGAN DEPARTMENT OF TRANSPORTATION, APPROPRIATE FUNDS, AND ESTABLISH A PROJECT BUDGET FOR CONSTRUCTION OF A NEW TRAFFIC SIGNAL ON N. MAIN AT DEPOT AND RECONSTRUCTION OF THE EXISTING SIGNAL ON N. MAIN AT SUMMIT

Whereas, It is necessary to install a new traffic signal at the North Main Street and Depot Street intersection, together with rebuilding a signal at the North Main and Summit intersection;

Whereas, The Michigan Department of Transportation has jurisdiction over both locations and arranged \$106,254.00 in Federal funds to cover the construction cost of the project; and

Whereas, The cost of Design and Construction Engineering of \$10,624.00 will be shared 50% by the City and 50% by MDOT;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Cost Agreements for Work Authorization numbers 6572 and 6573 with the Michigan Department of Transportation for the signals at US-23BR (Main) at Summit Street and US-23BR (Main) at Depot Street, substantially in the form on file with the City Clerk, following approval as to substance by the City Administrator, and approval as to form by the City Attorney;

RESOLVED, That City Council adopt the following budget for the life of the project, to be expended without regard to fiscal year:

Section I, Revenue

\$ 106,254.00	Federal Aid
\$ 5,312.00	State Fund
<u>\$ 5,312.00</u>	Major Street Fund Balance
\$ 116,878.00	TOTAL

Section II – Expenses

\$ 106,254.00	Construction Contract
<u>\$ 10,624.00</u>	Design and Construction Engineering
\$ 116,878.00	TOTAL; and

RESOLVED, That Council authorize the City Administrator to take all necessary administrative actions to implement this resolution.

Councilmember Herrell moved that the resolution be adopted.

On a voice vote the Mayor declared the motion carried.

R-452-11-02 APPROVED

RESOLUTION TO APPROVE PURCHASE OF AERIAL TOWER TRUCK FROM BILL WINK CHEVROLET – DEARBORN, MICHIGAN, BID #3545

Whereas, The Fleet Services Division of the Public Services Department needs to purchase a replacement Aerial Tower Truck for the City’s fleet;

Whereas, Bill Wink Chevrolet was the lowest responsible bidder, Bid #3545, in the amount of \$113,487.00; and

Whereas, Bill Wink Chevrolet received Human Rights approval on March 6, 2002;

RESOLVED, That City Council approve the issuance of a purchase order to Bill Wink Chevrolet for the purchase of an Aerial Tower Truck in the amount of \$113,487.00 from the Motor Equipment Fund’s fund balance.

Councilmember Herrell moved that the resolution be adopted.

On a voice vote the Mayor declared the motion carried.

R-453-11-02 APPROVED

RESOLUTION TO APPROVE AGREEMENT WITH THE MICHIGAN DEPARTMENT OF TRANSPORTATION, APPROPRIATE FUNDS, AND ESTABLISH A PROJECT BUDGET FOR ADAPTIVE TRAFFIC SIGNAL CONTROL PHASE II

Whereas, It is necessary to upgrade traffic signals in the major arterials and in the downtown area of the City, including upgrading of the main traffic computer with an Adaptive Traffic Control System;

Whereas, The Adaptive Traffic Signal Control – Phase I and Phase II projects have been included in the City Capital Improvements Plan, which was approved by the City Council on November 9, 2000; and

Whereas, A Federal Congestion Mitigation/Air Quality grant will pay up to \$892,000.00 in Federal funds for the project;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute contract number 02-5477 with the Michigan Department of Transportation for the Adaptive Traffic Signals Control – Phase II project, substantially in the form on file with the City Clerk, following approval as to substance by the City Administrator, and approval as to form by the City Attorney;

RESOLVED, That City Council adopt the following budget and appropriate funds for the life of the project, to be expended without regard to fiscal year:

Section I – Revenue

\$ 892,000	Federal Aid
<u>\$ 246,850</u>	Major Street Fund Balance
\$1,138,850	TOTAL

Section II – Expenses

\$ 819,850	Construction Contract
\$ 66,000	Design Engineering
\$ 82,000	Construction Engineering
\$ 73,000	Contingencies
\$ 41,000	Testing
<u>\$ 57,000</u>	Miscellaneous Costs, Training
\$1,138,850	TOTAL; and

RESOLVED, That Council authorize the City Administrator to take necessary administrative actions to implement this resolution.

Councilmember Easthope moved that the resolution be adopted.

On a voice vote the Mayor declared the motion carried.

R-454-11-02 APPROVED AS AMENDED

RESOLUTION TO APPROVE THE LOCAL DEVELOPMENT FINANCE
AUTHORITY TAX INCREMENT FINANCING AND DEVELOPMENT PLAN
FOR THE ANN ARBOR/YPSILANTI SMART ZONE

Councilmember Woods moved that the resolution be adopted.

