

**ANN ARBOR CITY COUNCIL MINUTES
REGULAR SESSION - MAY 21, 2007**

Mayor John Hieftje called the regular session of the Ann Arbor City Council to order at 7:00 p.m. in the City Hall Council Chamber, 100 N. Fifth Ave, Ann Arbor, Michigan.

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 Ronald Suarez, Robert M. Johnson, Joan Lowenstein, Stephen Rapundalo, Stephen Kunselman, Leigh Greden, Margie Teall, Marcia Higgins, Christopher Easthope, Wendy A. Woods, Mayor John Hieftje, 11.

ABSENT : 0.

APPROVAL OF AGENDA

AGENDA APPROVED WITH CHANGES

Councilmember Rapundalo moved, seconded by Councilmember Johnson, that the agenda be approved with the following changes:

MOTIONS AND RESOLUTIONS

New Business – Council:

Added After Newspaper Deadline:

Add: Resolution to Approve the City of Ann Arbor joining the Ecology Center to Intervene in the Detroit Edison Rate Case to Encourage the Creation of a Renewable Energy Tariff for Electric Customers (\$0) (Mayor Hieftje) **(Added 5/18/07)**

New Business – Boards and Commissions:

Revised: Resolution to Approve Amendment No. 1 to the By-laws of the Ann Arbor-Ypsilanti SmartZone LDFA (Financial and Administrative Services - Tom Crawford, Chief Financial Officer)

COMMUNICATIONS FROM THE CITY ADMINISTRATOR

Revised: Ann Arbor Municipal Center Progress Report 01 **(Revised 5/21/07)**

CLERK'S REPORT OF COMMUNICATIONS, PETITIONS AND REFERRALS

Add: Communication from the State of Michigan regarding notice of hearing for the Customers of Detroit Edison Company, Case No. U-15244 scheduled for June 7, 2007 **(Added 5/18/07)** - Filed

On a voice vote, the Mayor declared the motion carried.

INTRODUCTIONS**YA'SSOO GREEK FESTIVAL PROCLAMATION**

Mayor Hieftje read a proclamation honoring the Ya'Ssoo Greek Festival. The festival will take place on June 1 and 2, 2007. A copy of the proclamation is on file in the City Clerk's office.

PUBLIC COMMENTARY - RESERVED TIME**ANN ARBOR BUDGET**

The following people addressed Council regarding the proposed 2007-2008 Ann Arbor City Budget:

Doug Cowherd, 1117 Brooks, expressed concern that the Parks Services would not receive an increase in its expenditure budget from the General fund as was stipulated in a resolution passed by City Council last fall.

Karen Sidney, 100 Longman Lane, expressed concern with cutting funds for the Parks and Recreation Services, and increases to Police Services, Information Technology Services, City Administrator, and City Attorney budgets.

Gwen Nystuen, 1016 Olivia, urged Council to amend the Parks and Recreation budget as it relates to the millage language approved in 2006.

Kim Waldo, 3423 Charring Cross, asked Council to reject the two budget items that would trim \$700,000 from the Parks Services budget and increases the Safety

Services budget by \$250,000 for police park patrol.
Linda Berauer, 421 Third St., chair of the Parks Advisory Commission, urged Council to consider resolutions pertaining to the Parks budget that PAC made at their May 15, 2007 meeting.

Detroit Edison (DTE) RATE CASE

The following people spoke in support of the proposed resolution to intervene in the Detroit Edison Rate Case to encourage the creation of a renewable Energy Tariff for electric customers:

Robert Black, 516 Spring St., chair of Ann Arbor Energy Commission.
David Wright, 424 Little Lake #31, member of Ann Arbor Energy Commission.

LAUREL FEDERBUSH – DIVEST FROM ISRAEL

Laurel Federbush, 2000 Anderson Court, urged Council to pass the Ann Arbor Human Rights Commission's resolution in support of divestment from Israel.

JEFFREY MASTERS – AT&T BOXES

Jeffrey Masters thanked Council for their assistance in getting the AT&T box shut off near his property.

PUBLIC HEARINGS

ZION LUTHERAN CHURCH SITE PLAN

A public hearing was conducted on the proposed resolution to approve the Zion Lutheran Church Site Plan, 9.46 acres, located at 1504 West Liberty Street. Notice of public hearing was published May 13, 2007.

There being no one present for comment, the Mayor declared the hearing closed.

FEES AND BONDS REQUIRED

A public hearing was conducted on the proposed amendment to Chapter 77, Section 7:33 – Fees and Bonds Required of Title VII of the Code of the City of Ann Arbor. Notice of public hearing was published May 20, 2007.

There being no one present for comment, the Mayor declared the hearing closed.

2007-08 PLANNING FEE INCREASES FOR PLANNING AND DEVELOPMENT SERVICES

A public hearing was conducted on the proposed resolution to approve the 2007-08 Planning Fee Increases for Planning and Development Services. Notice of public hearing was published May 20, 2007.

There being no one present for comment, the Mayor declared the hearing closed.

COUNCIL PROPOSED BUSINESS

None.

COMMUNICATIONS FROM COUNCIL

None.

REPORTS FROM COUNCIL COMMITTEES

None.

APPROVAL OF COUNCIL MINUTES**MINUTES OF MAY 7, 2007 APPROVED**

Councilmember Teall moved, seconded by Councilmember Woods, that the regular session minutes of May 7, 2007 be approved as presented.

On a voice vote, the Mayor declared the motion carried.

CONSENT AGENDA

None.

ORDINANCES - SECOND READING

11-07 APPROVED

FEEES AND BONDS REQUIRED

An Ordinance to Amend Section 7:33 of Chapter 77 (Fees and Bonds Required)
of Title VII of the Code of the City of Ann Arbor

(The complete text of Ordinance 11-07 is on file in the City Clerk's Office.)

Councilmember Teall moved, seconded by Councilmember Woods, that the ordinance be adopted at second reading.

On a voice vote, the Mayor declared the motion carried.

ORDINANCES - FIRST READING

13-07 APPROVED

**BURTON COMMONS ZONING
(2559-2805 BURTON ROAD)**

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 8.06 acres, located at 2559-2805 Burton Road, from R1C (Single-Family Dwelling District) to R4B (Multiple-Family Dwelling District). (The complete text of Ordinance 13-07 is on file in the City Clerk's Office.)

Councilmember Greden moved, seconded by Councilmember Teall, that the ordinance be approved at first reading.

On a voice vote, the Mayor declared the motion carried.

MOTIONS AND RESOLUTIONS

R-187-5-07 APPROVED

RESOLUTION TO APPROVE THE CITY OF ANN ARBOR JOINING THE ECOLOGY CENTER TO INTERVENE IN THE DETROIT EDISON RATE CASE TO ENCOURAGE THE CREATION OF A RENEWABLE ENERGY TARIFF FOR ELECTRIC CUSTOMERS

Whereas, City Council passed a resolution on May 1, 2006 setting a goal of moving the Ann Arbor community energy use to 20% from clean, renewable sources by 2015;

Whereas, achieving Ann Arbor's 20% renewable energy goal will require that Ann Arbor citizens be able to choose to purchase their electricity from these renewable generating resources;

Whereas, Detroit Edison has recently begun their Green Currents program which enables their customers to pay 2 - 2.5 cents/kWh extra to support renewable energy generating resources for up to 100% of their electric purchase;

Whereas, Participants in the Detroit Edison Green Currents program will still see their electric rate cost rise as the cost of fossil fuels rises, even those buying 100% of their electricity from renewable resources with only Detroit Edison benefiting from the fixed energy cost of renewable sources;

Whereas, Ann Arbor believes that a program that decouples the cost of renewable energy from the cost of coal (or other fuels) would be a much more attractive and fair program for Detroit Edison customers and allow for a long-term fixed-price for customers who choose renewable electric generation;

Whereas, Customers who choose this "fixed-rate" option can expect to see their added cost for renewable electricity go down over time;

Whereas, Detroit Edison is currently starting a "Rate Case" with the Michigan Public Service Commission to establish future plans and rates for electricity delivery in Michigan;

Whereas, the Ecology Center is planning to intervene in this rate case and is looking for partners to ask for the creation of a new long-term, fixed-rate renewable energy tariff modeled after the Austin Energy GREENCHOICE program which decouples the fuel cost from the renewable energy costs;

Whereas, The Ecology Center will pay for 100% of the legal costs for the intervention;

Whereas, The Energy Commission and Energy Office staff will assist the Ecology Center by providing information and perhaps testimony for the intervention,

Whereas, On May 8th the Energy Commission unanimously passed a recommendation to strongly recommend that City Council approve the City’s participation in the Detroit Edison rate case to encourage the creation of a renewable energy tariff with a partner who will cover all legal expenses; and

Whereas, Requests to intervene must be filed with the MPSC by May 31;

RESOLVED, That the City of Ann Arbor join with the Ecology Center to formally intervene in the Detroit Edison rate case (U-15244) to request the Michigan Public Service Commission to create a Detroit Edison tariff for residential, commercial, and industrial customers modeled after the Austin Energy's GREENCHOICE program to offer a long-term fixed-price rate to purchase electricity generated by Michigan based renewable resources.

