

Council Chambers, April 22, 1901.

Special session, called to order by President Haarer.

Roll Call—Present: Ald. Hamilton, Schlenker, Koch, Kearns, Brown, Schumacher, Roberts, Jenney, Coon, Fischer, Burg, Pres. Haarer—12.

Absent: Ald. Richards, Kearns, Weeks—3.

Mayor's Office,

Ann Arbor, April 22, 1901.

Mr. James E. Harkins, City Clerk:

My Dear Sir—Please issue the usual call and notice for a special meeting of the Common Council, to be held at the Council Chambers, this evening, at 8 o'clock p. m., local time, for the purpose of considering:

- a. Charter Amendments.
- b. Transfer of Funds.
- c. Report of Committee on Standpipes and Sprinkling.
- d. Water Works.
- e. Allowance of bills against Contingent Fund.
- f. Determining amount of liquor bonds.

Yours truly,

R. S. COPELAND, Mayor.

To the Honorable the Common Council:

Gentlemen—The call for this special meeting of your honorable body contains sufficient information to explain its purposes.

The City Attorney has called to my attention several amendments to the charter, which in his judgment and experience seem important. His explanations convince me he is right.

In addition to these proposed changes I desire to suggest a solution for a problem which is of interest to every taxpayer in our city.

Trammeled as it is by the provisions of its charter and the overdrafts upon its funds, Ann Arbor city is bankrupt. Unless relief of some sort can be afforded, we must discontinue work upon the streets, police and fire protection

for the living, decent care of the burial place of the dead, and provision for the poor.

As has been stated, by August 1 the indebtedness will amount to about \$35,000. Under our charter as it reads today, to provide for this deficit we have but one way, depending entirely upon the electors. Should they consent to levy a special assessment, the taxes of our city would be exorbitant for several years to come. Without changing that instrument there is no way to meet the present condition.

After deducting the accumulating overdrafts in the various accounts of the city, the receipts of the various funds and the liquor tax, it can be shown that the actual expense for maintenance has not materially changed for a number of years. Including the sewer fund, bond and interest, it will average about \$50,000 per year. It is readily seen, then, that if some way were provided to take care of the present overdrafts, future indebtedness for current expense would be inexcusable.

It is unfortunate that the cost of the surface sewers, voting machines, and a few other purchases that might be named was not provided for in some way, obviating the necessity of charging it against the city funds. However, it is too late to bemoan this mistake.

Counting such special levies as the one in 1895 for the city building site, and the hospital site in 1899, the aggregate amount raised by general tax has been as follows:

1895 .....	81-100 of 1 per cent.
1896 .....	..59-100 of 1 per cent.
1897 .....	..66-100 of 1 per cent.
1898 .....	..71-100 of 1 per cent.
1899 .....	..93-100 of 1 per cent.
1900 .....	..52-100 of 1 per cent.

The average per year has been a trifle more than 7-10 of 1 per cent.

Without consent of the electors the charter prohibits raising by general

tax an amount to exceed  $\frac{1}{2}$  of 1 per cent. The fact is, however, there has not been a levy for at least six years, when it was not necessary to raise more than this amount. For this reason and for several others, I favor changing the charter, raising the possible levy, from  $\frac{1}{2}$  to 65-100 of 1 per cent. Should a bill relating to the taxation of equities rather than land values, now pending in the legislature, become a law, our assessed valuation would be diminished about one-half millions. That would reduce our income to an amount less than the cost of the most economical necessities of municipality. This charter change, too, would spare us the doubtful subterfuge of padding the budget at the expense of the bridge, culvert and crosswalk funds. In view of all these facts I suggest this increase in the tax rate limit as one of the necessary amendments to the charter.

As another amendment I favor a modification of the charter to permit issuing bonds without special act of the legislature. Suppose by action of the elements our fire department and building were wiped out of existence immediately upon adjournment of the legislature. Except by special tax it would not be possible to replace the property under two years. No matter how anxious to bond the city and defer payment for a number of years, it would not be possible for us to do so without legislative enactment. Neither is there any immediate relief in such an emergency as the present one.

Such an amendment would remove none of the safeguards. To raise money in this manner would still require the consent of the electors. But in the interim between sessions of the legislature and to spare us the annoyance of frequent legislative enactments, it would provide ready means of relief.

The amount possible to raise in this

way should be restricted, of course. Should you see fit to adopt this suggestion your wisdom will dictate the bonding limit.