Councilmember Johnson moved to amend the resolution as follows:

Section 2, 2nd paragraph:

...and as approved by the member municipalities, **THESE BOUNDARIES MAY BE AMENDED AND MAY BE EXTENDED TO OTHER MUNICIPALITIES...**

On a voice vote the Mayor declared the motion carried.

The amended resolution reads as follows:

RESOLUTION TO APPROVE THE LOCAL DEVELOPMENT FINANCE
AUTHORITY TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

FOR THE ANN ARBOR/YPSILANTI SMART ZONE

Whereas, An Ann Arbor/Ypsilanti Smart Zone has been created to provide business support services to small, start up companies, primarily in the life sciences and information technology areas, many of which will be located in the Ann Arbor and Ypsilanti downtown areas;

Whereas, In June 2002 the Ann Arbor and Ypsilanti City Councils voted to establish a multi-jurisdictional Local Development Finance Authority (LDFA) with which to capture revenues to support this Smart Zone;

Whereas, Both City Councils appointed Smart Zone board members who worked to draft a Local Development Finance Authority Tax Increment Financing and Development Plan for the Ann Arbor/Ypsilanti Smart Zone;

Whereas, The Smart Zone board voted to recommend the proposed LDFA Tax Increment Financing and Development Plan at their October 2, 2002 board meeting;

Whereas, The funds captured by the LDFA will be used for such purposes as administration, planning, and payments for contractual services including audits, and the LDFA does not anticipate issuing any bond indebtedness;

Whereas, It is estimated that the overall cost to the LDFA of implementing its Development Plan from 2003-2018 will be approximately \$25,000,000.00, which will be paid for through tax increment revenues, user fees, and grants; and

Whereas, The City Council of Ypsilanti will be asked to approve a similar resolution at its meeting November 19, 2002;

RESOLVED, The City Council of the City of Ann Arbor approve the Local Development Finance Authority Tax Increment Financing and Development Plan for the Ann Arbor/Ypsilanti Smart Zone.

R-455-11-02 APPROVED

RESOLUTION ACCEPTING UTILITY EASEMENT FROM H & B ENTERPRISES
1615 S. STATE STREET

Whereas, H & B Enterprises, a registered Michigan co-partnership, is the owner in fee simple of property located in the City of Ann Arbor, Washtenaw County, Michigan, as described in the Washtenaw County Records at Liber 3988, Page 209, recorded November 26, 1991;

Whereas, The Partners on September 30, 2002 executed a notarized statement approving the public utility easement to the City; and

Whereas, H & B Enterprises, a registered Michigan co-partnership, has delivered an easement to the City for the construction and maintenance of municipally operated public services to run with the land and burden the respective property perpetually, being more particularly described as follows:

(Description 2)

Part of the SW ¼ of Section 33, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, described as: Commencing at the SW corner of Section 33, T2S, R6E; thence along the True South Line of Section 33, N87° 57' 53" E 526.40 feet; thence along the E line of the Railroad, N 23° 23' 47" W 542.51 feet; thence N 88° 04' 13" E 493.09 feet; thence along the W line of South Industrial Highway, N01° 02' 47" W 289.61 feet to the Point of Beginning; thence S 87° 33' 53" W 388.82 feet to the Point of Beginning; thence S87° 33' 53" W 24.98 feet to the Point of Termination.

RESOLVED, That the City hereby accept said grant of easement.

Councilmember Carlberg moved that the resolution be adopted.

On a voice vote the Mayor declared the motion carried.

R-456-11-02 APPROVED

RESOLUTION ACCEPTING UTILITY EASEMENT FROM
SOUTH INDUSTRIAL DEV., LLC – 1950 S. INDUSTRIAL HIGHWAY

Whereas, South Industrial Dev., L.L.C., a Michigan limited liability company, is the owner in fee simple of property located in the City of Ann Arbor, Washtenaw County, Michigan, as described in the Washtenaw County Records at Liber 3076, Page 222, recorded January 31, 1995;

Whereas, A Consent Resolution of the Members, dated September 12, 2002, authorized the delivery of a perpetual easement to the City for the construction and maintenance of municipally operated public services comprising the public utilities system; and

Whereas, South Industrial Dev., L.L.C., a Michigan limited liability company, has delivered an easement to the City for the construction and maintenance of municipally operated public services to run with the land and burden the respective property perpetually, being more particularly described as follows:

(Description 1)

Part of the SW ¼ of Section 33, T2S, R6E, City of Ann Arbor, Washtenaw County, Michigan, described as: Commencing at the SW corner of Section 33, T2S, R6E; thence along the True South Line of Section 33, N87° 57' 53" E 526.40 feet; thence along the E line of the Railroad, N 23° 23' 47" W 542.51 feet; thence N 88° 04' 13" E 493.09 feet; thence along the W line of South Industrial Highway, N01° 02' 47" W 289.61 feet to the Point of Beginning; thence S 87° 33' 53" W 388.82 feet to the Point of Termination.