Councilmember Johnson moved, seconded by Councilmember Lowenstein, that the resolution be adopted.

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

R-188-5-07 APPROVED

RESOLUTION TO APPROVE BIRCHMEIER ANNEXATION

Whereas, The territory hereinafter described is located in the Township of Ann Arbor and is adjacent to the corporate limits of the City of Ann Arbor;

Whereas, John E. Birchmeier is the owner of said property; and

Whereas, It is the desire of John E. Birchmeier to annex said territory to the City of Ann Arbor, pursuant to the provisions of Act 359 of the Public Acts of the State of Michigan for the year 1947, as amended;

RESOLVED, That the following described lands and premises situated and being in the Township of Ann Arbor, Washtenaw County, Michigan, be detached from said Township of Ann Arbor and annexed to the City of Ann Arbor, to-wit:

Old SID – I 09-070-001-00 AA 41-1, Lot 1, Bowen’s Subdivision, Ann Arbor Township, Washtenaw County, Michigan.

A communication was received from the City Planning Commission transmitting its recommendation of approval of the proposed Resolution to Approve Birchmeier Annexation, 0.50 Acre, 2024 Newport Road.

Councilmember Teall moved, seconded by Councilmember Woods, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-189-5-07 APPROVED

RESOLUTION TO APPROVE SONEN/BEARDSLEY ANNEXATION

Whereas, The territory hereinafter described is located in the Township of Ann Arbor and is adjacent to the corporate limits of the City of Ann Arbor;

Whereas, Kurt Sonen and Margery Beardsley are the owners of said property; and

Whereas, It is the desire of Kurt Sonen and Margery Beardsley to annex said territory to the City of Ann Arbor, pursuant to the provisions of Act 359 of the Public Acts of the State of Michigan for the year 1947, as amended;

RESOLVED, That the following described lands and premises situated and being in the Township of Ann Arbor, Washtenaw County, Michigan, be detached from said Township of Ann Arbor and annexed to the City of Ann Arbor, to-wit:

Commencing at the South ¼ corner of Section 27, Town 2 South, Range 6 East, Ann Arbor Township, Washtenaw County, Michigan; thence North 0°57'30" West 1524.06 feet along the North-South ¼ line for a Place of Beginning; thence continuing North 0°57'30" West 290.40 feet; thence North 89°02'30" East 150.00 feet; thence South 0°57'30" East 290.40 feet; thence South 89°02'30" West 150.00 feet to the Place of Beginning, being part of the Southeast ¼ of said section, and being subject to a right-of-way 24 feet wide, lying 12 feet on either side of the following described centerline: Commencing at the South ¼ corner of Section 27, Town 2 South, Range 6 East, Ann Arbor Township, Washtenaw County, Michigan; thence North 0°57'30" West 1524.06 feet along the North-South ¼ line; thence North 89°02'30" East 101.79 feet for a PLACE OF BEGINNING of this right-of-way; thence North 7°52' West 48.88 feet; thence along the arc of a tangential circular curve to the right, radius 200.00 feet, chord North 3°39'50" East 79.97 feet; thence along the arc of a compound circular curve to the right, radius 67.40 feet, chord North 40°36' East 57.83 feet; thence along the arc of a compound circular curve to the right, radius 36.0 feet, chord North 73°41'20" East 9.63 feet for a place of ending of this description.

A communication was received from the City Planning Commission transmitting its recommendation of approval of the proposed Resolution to Approve Sonen/Beardsley Annexation, 1.0 Acre, 314 Huntington Drive.

Councilmember Lowenstein moved, seconded by Councilmember Teall, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-190-5-07 APPROVED

RESOLUTION TO APPROVE TRIX ANNEXATION

Whereas, The territory hereinafter described is located in the Township of Ann Arbor and is adjacent to the corporate limits of the City of Ann Arbor;

Whereas, Frances Trix is the owner of said property; and

Whereas, It is the desire of Frances Trix to annex said territory to the City of Ann Arbor, pursuant to the provisions of Act 359 of the Public Acts of the State of Michigan for the year 1947, as amended;

RESOLVED, That the following described lands and premises situated and being in the Township of Ann Arbor, Washtenaw County, Michigan, be detached from said Township of Ann Arbor and annexed to the City of Ann Arbor, to-wit:

OLD SID – I 09-095-012-00 AA 45-12 BEG AT SW CORNER OF LOT 12, TH E 107.2 FT TO SE COR OF LOT 12, TH N 163 FT IN E LINE OF LOT, TH DEFL 90 DEG LEFT TO A POINT IN W LINE OF LOT 12, TH S TO PL OF BEG, GEDDES AVENUE RIVER VIEW HEIGHTS, ANN ARBOR TOWNSHIP, WASHTENAW COUNTY, MICHIGAN.

A communication was received from the City Planning Commission transmitting its recommendation of approval of the proposed Resolution to Approve Trix Annexation, 0.46 Acre, 645 Riverview Drive.

Councilmember Lowenstein moved, seconded by Councilmember Johnson, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-191-5-07 APPROVED

RESOLUTION TO APPROVE SULLIVAN ANNEXATION

Whereas, The territory hereinafter described is located in the Township of Ann Arbor and is adjacent to the corporate limits of the City of Ann Arbor;

Whereas, James and June Sullivan are the owners of said property; and

Whereas, It is the desire of James and June Sullivan to annex said territory to the City of Ann Arbor, pursuant to the provisions of Act 359 of the Public Acts of the State of Michigan for the year 1947, as amended;

RESOLVED, That the following described lands and premises situated and being in the Township of Ann Arbor, Washtenaw County, Michigan, be detached from said Township of Ann Arbor and annexed to the City of Ann Arbor, to-wit:

REWRITE PER QCD L12181 P661 10/12/87 AA 44-2A LOT 10 GANZHORN HILLS, EXC S 10 FT THEREOF, ALSO EXC BEG AT SE COR SAID LOT 10, TH N 89-26-30 W 15.27 FT, TH N 10-11-18 W 92.00 FT, TH S 89-26-30 E 15.28 FT, TH S 10-11-18 E 92.00 FT TO POB GANZHORN HILLS, ANN ARBOR TOWNSHIP, WASHTENAW COUNTY, MICHIGAN.

A communication was received from the City Planning Commission transmitting its recommendation of approval of the proposed Resolution to Approve Sullivan Annexation, 0.38 Acre, Lot 10 of Ganzhorn Hills (1531 Beechwood Drive).

Councilmember Woods moved, seconded by Councilmember Teall, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-192-5-07 APPROVED

RESOLUTION TO APPROVE ZION LUTHERAN CHURCH SITE PLAN

Whereas, Zion Lutheran Church has requested site plan approval in order to construct an 8,125-square foot addition onto the existing church at 1501 West Liberty Street;

Whereas, The Ann Arbor City Planning Commission, on April 17, 2007, recommended approval of 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 Zion Lutheran Church Site Plan.

A communication was received from the City Planning Commission transmitting its recommendation of approval of the proposed Resolution to Approve Zion Lutheran Church Site Plan, 9.46 Acres, 1501 West Liberty Street.

Councilmember Woods moved, seconded by Councilmember Easthope, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-193-5-07 APPROVED

RESOLUTION TO APPROVE AMENDMENT NO. 1 TO THE BY-LAWS OF THE ANN ARBOR-YPSILANTI SMARTZONE LDFA

Whereas, The Ann Arbor-Ypsilanti SmartZone LDFA was established in accordance with the authority granted under Public Act 248 of 2000 respectively by the cities of Ann Arbor and Ypsilanti in June 2002 to encourage high tech business investment within the boundaries of the SmartZone, comprising portions of City of Ann Arbor and the City of Ypsilanti, and the funding of the SmartZone through a Local Development Financing Authority;

Whereas, Michigan law (MCL 125.2151 et. seq.) requires that the LDFA Board adopt and the City Councils of Ann Arbor and Ypsilanti approve the rules governing its procedures and meetings;

Whereas, The current LDFA By-laws were adopted December 18, 2002, and approved by the governing bodies on January 21, 2003;

Whereas, The Ann Arbor -Ypsilanti SmartZone LDFA board members approved the proposed amendments at their April 17, 2007 regular board meeting;

Whereas, The City of Ypsilanti council members approved Amendment of the bylaws as stated below at their May 15, 2007 regular council meeting with a vote of 6-0:

AMENDMENT NO. 1
TO THE BY-LAWS OF THE
ANN ARBOR-YPSILANTI SMART ZONE LOCAL DEVELOPMENT FINANCE
AUTHORITY

The By-Laws of the Ann Arbor-Ypsilanti SmartZone Local Development Finance Authority effective January 21, 2003 (the "By-Laws") are hereby amended as follows:

1. Article II – Principal Office is amended to read as follows:

The principal office of the Ann Arbor Ypsilanti SmartZone Local Development Finance Authority shall be that of the government offices of the City of Ann Arbor, currently located at Guy C. Larcom, Jr. Municipal Building, 100 N. Fifth Avenue, Ann Arbor, Michigan 48104.