Should these charter amendments be made, I favor the following solution of the financial condition now confronting us:

The surface sewers cost somewhere between twenty and thirty thousand dollars. Let us suppose it was \$25,000 and issue bonds for that amount. Men in position to know inform me that money can be had on such security for about 3 per cent. Suppose it is necessary to pay 4 per cent, the interest would be \$1,000 per year.

By a proper trimming of our expenses we can easily reduce our budget to \$49,000. Add to this \$1,000 for interest on the bonds and \$10,000 special levy to meet the remaining overdraft and we have a total general tax of \$60,000, or an amount equal to six-tenths of 1 per cent on the present valuation. The amount of tax for the coming year would be but little in excess of last, and, with the increased valuation, would be less than it was, previous to last year, for a number of years back.

With these overdrafts out of the way and watchful care on the part of the mayor and Common Council for a few years, our citizens may confidently expect an excellent financial condition without any deterioration of the physical property or interest of the city.

Nothing can be lost by making these amendments to the charter, they furnish a means of escape from our present dilemma, and they may prevent a lot of worry for some administration yet unborn.

The legislature will adjourn so soon that I urge you to take immediate action in the matters requiring the ratification of that body. I trust, too, that you will make such provision as may seem necessary to you to have your

wishes in this matter properly presented to the legislature.

ROYAL S. COPELAND.

Ann Arbor, April 22, 1901.

Enter Ald. Richards.

The City Attorney then presented several amendments to the city charter for the consideration of the council.

On motion of Ald. Koch the same were ordered printed and mailed to each alderman.

By Ald. Koch—Resolved, That the City Clerk be directed to have the foregoing proposed amendments and the original sections printed and mailed to each alderman at his earliest convenience.—Carried.

The Finance Committee made a report to the council on the condition of the city funds and recommended the transfer of \$16,000 from the bridge, culvert and crosswalk fund to the credit of the contingent fund.

Ald. Jenney moved that the committee's report be concurred in and the transfer as recommended be ordered.

Adopted as follows:

Yeas—Ald Richards, Hamilton, Schlenker, Koch, Kearns, Schumacher, Roberts, Jenney, Coon, Fishcher, Burg, Pres. Haarer—12.

Nays—Ald. Brown—1.

Ann Arbor, Mich., April 22, 1901.  
To the Common Council:

Gentlemen— Your Committee to whom the location of stand-pipes for sprinkling purposes was referred, beg leave to report the following:

After visiting several locations and giving all our careful consideration we beg to recommend that authority be given the parties to have one pipe placed on the southwest corner of Fifth avenue and Huron street and the other on the southeast corner of N. University avenue and State street.

Respectfully submitted,

CHRIST SCHLENKER,  
F. M. HAMILTON,  
A. F. ROBERTS.

Dated April 22, 1901.

On motion the matter was deferred until next meeting, with request that committee investigate further relative to suitable and satisfactory location for above stand-pipes.—Carried.

By Ald. Hamilton:

Resolved, That Mayor Copeland be requested to go to Lansing for the purpose of pushing the water works bill now filed at Lansing.

Adopted as follows:

Yeas—Ald. Richards, Hamilton, Koch, Kearns, Schumacher, Roberts, Jenney, Coon, Fischer, Burg, Pres. Haarer—11.

Nays—Ald. Schlenker, Brown—2.

By Ald. Brown:

Resolved, That the Special Water Committee be revived, and that the former members acting under the old council—Ald. Coon, Hamilton and Koch—be placed thereon for the purpose of carrying on negotiations relative to this water question.—Carried.

By Ald. Hamilton:

That the second estimate of Koch Bros. of \$250 for completed work on Second ward public building be allowed and warrant ordered drawn for same.

Adopted as follows:

Yeas—Ald. Richards, Hamilton, Schlenker, Kearns, Brown, Schumacher, Roberts, Jenney, Coon, Fischer, Burg, Pres. Haarer—12.

Nays—None. Ald. Koch not voting.

By Ald. Brown:

Resolved, That the bonds of liquor dealers be placed at \$3,000.—Carried.

By Ald. Hamilton:

That Clerk be instructed to have the suggestions offered by the Mayor printed. Carried.

On motion the council adjourned.

JAS. E. HARKINS, Clerk.

Council Chamber, April 26, 1901.  
(Special Meeting.)

Called to order by Pres. Haarer.

Roll Call: Present—Ald. Hamilton,