RESOLVED, That the City hereby accept said grant of easement.

Councilmember Higgins moved that the resolution be adopted.

On a voice vote the Mayor declared the motion carried.

REPORTS FROM COUNCIL COMMITTEES

1. Allen Creek Technical Review Sub-Committee Report – Councilmembers Johnson and Carlberg
(Report filed)

COUNCIL PROPOSED BUSINESS

None.

COMMUNICATIONS FROM THE MAYOR

ANNOUNCEMENTS

- Mayor Hieftje announced that he and Mayor Pro Tem Carlberg would be out of town for the Thanksgiving Holiday. Councilmember Easthope has agreed to serve as acting Mayor for the period of November 28, 2002 through December 1, 2002.

Councilmember Higgins moved and supported by Councilmember Woods that Councilmember Chris Easthope be elected as Acting Mayor from November 28, 2002 through December 1, 2002.

On a voice vote the Mayor declared the motion carried.

- Mayor Hieftje asked that the administrator touch base with the utilities director to make sure that the Footing Drain Disconnection Program Update is posted to the web.

COMMUNICATIONS FROM THE CITY ADMINISTRATOR

REPORTS SUBMITTED

City Administrator Roger Fraser submitted the following reports for information of Council:

1. Footing Drain Disconnection Program Update – Utilities (Sue F. McCormick, Director)
2. Donation from National City Bank to the Ann Arbor Police Department \$100.00 – Police (Daniel J. Oates, Police Chief)

3. Section 8 Renewal of Expiring FFY03 October and November Voucher Increments – Housing Commission (Elizabeth A. Lindsley, Executive Director)
4. DDA Renewal – Public Hearing – Susan Pollay, Director
5. Financial Plan Criterion – Alan Burns, Budget Director

(Reports on file in the City Clerk's Office)

- Mr. Fraser asked Council to set aside, December 14, 2002 (at least half the day in the morning) to discuss where the City is headed.
- Mr. Fraser also asked Council to schedule a meeting on December 2, 2002 at 4 p.m. to discuss labor issues.
- Mr. Fraser updated Council regarding his trip to Wisconsin.

COMMUNICATIONS FROM THE CITY ATTORNEY

None.

COMMUNICATIONS FROM COUNCIL

COUNCILMEMBER EASTHOPE

Councilmember Easthope thanked Interim City Attorney Jerry Lax and Mary Fales for helping out and welcomed new members of Council.

COUNCILMEMBER HERRELL

Councilmember Herrell informed Council that a resolution will be forth coming regarding opposition to war in Iraq.

She also wanted to inform citizens not to put leaves out into the street until the day before their scheduled pick up. She announced that there was a street light out on Huron between Main and Ashley.

Ms. Herrell also suggested that department heads make background information regarding major projects available to the new Councilmembers.

MAYOR PRO TEMPORE ELECTED

The Mayor declared nominations open for election of Mayor Pro Tem for the ensuing

Council Year.

Councilmember Higgins moved and Councilmember Herrell supported that Councilmember Jean Carlberg be elected Mayor Pro Tem for the 2002-2003 Council year.

There being no further nominations, the mayor declared nominations for Mayor Pro Tem closed.

The question being the election of Councilmember Jean Carlberg as Mayor Pro Tem, on a voice vote the Mayor declared the motion passed.

COUNCILMEMBER CARLBERG

Councilmember Carlberg asked that the city administrator consider another leaf pick up in the third ward.

CLERK'S REPORT OF COMMUNICATIONS, PETITIONS AND REFERRALS

The following communications were referred as indicated:

1. Cable Communications – August 27, 2002 and September 24, 2002
2. Downtown Development Authority – June 5, 2002; July 1, 2002 and September 4, 2002

Councilmember Carlberg moved that the Clerk's Report be accepted.

On a voice vote the Mayor declared the motion carried.

PUBLIC COMMENTARY - GENERAL**JIM MOGENSEN – CITY REORGANIZATION**

Jim Mogensen, 3870 Greenbrier Blvd., #354C expressed concern with the reorganization of the city.

“CRASH” – ART SPACE IN ANN ARBOR

Crash, Ann Arbor resident, expressed concern with what happened at the Technology Center on Washington Street.

ADJOURNMENT

There being no further business to come before Council, it was moved by Councilmember Easthope that the meeting be adjourned.

On a voice vote the Mayor declared the motion carried and the meeting adjourned at 12:37 a.m.

Kathleen M. Root
Clerk of the Council

Anissa R. King
Recording Secretary