2. Section 3 of Article IV – Members and Terms is amended to read as follows:

Section 3. Reappointment of Members: Except for initial appointments to the Board, no member shall serve more than one complete (4 year) term. Members shall serve until the appointment of their successor. The Board shall notify the appropriate unit of government at least 60 days prior to the expiration of the member's term.

3. Article XIII – Amendment of By-Laws is amended to read as follows:

These By-Laws may be amended at any regular meeting of the Board by a majority vote, provided that the amendment has been submitted in writing at the previous regular meeting. Any amendment approved by the Board shall be consistent with this Article, to the extent required by the terms of the SmartZone Development Agreement and TIF Plan, and all applicable statutes, resolutions and agreements of the member municipalities. Amendments to the By-Laws, after approval by the Board, shall be provided to member municipalities, and unless objected to by at least one of the governing bodies of the member municipalities within thirty (30) days of the receipt by the Clerk of the governing body of the proposed amendment shall become effective.

Except as amended hereby, the By-Laws remain in full force and effect.

Approved LDFA Board: April 17, 2007

Filed with City of Ann Arbor: _____
Date

Filed with City of Ypsilanti: _____
Date

RESOLVED, That City Council approve the “Amendment No. 1 to the By-laws of the Ann Arbor-Ypsilanti SmartZone LDFA”;

RESOLVED, That a copy of this Resolution be provided to the City Council of the City of Ypsilanti and the Board of the Ann Arbor-Ypsilanti Smartzone LDFA; and

RESOLVED, That the City Administrator is authorized to take the necessary actions required in connection with the change of address for the principle offices authorized by this Resolution.

Councilmember Rapundalo moved, seconded by Councilmember Teall, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-194-5-07 APPROVED

RESOLUTION TO APPROVE THE PURCHASE OF FURNITURE, SHELVING, AND STORAGE CABINETS FOR THE W. R. WHEELER SERVICE CENTER, BID # 3848 - INTERIOR ENVIRONMENTS (\$190,650.00) AND GLOBE TRADING COMPANY

Whereas, Furniture, shelving, and storage cabinets are needed at the W. R. Wheeler Service Center;

Whereas, Interior Environments was the lowest responsible bidder on Section A - Furniture of Bid # 3848;

Whereas, Globe Trading Company was the lowest responsible bidder on Section B - Shelving and Storage Cabinets of Bid # 3848;

Whereas, Sufficient funds are available in the Field Operations and Maintenance Facility Project Budget;

Whereas, Interior Environments received Human Rights and Living Wage approval on April 24, 2007; and

Whereas, Globe Trading Company received Human Rights and Living Wage approval on April 27, 2007;

RESOLVED, That City Council approve the issuance of a purchase order to Interior Environments for the purchase of Furniture requirements for the W. R. Wheeler Service Center in the amount of \$190,650.00 with the funds to be available without regard to fiscal year;

RESOLVED, That City Council approve the issuance of a purchase order to Globe Trading Company for the purchase of Shelving and Storage Cabinet requirements for the W. R. Wheeler Service Center in the amount of \$119,325.00 with the funds to be available without regard to fiscal year; and

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

Councilmember Teall moved, seconded by Councilmember Johnson, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-195-5-07 APPROVED

RESOLUTION APPROVING A GRANT OF EASEMENT TO THE DETROIT EDISON COMPANY FOR UNDERGROUND ELECTRIC SERVICE LINE LOCATED AT THE LAKEWOOD SANITARY LIFT STATION

Whereas, The Detroit Edison Company, a Michigan corporation, has requested an easement for the construction and maintenance of an underground electric service line located in the southwest corner of Jackson Avenue and Parklake Avenue, for the purpose of changing the City’s existing electric service to the Lakewood Lift Station from a primary source user to a secondary source user; and

Whereas, The Public Services Area has determined that it is in the City's best interest to request that The Detroit Edison Company construct and maintain the new underground electric service line and that the terms, conditions and location of the easement will not interfere with City operations;

RESOLVED, That the City of Ann Arbor approve the grant of easement to The Detroit Edison Company for the construction and maintenance of an underground electric service line, transformer, pad and all other component elements to be located in the southwest corner of Jackson Avenue and Parklake Avenue, said easement being more particularly described as follows:

A 12 foot wide easement described as follows:

Beginning at the NE corner of Lot 257, Lakewood Subdivision, as described in Liber 6 of Plats, Page 12, Recorded on July 1, 1925 in Washtenaw County Records, Washtenaw County, Michigan; thence westerly along the N property line of Lot 257, 55.33 feet to the POINT OF BEGINNING; thence S31° 30' 36" E 36.28 feet; thence S58°29'24" W 12.0 feet; thence N31°30' 36" W 50.46 feet; thence easterly along the N property line of said Lot 257 to the POINT OF BEGINNING.

RESOLVED, That the Mayor and City Clerk be authorized to execute the grant of easement in the form approved by the City Attorney.

Councilmember Woods moved, seconded by Councilmember Teall, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried, thus satisfying the eight-vote requirement.

R-196-5-07 APPROVED

RESOLUTION TO APPROVE FISCAL YEAR 07-08 FEE ADJUSTMENTS FOR THE CITY CLERK'S OFFICE

Whereas, All Service Units of the City review their fees each year as part of the budget process;

Whereas, The City Clerk's Office staff reviewed all of their fees as part of the FY 07-08 and FY08-09 budget submittal;

Whereas, Several fees were found to be inadequate to cover the costs of service;

Whereas, Efficiencies were found to allow for a fee reduction in other services; and

Whereas, A public hearing as required by Council Resolution R-159-4-92 was convened on May 7, 2007, to allow City Council to hear citizen and community comment on the change in the existing fee schedule and City Council has considered any and all objections thereto;

RESOLVED, That fees in the City Clerk’s Office be adjusted according to the attached schedule;

RESOLVED, That the attached fee schedule become effective according to the schedules listed; and

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

Councilmember Johnson moved, seconded by Councilmember Teall, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-197-5-07 APPROVED

RESOLUTION TO APPROVE FISCAL YEARS 07-08 AND 08-09 FEE ADJUSTMENTS FOR THE COMMUNITY SERVICES AREA

Whereas, All Service Units of the City review their fees each year as part of the budget process;

Whereas, Parks and Recreation Services and Planning and Development Services have reviewed all of their fees as part of the FY 07-08 and 08-09 budget submittal;

Whereas, Fees in several areas were found to be inadequate to cover the costs of service or remain competitive with the market; and

Whereas, A public hearing as required by Council Resolution R-159-4-92 was convened on May 7, 2007, to allow City Council to hear citizen and community comment on the change in the existing fee schedule and City Council has considered any and all objections thereto;

RESOLVED, That fees for Parks and Recreation Services and Planning and Development Services be adjusted according to the attached schedules;

RESOLVED, That the fee schedules on file in the City Clerk’s Office become effective according to the dates in the attached schedules; and

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

Councilmember Johnson moved, seconded by Councilmember Teall, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-198-5-07 APPROVED

RESOLUTION TO APPROVE FISCAL YEAR 07-08 FEE ADJUSTMENTS FOR PUBLIC SERVICES AREA – FLEET & FACILITIES, PROJECT MANAGEMENT, CUSTOMER SERVICE, AND FIELD OPERATIONS

Whereas, All Service Areas of the City government review their fees each year as part of the budget process;

Whereas, The Public Services Area Service Units have reviewed all of their fees as part of the FY 2007-08 budget submittal;

Whereas, Fees in several areas were found not recovering fully burdened costs to provide these services;

Whereas, Various fees have been reduced due to vendor pricing of new equipment; and

Whereas, A public hearing as required by Council Resolution R-159-4-92 was convened on May 7, 2007, to allow City Council to hear citizen and community comment on the change in the existing fee schedule and City Council has considered any and all objections thereto;

RESOLVED, The fees in the Public Services Service Units be adjusted according to the attached schedules;

RESOLVED, That the fee schedules on file in the City Clerk’s Office become effective July 1, 2007; and

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

Councilmember Woods moved, seconded by Councilmember Teall, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

R-199-5-07 APPROVED

RESOLUTION TO APPROVE FISCAL YEAR 2007-08 FEE ADJUSTMENTS FOR SAFETY SERVICES AREA

Whereas, All Service Areas of City government are requested to review their fees annually as part of the budget process;

Whereas, The Safety Services Area has reviewed all of their fees as part of the FY2007-2008 budget submittal;

Whereas, Sections 9:107 and 7:404 of the Ann Arbor City Code provides for the assessment of fees for permits, inspections, and false alarms response services provided by the Fire Services Unit;

Whereas, The Fire Services Unit has reviewed the existing Fire Services Unit Service Fee Schedule, effective November 1, 2003, of fees for Fire Services Unit services;

Whereas, The current Fire Services Unit Service Fee Schedule established for processing these services requires adjustment to keep pace with increased costs for performing the administrative duties associated with the work for which the fee is charged; and

Whereas, A public hearing as required by Council Resolution R-159-4-92 was convened on May 7, 2007, to allow City Council to hear citizen and community comment on the change in the existing fee schedule and City Council has considered any and all objections thereto;

RESOLVED, That City Council approve the recommended increases as listed on the Fee Resolution on file in the City Clerk’s Office;

RESOLVED, That City Council establishes the Fire Services Unit Service Fee Schedule to be effective beginning July 1, 2007;

RESOLVED, That a copy of this Fee Schedule shall be posted by the City Clerk and made available to the public upon request through the offices of the City Clerk, Fire Services Unit, and Fire Prevention Bureau; and

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

Councilmember Greden moved, seconded by Councilmember Teall, that the resolution be adopted.

On a voice vote, the Mayor declared the motion carried.

The Mayor declared a recess at 8:02 p.m. and reconvened the meeting at 8:35 p.m.

R-200-5-07 APPROVED AS AMENDED

(RESOLUTION TO ADOPT ANN ARBOR CITY BUDGET AND RELATED PROPERTY TAX MILLAGE RATES FOR FISCAL YEAR 2008)

Councilmember Higgins moved, seconded by Councilmember Greden, that the resolution be adopted.

Councilmember Greden moved, seconded by Councilmember Teall, to amend the resolution as follows:

Amendment 1

REDUCE POLICE PROFESSIONAL & CONSULTING SERVICES EXPENDITURE AND ELIMINATE PROPOSED POLICE COMMAND DEMOTIONS

WHEREAS, THE GENERAL FUND INCLUDES INCREASED FUNDING PROPOSED BY POLICE FOR AN INTERNAL AFFAIRS CONSULTANT,

WHEREAS, THE FUNDING SHOULD BE TRANSFERRED FOR THE PURPOSE OF ELIMINATING PROPOSED POLICE COMMAND DEMOTIONS;

RESOLVED, THAT THE GENERAL FUND SAFETY SERVICES EXPENDITURE BUDGET BE DECREASED BY \$70,996.00 IN ORDER TO REDUCE THE FUNDING FOR THE INTERNAL AFFAIRS CONSULTANT AND INCREASED BY \$70,996.00 IN ORDER

TO INCREASE FUNDING TO ELIMINATE THE PROPOSED POLICE COMMAND DEMOTIONS.

On a voice vote, the Mayor declared the motion carried.

Councilmember Higgins moved, seconded by Councilmember Lowenstein, that the resolution be amended as follows:

Amendment 2**REMOVE FUNDING FOR PROPOSED POLICE SERVICES TO PARKS AND REDUCE POLICE OVERTIME**

RESOLVED, THAT THE GENERAL FUND SAFETY SERVICES REVENUE BUDGET BE DECREASED BY \$250,000.00 TO REMOVE THE PROPOSED FUNDING FOR POLICE SERVICES IN PARKS;

RESOLVED, THAT THE TRANSFER FROM THE PARKS MAINTENANCE & CAPITAL IMPROVEMENT MILLAGE FUND (0071) BE ELIMINATED AND THE FUNDING REMAIN IN THE MILLAGE FUND (0071) AS EXPENDITURE CONTINGENCY.

RESOLVED, THAT THE GENERAL FUND SAFETY SERVICES EXPENDITURE BUDGET BE DECREASED BY \$250,000.00 IN ORDER TO REFLECT REVENUES NO LONGER TRANSFERRED FROM THE MILLAGE FUND (0071).

On a voice vote, the Mayor declared the motion carried.

Councilmember Teall moved, seconded by Councilmember Johnson, that the resolution be amended as follows:

Amendment 3**DIRECT CITY ADMINISTRATOR TO DEVELOP PLAN FOR ENHANCED POLICE SERVICES IN PARKS**

RESOLVED, THAT THE CITY ADMINISTRATOR WORK WITH POLICE AND PARKS STAFF TO DRAFT A PLAN FOR PRESENTATION TO CITY COUNCIL BY JUNE 18, 2007, FOR ENHANCED POLICE SERVICES TO ANN ARBOR PARKS.

On a voice vote, the Mayor declared the motion carried.

Councilmember Lowenstein moved, seconded by Councilmember Greden, that the

resolution be amended as follows:

Amendment 4

INCREASE TAX ADMINISTRATION FEE REVENUE

WHEREAS, THE TAX ADMINISTRATION FEE IS A FEE IMPOSED TO OFFSET COSTS INCURRED BY A COLLECTING UNIT IN ASSESSING PROPERTY VALUES, COLLECTING THE PROPERTY TAX LEVY, AND THE REVIEW AND APPEAL PROCESSES;

WHEREAS, THE GENERAL FUND INCLUDES TAX ADMINISTRATION FEE REVENUE APPROXIMATELY EQUAL TO .81% OF THE CURRENT PROJECTED TAX COLLECTIONS, AND THE MAXIMUM PERCENT ALLOWED BY STATE LAW IS 1.0%;

RESOLVED, THAT THE GENERAL FUND FINANCE AND ADMINISTRATIVE SERVICES REVENUE BUDGET BE INCREASED BY \$473,970.00 TO PROVIDE FOR THE MAXIMUM 1% PERCENT TAX ADMINISTRATION FEE ALLOWED BY STATE LAW.

On a voice vote, the Mayor declared the motion carried with two dissenting votes by Councilmembers Higgins and Rapundalo.

Councilmember Woods moved, seconded by Councilmember Johnson, to amend the resolution as follows:

Amendment 5

RESTORE 3 FTE FIRE FIGHTER VACANT POSITIONS

WHEREAS, THE ADMINISTRATOR'S RECOMMENDED BUDGET ELIMINATES 3 FTE FIRE FIGHTER VACANT POSITIONS, TOTALING \$229,506.00, AND REDUCES THE TOTAL FIRE DEPARTMENT FTES FROM 94 TO 91;

RESOLVED, THAT THE GENERAL FUND SAFETY SERVICES EXPENDITURE BUDGET BE INCREASED BY \$229,506.00 TO RESTORE 3 FTE FIRE FIGHTER VACANT POSITIONS.

On a voice vote, the Mayor declared the motion carried.

Councilmember Rapundalo moved, seconded by Councilmember Lowenstein, that the resolution be amended as follows:

Amendment 6**INCREASE FUNDING FOR HUMAN SERVICES**

WHEREAS, THE ADMINISTRATOR'S RECOMMENDED BUDGET INCLUDES A PROPOSAL TO REDUCE HUMAN SERVICES FUNDING, WHICH WILL REDUCE THE QUALITY AND QUANTITY OF PROGRAMS AVAILABLE TO ASSIST LOW-INCOME RESIDENTS AND AT-RISK YOUTH IN THE ANN ARBOR COMMUNITY;

RESOLVED, THAT THE GENERAL FUND COMMUNITY SERVICES EXPENDITURE BUDGET BE INCREASED BY \$60,000.00 TO FUND HUMAN SERVICES.

Councilmember Rapundalo moved, seconded by Councilmember Greden, to amend the amendment as follows:

~~[\$60,000.00]~~ **90,117.00 FOR FISCAL YEAR 2008**

On a voice vote, the Mayor declared the motion carried.

Councilmember Easthope moved, seconded by Councilmember Woods, to amend Amendment #6 as follows:

RESOLVED, That the General Fund Community Services expenditure budget be increased by ~~[\$90,117.00]~~ \$129,000.00 to fund Human Services for Fiscal Year 2008.

On a voice vote, the Mayor declared the motion carried.

The question being the amendment as amended, on a voice vote, the Mayor declared the motion carried.

Councilmember Greden moved, seconded by Councilmember Rapundalo, that the resolution be amended as follows:

Amendment 7**RESTORE 1 FTE PARKS FACILITY MANAGER POSITION**

RESOLVED, THAT THE GENERAL FUND COMMUNITY SERVICES EXPENDITURE BUDGET BE INCREASED BY \$77,348.00 TO RESTORE 1 FTE PARKS FACILITY MANAGER POSITION.

On a voice vote, the Mayor declared the motion carried.

Councilmember Teall moved, seconded by Councilmember Easthope, that the resolution be amended as follows:

Amendment 8

RESOLVED, THAT THE GENERAL FUND CITY ADMINISTRATOR EXPENDITURE BUDGET BE DECREASED BY \$25,280.00 TO REMOVE THE PROPOSED EXPENDITURE FOR THE DENISON SURVEY.

On a voice vote, the Mayor declared the motion carried.

Councilmember Johnson moved, seconded by Councilmember Kunselman, to amend the resolution as follows:

Amendment 9

RESOLUTION TO AMEND THE GENERAL FUND ALLOCATION TO PARKS AND RECREATION FOR FY2008 AND FY2009

WHEREAS, ON OCTOBER 3, 2006, THE CITY COUNCIL UNANIMOUSLY APPROVED A RESOLUTION SETTING FORTH A POLICY WITH REGARD TO PARKS FUNDING, IN THE EVENT THAT THE PROPOSED PARK MAINTENANCE AND CAPITAL IMPROVEMENTS MILLAGE WAS APPROVED BY THE VOTERS, STATING THAT “CITY COUNCIL WANTS TO INFORM THE VOTERS OF THE MANNER IN WHICH IT INTENDS TO OVERSEE THE ADMINISTRATION OF THE CONSOLIDATED MILLAGE IF THE PROPOSED MILLAGE IS APPROVED BY THE VOTERS”;

WHEREAS, AS PART OF THAT RESOLUTION, A PARK MAINTENANCE AND CAPITAL IMPROVEMENTS MILLAGE ADMINISTRATION POLICY WAS DEVELOPED THAT INCLUDED, IN PART:

RESOLVED, THAT CITY COUNCIL ADOPT THE FOLLOWING POLICY GUIDELINES FOR THE PARK MAINTENANCE AND CAPITAL IMPROVEMENTS MILLAGE:

....

4. IF FUTURE REDUCTIONS ARE NECESSARY IN THE CITY’S GENERAL FUND BUDGET, DURING ANY OF THE SIX YEARS OF THIS MILLAGE, BEGINNING WITH FISCAL YEAR 2007-2008, THE GENERAL FUND BUDGET SUPPORTING THE PARKS AND RECREATION SYSTEM FOR THAT YEAR WILL BE REDUCED BY A PERCENTAGE NO GREATER

THAN THE AVERAGE PERCENTAGE REDUCTION OF THE TOTAL CITY GENERAL FUND BUDGET;

- 5. IF FUTURE INCREASES OCCUR IN THE CITY'S GENERAL FUND BUDGET DURING ANY OF THE SIX YEARS OF THIS MILLAGE, BEGINNING WITH FISCAL YEAR 2007-2008, THE GENERAL FUND BUDGET SUPPORTING THE PARKS AND RECREATION SYSTEM FOR THAT YEAR WILL BE INCREASED AT THE SAME RATE AS THE AVERAGE PERCENTAGE INCREASE OF THE TOTAL CITY GENERAL FUND BUDGET;**

WHEREAS, THE PARK MAINTENANCE AND CAPITAL IMPROVEMENTS MILLAGE WAS APPROVED BY THE VOTERS AT THE ELECTION OF NOVEMBER 7, 2006;

WHEREAS, THE ESTIMATED EXPENDITURES FOR PARKS AND RECREATION FOR 2006-2007 WILL BE \$6,568,846.00, INCLUDING EXPENDITURES BY COMMUNITY SERVICES AND PUBLIC SERVICES, AND THE PROJECTED GENERAL FUND ALLOCATION TO PARKS AND RECREATION IN THE PROPOSED BUDGET FOR 2007-2008 IS \$6,074,460.00, A DECREASE OF 7.5%.

WHEREAS, THE CITY GENERAL FUND EXPENDITURE FOR 2006-2007 IS ESTIMATED TO BE \$78,590,829.00 AND THE PROPOSED BUDGET FOR 2007-2008 PROJECTS A TOTAL GENERAL FUND EXPENDITURE OF \$80,353,877.00, AN INCREASE OF 2.2%.

WHEREAS, UNDER THE POLICY GUIDELINES OF CITY COUNCIL, THE PROJECTED PARKS AND RECREATION BUDGET FOR 2007-2008 SHOULD INCREASE IN LINE WITH THE 2.2% GENERAL FUND PERCENTAGE INCREASE, TO \$6,713,360.00, REPRESENTING A DIFFERENCE IN 2007-2008 OF \$638,900.00;

RESOLVED, THAT THE FY2008 GENERAL FUND COMMUNITY SERVICES EXPENDITURE BUDGET FOR THE PARKS AND RECREATION SERVICE AREA BE INCREASED BY \$638,900.00 TO \$6,713,360.00, WITH FUNDS FROM THE GENERAL FUND RESERVE.

Councilmember Higgins moved, seconded by Councilmember Rapundalo, to suspend the Council Rules regarding speaking time for the duration of the budget resolution discussion.

On a voice vote, the Mayor declared the motion carried with dissenting votes by Councilmembers Suarez and Easthope.

The question being Amendment #9 as presented, on roll call, the vote was as follows:

Yeas, Councilmembers Suarez, Johnson, Kunselman, 3;

Nays, Councilmembers Greden, Teall, Higgins, Easthope, Woods, Lowenstein, Rapundalo, Mayor Hieftje, 8.

The Mayor declared the motion failed.

Councilmember Teall moved, seconded by Councilmember Woods, that the resolution be amended as follows:

Amendment 10

PROPOSAL TO CAPTURE DOWNTOWN LIGHTING DISTRICT FUNDS TO ESTABLISH A LIGHTING BANK TO FUND LIGHTING EFFICIENCY IMPROVEMENTS

WHEREAS, WITH THE ESTABLISHMENT OF A DOWNTOWN LIGHTING DISTRICT, \$167,219.00/YR IN FUNDS WILL BE COLLECTED;

WHEREAS, THESE FUNDS COULD BE PLACED INTO A “LIGHTING BANK” FUND INSIDE THE CITY’S EXISTING ENERGY FUND (FUND # 0002) AND THEN USED TO PAY FOR LIGHTING RETROFITS FOR THE DOWNTOWN GLOBE LIGHTS, REPLACING THEM WITH MORE ENERGY EFFICIENT LED LIGHTS;

WHEREAS, THERE IS ALREADY A PILOT RETROFIT COMPLETED FOR 25 LIGHTS ON WASHINGTON ST. THAT PROVES THAT THE NEW TECHNOLOGY WORKS;

WHEREAS, THE LED LIGHTS USE 45 WATTS OF ELECTRICITY COMPARED TO 100 WATTS FOR THE EXISTING LIGHTS AND THE LEDS HAVE A TEN-YEAR LIFETIME VERSUS A TWO-YEAR LIFE FOR THE EXISTING LIGHTS, MEANING THERE ARE BOTH ENERGY AND MAINTENANCE SAVINGS BY RETROFITTING TO LED LIGHTS;

WHEREAS, SUCH RETROFITS COST APPROXIMATELY \$450.00 PER LIGHT AND WILL SAVE \$107.00/YR IN ENERGY AND MAINTENANCE COSTS, YIELDING A PAYBACK OF 4.2 YRS;

WHEREAS, THERE ARE A TOTAL OF 1,400 GLOBE LIGHTS IN THE DDA AREA, AND THUS DEDICATION OF THE FIRST YEAR’S LIGHTING DISTRICT FUNDS, \$167,219.00, COULD FINANCE A TOTAL OF 370 LAMP REPLACEMENTS;

WHEREAS, SUCH REPLACEMENTS WOULD GENERATE AN ANNUAL SAVINGS OF \$39,590.00/YR OR \$395,900.00 OVER THE LIFETIME OF THE LED LIGHT, WHICH WOULD REDUCE ELECTRIC USE BY 55% FOR THE MAIN STREET LIGHTS AND WOULD REDUCE CO2 EMISSIONS BY 80 METRIC TONS/YR.

RESOLVED, THAT THE GENERAL FUND PUBLIC SERVICES REVENUE BUDGET, FOR FISCAL YEAR 2008 ONLY, BE DECREASED BY \$167,219.00 IN ORDER TO FUND THE CREATION OF A STREET LIGHT LED BANK IN FUND (0002).

RESOLVED, THAT THE ENERGY FUND (0002) REVENUE AND EXPENDITURE BUDGET, FOR FISCAL YEAR 2008, BE INCREASED BY \$167,219.00 IN ORDER TO FUND THE CREATION OF A STREET LIGHT LED BANK AND THAT THE FUNDING BE PROVIDED BY THE FIRST YEAR COLLECTIONS FROM THE PROPOSED DOWNTOWN SPECIAL ASSESSMENT LIGHTING DISTRICT REVENUE.

On roll call, the vote was as follows:

Yeas, Councilmembers Greden, Teall, Higgins, Easthope, Woods, Suarez, Johnson, Lowenstein, Rapundalo, Mayor Hieftje, 10;

Nays, Councilmember Kunselman, 1.

The Mayor declared the motion carried.

The Mayor declared a recess at 10:15 p.m. and reconvened the meeting at 10:31 p.m.

Councilmember Higgins moved, seconded by Councilmember Rapundalo, to amend the resolution as follows:

Amendment 11

RESOLVED, THAT THE DOWNTOWN DEVELOPMENT AUTHORITY FUND (0003) EXPENDITURE BUDGET BE DECREASED BY \$1,600,000 TO REDUCE THE APPROPRIATED RESERVES FOR FUTURE CAPITAL CONSTRUCTION PROJECTS.

On a voice vote, the Mayor declared the motion carried with one dissenting vote made by Councilmember Lowenstein.

The question being the resolution as amended, on roll call, the vote was as follows:

Yeas, Councilmembers Kunselman, Greden, Teall, Higgins, Easthope, Woods, Suarez, Johnson, Rapundalo, Mayor Hieftje, 10;

Nays, Councilmember Lowenstein, 1.

The Mayor declared the motion carried.

The resolution as amended reads as follows:

(RESOLUTION TO ADOPT ANN ARBOR CITY BUDGET AND RELATED PROPERTY TAX MILLAGE RATES FOR FISCAL YEAR 2008)

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2008 for the City of Ann Arbor; and

Whereas, A public hearing and numerous public meetings have been held to obtain citizen input on the proposed budget.

RESOLVED, That Council adopts the General Fund Allocations as listed in the FY 2008 Consolidated Plan, to be funded out of the Community Development Budget;

RESOLVED, That the unexpended grant entitlement for the Community Development Block Grant and the HOME Funds be re-appropriated at the end of the fiscal year until such time as all grant funds have been expended;

RESOLVED, That any Community Development Program Income be appropriated upon receipt of the funds for the purpose of Community Development Project Activities;

RESOLVED, That any contributions to the Special Assistance Fund and the Housing Trust fund in excess of the budgeted amount, shall be appropriated at the time of receipt and for the purpose of the Ann Arbor Assistance Fund and the Housing Trust Fund, respectively;

RESOLVED, That the proposed list of Capital Improvement projects in the amount of \$435,516,646.00 are approved; and that \$34,791,169.00 be appropriated in FY 2008 for these or similar projects, within the respective funds, as determined by the Service Area, and may be carried forward without regard to fiscal year;

RESOLVED, That the Technology Improvement projects in the amount of \$1,224,000.00 may be appropriated without regard to fiscal year;

RESOLVED, That a total 803 full-time equivalent positions be adopted in the FY 2008 budget;

RESOLVED, That the City Administrator be authorized to transfer funds between service units within the designated service areas;

RESOLVED, That any funds contributed to the Parks Memorials and Contributions fund in excess of the budgeted amount, shall be appropriated at the time of receipt for the purpose of park memorials without regard to fiscal year;

RESOLVED, That any money remaining in the CTN contingency fund in excess of the budgeted amount, shall be carried forward without regard to fiscal year;

RESOLVED, That the City Council approve the proposed FY 2008 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2008 in a dedicated Fund containing \$1,067,000.00 in revenues and \$1,067,000.00 in expenditures.

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2008;

REVENUES	
CITY ATTORNEY	\$ 238,000.00
CITY ADMINISTRATOR	
City Administrator	2,726,583.00
Clerk Services	162,232.00
COMMUNITY SERVICES	
Planning & Development Services	1,118,529.00
Parks and Recreation Services	2,092,643.00
FINANCIAL SERVICES	
Assessor	1,000.00
Financial and Budget Planning	54,767,097.00
Procurement	40,000.00
Treasury	209,365.00
PUBLIC SERVICES	
Field Operations	113,600.00
Fleet & Facility	123,164.00
Public Services Administration	124,500.00
Systems Planning	5,200.00
Water Treatment	646,000.00
SAFETY SERVICES	
Police	4,559,800.00
Fire	86,400.00

DISTRICT COURT	3,079,100.00
NON-DEPARTMENTAL	11,713,030.00
TOTAL GENERAL FUND REVENUES	\$81,806,243.00

EXPENDITURES

MAYOR AND CITY COUNCIL	\$338,764.00
CITY ATTORNEY	1,906,524.00
CITY ADMINISTRATOR	
City Administrator	645,949.00
Human Resources	1,339,901.00
Clerk Services	766,136.00
COMMUNITY SERVICES	
Planning & Development Services	1,987,454.00
Office of Community Development	1,858,653.00
Parks and Recreation	3,661,072.00
FINANCIAL SERVICES	
Accounting	765,872.00
Assessor	849,624.00
Financial and Budget Planning	1,647,955.00
Procurement	579,970.00
Treasury	575,027.00
PUBLIC SERVICES	
Customer Services	288,861.00
Field Operations	3,642,575.00
Fleet & Facilities	1,352,749.00
Public Services Administration	2,124,566.00
Systems Planning	139,362.00
Water Treatment Services	456,031.00
SAFETY SERVICES	
Police	26,318,005.00
Fire	13,188,302.00
DISTRICT COURT	4,241,375.00
NON-DEPARTMENTAL	11,839,724.00

TOTAL GENERAL FUND EXPENDITURES**\$80,514,451.00**

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2008 budget; and

REVENUES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0042	WATER SUPPLY SYSTEM	\$ 22,517,439.00
0043	SEWAGE DISPOSAL SYSTEM	22,531,894.00
0048	AIRPORT	2,388,627.00
0069	STORMWATER SEWER SYSTEM	5,123,718.00
0011	CENTRAL STORES	1,415,104.00
0012	FLEET SERVICES	6,913,328.00
0014	INFORMATION TECHNOLOGY	7,023,673.00
0015	PARKS SERVICE HEADQUARTERS	46,543.00
0049	PROJECT MANAGEMENT	3,140,481.00
0057	INSURANCE	23,019,699.00
0055	ELIZABETH R DEAN TRUST	86,799.00
0071	PARKS MAINT. & CAPITAL IMPROV. MILLAGE	5,097,492.00
0006	PARKS REPAIR AND RESTORATION MILLAGE	756,772.00
0021	MAJOR STREET	6,979,830.00
0022	LOCAL STREET	1,835,408.00
0079	TREE REMOVAL AND DISPOSAL	678,005.00
0036	METRO EXPANSION	345,000.00
0054	CEMETERY PERPETUAL CARE	3,000.00
0062	STREET REPAIR MILLAGE	9,566,437.00
0072	SOLID WASTE FUND	14,005,568.00
0002	ENERGY PROJECTS	369,157.00
0070	AFFORDABLE HOUSING	608,917.00
0024	OPEN SPACE & PARKLAND PRESERVATION	2,220,776.00
0025	BANDEMER PROPERTY	280,700.00
0026	CONSTRUCTION CODE FUND	3,169,582.00
0046	MARKET	141,154.00
0038	ANN ARBOR ASSISTANCE	6,000.00
0047	GOLF ENTERPRISE	1,342,085.00
0016	COMMUNITY TELEVISION NETWORK	1,459,365.00

0018	PARKS REHAB & DEVELOPMENT MILLAGE	1,900,591.00
0034	PARKS MEMORIALS & CONTRIBUTIONS	103,000.00
0078	COMMUNITY DEVELOPMENT BLOCK GRANT	1,175,111.00
0090	HOME PROGRAM	912,584.00
0027	DRUG ENFORCEMENT	7,500.00
0053	POLICE AND FIRE RELIEF	25,000.00
0064	MICHIGAN JUSTICE TRAINING	30,000.00
0023	COURT FACILITIES	212,000.00
0035	GENERAL DEBT SERVICE	7,196,520.00
0060	GENERAL DEBT /SPECIAL ASSESSMENTS	163,647.00
0061	ALTERNATIVE TRANSPORTATION	357,237.00
0088	SEWER BOND	11,959,914.00
0089	WATER BOND	8,695,160.00
0091	SIDEWALK IMPROVEMENT FUND	487,713.00
0052	VEBA TRUST	5,113,818.00
0059	EMPLOYEES RETIREMENT SYSTEM	28,650,000.00
0009	LDFA SMARTZONE	1,067,000.00
0001	DDA/HOUSING FUND	236,000.00
0003	DOWNTOWN DEVELOPMENT AUTHORITY	3,710,000.00
0030	DDA-SIDEWALK & STREETSCAPES	435,000.00
0033	DDA PARKING MAINTENANCE	2,355,000.00
0063	DDA PARKING SYSTEM	14,412,462.00
	TOTAL ALL OTHER FUNDS	\$232,277,810.00
	GENERAL (PAGE 4)	81,806,243.00
	TOTAL ALL FUNDS' REVENUES	\$ 314,084,053.00

EXPENDITURES

<u>Fund</u>	<u>Fund Name</u>	Amount
0042	WATER SUPPLY SYSTEM	\$ 20,752,868.00
0043	SEWAGE DISPOSAL SYSTEM	18,260,206.00
0048	AIRPORT	2,347,915.00
0069	STORMWATER SEWER SYSTEM	5,123,718.00
0011	CENTRAL STORES	1,415,104.00
0012	FLEET SERVICES	6,665,231.00

0014	INFORMATION TECHNOLOGY	7,023,673.00
0015	PARKS SERVICE HEADQUARTERS	46,543.00
0049	PROJECT MANAGEMENT	3,140,481.00
0057	INSURANCE	23,019,699.00
0055	ELIZABETH R DEAN TRUST	86,799.00
0071	PARKS MAINT. & CAPITAL IMPROV. MILLAGE	5,077,190.00
0006	PARKS REPAIR AND RESTORATION MILLAGE	756,772.00
0021	MAJOR STREET	6,979,830.00
0022	LOCAL STREET	1,835,408.00
0079	TREE REMOVAL AND DISPOSAL	678,005.00
0036	METRO EXPANSION	345,000.00
0054	CEMETERY PERPETUAL CARE	3,000.00
0062	STREET REPAIR MILLAGE	9,566,437.00
0072	SOLID WASTE FUND	13,239,571.00
0002	ENERGY PROJECTS	325,137.00
0070	AFFORDABLE HOUSING	601,199.00
0024	OPEN SPACE & PARKLAND PRESERVATION	2,211,965.00
0025	BANDEMER PROPERTY	276,619.00
0026	CONSTRUCTION CODE FUND	3,143,563.00
0046	MARKET	133,699.00
0038	ANN ARBOR ASSISTANCE	6,000.00
0047	GOLF ENTERPRISE	1,338,233.00
0016	COMMUNITY TELEVISION NETWORK	1,459,365.00
0018	PARKS REHAB & DEVELOPMENT MILLAGE	1,900,591.00
0034	PARKS MEMORIALS & CONTRIBUTIONS	93,448.00
0078	COMMUNITY DEVELOPMENT BLOCK GRANT	1,175,111.00
0090	HOME PROGRAM	912,584.00
0027	DRUG ENFORCEMENT	7,500.00
0064	MICHIGAN JUSTICE TRAINING	24,800.00
0023	COURT FACILITIES	204,042.00
0035	GENERAL DEBT SERVICE	7,196,519.00
0060	GENERAL DEBT/SPECIAL ASSESSMENTS	163,647.00
0061	ALTERNATIVE TRANSPORTATION	357,237.00
0088	SEWER BOND	11,959,914.00
0089	WATER BOND	8,695,160.00
0091	SIDEWALK IMPROVEMENT FUND	487,713.00

0052	VEBA TRUST	227,900.00
0059	EMPLOYEES RETIREMENT SYSTEM	27,180,269.00
0009	LDFA SMARTZONE	1,067,000.00
0001	DDA/HOUSING FUND	73,076.00
0003	DOWNTOWN DEVELOPMENT AUTHORITY	3,665,880.00
0030	DDA-SIDEWALK & STREETSCAPES	435,000.00
0033	DDA PARKING MAINTENANCE	2,355,000.00
0063	DDA PARKING SYSTEM	14,412,462.00
	TOTAL ALL OTHER FUNDS	\$ 218,454,083.00
0010	GENERAL (PAGE 5)	80,514,451.00
	TOTAL ALL FUNDS' EXPENDITURES	\$ 298,968,534.00

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2008:

	<u>PROPOSED</u>
GENERAL OPERATING	6.1682
EMPLOYEE BENEFITS	2.0560
REFUSE COLLECTION	2.4670
AATA	2.0560
STREET REPAIR	1.9944
PARKS MAINT. & CAPITAL IMPROV	1.0969
PARKS ACQUISITION	0.4779
DEBT SERVICE	<u>0.4661</u>
TOTAL	16.7825

Budget Amendments

RESOLUTION TO AMEND THE GENERAL FUND (0010), ENERGY FUND (0002), PARKS MAINTENANCE AND CAPITAL IMPROVEMENT FUND (0071) AND DOWNTOWN DEVELOPMENT AUTHORITY FUND (0003)
 FY 2008 RECOMMENDED BUDGET AND FY 2009 FISCAL PLAN

**Amendment 1 –
 Reduce Police Professional & Consulting Services Expenditure and Eliminate Proposed Police Command Demotions**

Whereas, The General Fund includes increased funding proposed by Police for an Internal Affairs consultant,

Whereas, The funding should be transferred for the purpose of eliminating proposed Police Command demotions;

RESOLVED, That the General Fund Safety Services expenditure budget be decreased by \$70,996.00 in order to reduce the funding for the Internal Affairs Consultant and increased by \$70,996.00 in order to increase funding to eliminate the proposed Police Command demotions.

Amendment 2 –

Remove Funding for Proposed Police Services to Parks and Reduce Police Overtime

RESOLVED, That the General Fund Safety Services revenue budget be decreased by \$250,000.00 to remove the proposed funding for Police services in Parks;

RESOLVED, That the transfer from the Parks Maintenance & Capital Improvement Millage Fund (0071) be eliminated and the funding remain in the Millage Fund (0071) as expenditure contingency.

RESOLVED, That the General Fund Safety Services expenditure budget be decreased by \$250,000.00 in order to reflect revenues no longer transferred from the Millage Fund (0071).

Amendment 3 –

Direct City Administrator to develop plan for enhanced police services in parks

RESOLVED, that the City Administrator work with Police and Parks staff to draft a plan for presentation to City Council by June 18, 2007, for enhanced police services to Ann Arbor Parks.

Amendment 4 –

Increase Tax Administration Fee Revenue

Whereas, The Tax Administration Fee is a fee imposed to offset costs incurred by a collecting unit in assessing property values, collecting the property tax levy, and the review

and appeal processes;

Whereas, The General Fund includes Tax Administration Fee revenue approximately equal to .81% of the current projected tax collections, and the maximum percent allowed by State law is 1.0%;

RESOLVED, That the General Fund Finance and Administrative Services revenue budget be increased by \$473,970.00 to provide for the maximum 1% percent Tax;

Amendment 5 –

Restore 3 FTE Fire Fighter Vacant Positions

Whereas, The Administrator's recommended budget eliminates 3 FTE Fire Fighter vacant positions, totaling \$229,506.00, and reduces the total Fire department FTEs from 94 to 91;

RESOLVED, That the General Fund Safety Services expenditure budget be increased by \$229,506.00 to restore 3 FTE Fire Fighter vacant positions.

Amendment 6 –

Increase Funding for Human Services

Whereas, The Administrator's recommended budget includes a proposal to reduce Human Services funding, which will reduce the quality and quantity of programs available to assist low-income residents and at-risk youth in the Ann Arbor Community;

RESOLVED, That the General Fund Community Services expenditure budget be increased by \$129,000.00 to fund Human Services.

Amendment 7 –

Restore 1 FTE Parks Facility Manager Position

RESOLVED, That the General Fund Community Services expenditure budget be increased by \$77,348.00 to restore 1 FTE Parks Facility Manager position.

Amendment 8 –**Remove Denison Survey Expenditure**

RESOLVED, That the General Fund City Administrator expenditure budget be Decreased by \$25,280.00 to remove the proposed expenditure for the Denison survey.

Amendment 10 –**Capture Downtown Lighting District Funds to Establish a Lighting Bank to Fund Lighting Efficiency Improvements**

Whereas, With the establishment of a downtown lighting district, \$167,000.00/yr in funds will be collected;

Whereas, These funds could be placed into a “Lighting Bank” fund inside the City’s existing Energy Fund (fund # 0002) and then used to pay for lighting retrofits for the downtown globe lights, replacing them with more energy efficient LED lights;

Whereas, There is already a pilot retrofit completed for 25 lights on Washington St. that proves that the new technology works.

Whereas, The LED lights use 45 watts of electricity compared to 100 watts for the existing lights and the LEDs have a ten-year lifetime versus a two-year life for the existing lights, meaning there are both energy and maintenance savings by retrofitting to LED lights;

Whereas, such retrofits cost approximately \$450.00 per light and will save \$107.00/yr in energy and maintenance costs, yielding a payback of 4.2 yrs;

Whereas, There are a total of 1,400 globe lights in the DDA area, and thus dedication of the first year’s Lighting District funds, \$167,219.00, could finance a total of 370 lamp replacements;

Whereas, Such replacements would generate an annual savings of \$39,590.00/yr or \$395,900.00 over the lifetime of the LED light, which would reduce electric use by 55% for the Main Street lights and would reduce CO2 emissions by 80 metric tons/yr.

RESOLVED, That the General Fund Public Services revenue budget, for the fiscal year 2008 only, be decreased by \$167,219.00 in order to fund the creation of a Street Light LED Bank in Fund (0002).

RESOLVED, That the Energy Fund (0002) revenue and expenditure budget, for the fiscal year 2008, be increased by \$167,219.00 in order to fund the creation of a Street Light LED Bank and that the funding be provided by the first year collections from the proposed downtown special assessment lighting district revenue.

Amendment 11 –

Reduce Funding for Downtown Development Authority Capital Projects Reserves

RESOLVED, That the Downtown Development Authority Fund (0003) expenditure budget be decreased by \$1,600,000.00 to reduce the appropriated reserves for future Capital Construction Projects.

R-201-5-07 APPROVED

RESOLUTION TO APPROVE AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH QUINN EVANS|ARCHITECTS FOR THE PLANNING AND DESIGN OF THE ANN ARBOR MUNICIPAL CENTER

Whereas, On March 19, 2007, by Resolution No. R-76-3-07, City Council approved a professional services agreement in the amount of \$129,250.00 with Quinn Evans|Architects that was limited to performing services to confirm the programmatic requirements of the 15th District Court and Ann Arbor Police Services;

Whereas, Resolution No. R-76-3-07 postponed until May 21, 2007, that portion of the originally proposed agreement with Quinn Evans|Architects for project planning and design through schematic design for the Ann Arbor Municipal Center Project in an amount not to exceed, inclusive of approved reimbursable expenses, \$833,350.00;

Whereas, Quinn Evans|Architects received living wage and contract compliance approval on February 1, 2007; and

Whereas, Resolution No. R-76-3-07 established a project budget in the amount of \$1,011,000.00 for the planning and design phase of this project and sufficient funding for the additional services from Quinn Evans|Architects is available in the project budget without regard to fiscal year;

RESOLVED, That City Council approve an amendment to the Quinn Evans|Architects professional services agreement for architectural services for the Ann Arbor Municipal Center Project for project planning and design through schematic design for an amount not to exceed, inclusive of approved reimbursable expenses, \$833,350.00;

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

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution, including the authority to approve changes to scope of work under the agreement within the previously approved contingency.

Councilmember Higgins moved, seconded by Councilmember Teall, that the resolution be adopted.

Councilmember Kunselman moved, seconded by Councilmember Johnson, to postpone the resolution for 90 days.

On roll call, the vote was as follows:

Yeas, Councilmembers Suarez, Johnson, Kunselman, Mayor Hieftje, 4;

Nays, Councilmembers Greden, Teall, Higgins, Easthope, Woods, Lowenstein, Rapundalo, 7.

The Mayor declared the motion failed.

The question being the resolution as presented, on roll call, the vote was as follows:

Yeas, Councilmembers Greden, Teall, Higgins, Easthope, Woods, Lowenstein, Rapundalo, 7;

Nays, Councilmembers Suarez, Johnson, Kunselman, Mayor Hieftje, 4.

The Mayor declared the motion carried.

COMMUNICATIONS FROM THE MAYOR

APPOINTMENTS APPROVED

Mayor Hieftje recommended the following appointments at the May 7, 2007 regular session of Council:

Planning Commission

Evan Pratt
1626 Harbal Dr.
Ann Arbor, MI 48105
Term: May 21, 2007-June 30, 2010

Re-Appointment

Eric Lipson
1318 Rosewood
Ann Arbor, MI 48104
Term: May 21, 2007-June 30, 2010

Re-Appointment

Councilmember Johnson moved, seconded by Councilmember Kunselman, that Council concur with the recommendations of the Mayor.

On a voice vote, the Mayor declared the motion carried.

NOMINATIONS PLACED ON TABLE

Mayor Hieftje placed the following nominations on the table for approval at a later date:

Historic District Commission

Sarah Shotwell
537 Elizabeth #3
Ann Arbor, MI 48104
Term: June 4, 2007-June 4, 2010

Replacing- Michelle Derr

Housing & Human Services Advisory Board

Anthony Ramirez
920 E. Ann
Ann Arbor, MI 48104
Term: June 4, 2007-June 4, 2010

At Large Rep.

David Blanchard 1220 Broadway Ann Arbor, MI 48105 Term: June 4, 2007-June 4, 2010	At Large Rep.
Kristine M. Profit 205 Valley Dr. Ypsilanti, MI 48197 Term: June 4, 2007- June 4, 2010	Non-Profit Rep.
Ned Staebler 1602 Westminster Pl. Ann Arbor, MI 48104 Term: June 4, 2007-June 4, 2010	Business Rep.
Phillis Engelbert 803 John A. Woods Dr. Ann Arbor, MI 48105 Term: June 4, 2007-June 4, 2010	Non-Profit Rep.
Stephen V. Pontoni 3020 Signature Blvd. Apt. A Ann Arbor, MI 48103 Term: June 4, 2007-June 4, 2010	Non-Profit Rep.

COMMUNICATIONS FROM THE CITY ADMINISTRATOR

REPORTS SUBMITTED

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

1. Ann Arbor Municipal Center Progress Report 01

(Report on file in the City Clerk's Office.)

COMMUNICATIONS FROM THE CITY ATTORNEY

REPORT ON COMPLETED ANNEXATIONS

City Attorney Stephen Postema submitted reports on the following completed annexations:

1. Schultz property, 1.13 acres, located at 2340 Dexter Ave., from Ann Arbor Township
2. Nissle Property, 5.05 acres, located at 3165 Geddes Ave. and 2 adjacent vacant parcels
3. Champley property, 3.52 acres, located at 788 Arlington Blvd.

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

CLERK'S REPORT OF COMMUNICATIONS, PETITIONS AND REFERRALS

The following communications were referred as indicated:

1. Communication from the Michigan Liquor Control Commission (MLCC) regarding the issuance of a full year on premises liquor license – City Council Liquor Committee
2. Communication from Comcast regarding expansion of 500 new jobs in Michigan as well as other contributions it has made to Michigan Schools
3. Communication from the Office of the Governor regarding Ann Arbor City Council's resolution expressing opposition in any proposal to cut statutory revenue sharing to municipalities
4. Communication from Evan Pratt, Planning Commission Chair, regarding Floodplain Policy
5. Communication from S.E.M.C.O.G. regarding their Biweekly Publication of SEMCOG, May 7, 2007, Vol. 12, No. 10
6. Communication from Washtenaw County regarding an Open House introducing the Washtenaw County Heritage Tours on May 20, 2007, 2-4 p.m.
7. Communication from the State of Michigan regarding notice of hearing for the Customers of Detroit Edison Company, Case No. U-15244 scheduled for June 7, 2007 **(Added 5/18/07)**

The following minutes were received for file:

1. City Council Audit Committee – December 11, 2006
2. Ann Arbor Commission on Disability Issues – March 21, 2007
3. Downtown Area Citizens Advisory Council – May 2, 2007
4. Ann Arbor Energy Commission – April 10, 2007
5. Planning Commission – March 6 and 20, 2007
6. Washtenaw Area Transportation Authority (W.A.T.S.) – May 16, 2007

(Minutes are on file in the City Clerk's Office.)

Councilmember Woods moved, seconded by Councilmember Rapundalo, that the Clerk's Report be accepted.

On a voice vote, the Mayor declared the motion carried.

PUBLIC COMMENTARY - GENERAL

NANCY KAPLAN – ANN ARBOR CITY BUDGET

Nancy Kaplan, member of the audience, addressed Council regarding Amendment #9 to the City Budget and said that 50,000 people voted for the increased parks millage. She added that if the understanding of the millage was simplistic, then perhaps the presentation to voters was so simplistic that it could have been misleading.

DOUG COWHERD – ANN ARBOR CITY BUDGET

Doug Cowherd, 1117 Brooks, said that he did not expect the City to proceed with the Parks Budget as presented at tonight's meeting.

LINDA BERAUER – ANN ARBOR CITY BUDGET

Linda Berauer, 421 Third Street, thanked Council for such an extended debate on the Parks Budget tonight. She pointed out that the resolution specified a 70-30 split between maintenance and capital improvements, not 80-20 as stated by someone earlier tonight.

RECESS FOR CLOSED SESSION

No closed session scheduled.

ADJOURNMENT

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

On a voice vote, the Mayor declared the motion carried and the meeting adjourned at 11:00 p.m.

Anissa R. Bowden
Acting Clerk of the Council
Recording Secretary