

**ANN ARBOR CHARTER TOWNSHIP  
BOARD OF TRUSTEES SPECIAL MEETING  
MINUTES OF MEETING  
WEDNESDAY, SEPTEMBER 26, 2007**

**I. CALL TO ORDER**

The special meeting of the Ann Arbor Charter Township Board of Trustees was called to order by Supervisor Moran at 7:11 p.m. at the Township Hall, 3792 Pontiac Trail, Ann Arbor, Michigan, 48105.

Present: Supervisor Michael Moran, Clerk Rena Basch, Trustees John Allison, Della DiPietro, and Richard Dieterle. Trustee Randolph Perry arrived at the meeting at 7:16 p.m.

Absent: Treasurer Virginia Forshee

Also Present: Township Attorney Sandra Sorini Elser, Special Counsel Lynda Thomsen, Township Engineers Damien Wetzal and George Tsakoff and Utilities Superintendent Rick Judkins.

**II. CITIZEN PARTICIPATION – No citizen signed up for participation.**

**III. Re-Authorization of Millage to be levied on December 2007**

Moran explained at the last Board meeting the Board authorized the millage to be assessed in 2007 for Township operations at .7495 mils, farmland preservation at .6560 mils and public safety at 3.8897 mils. Moran said two errors had been made in the tax to be levied approved at the last Board meeting. Moran said the Township inadvertently rounded off after 4 decimal places which caused the rates to be too high, and the Headlee millage reduction factor was inaccurate on the L-4029 form. A new L-4029 form has been issued which identifies the accurate millages to be levied for township operations, farmland preservation and public safety. **DiPietro moved approval of the Township operations millage at .7669, the farmland preservation millage at .6712 and the public safety millage at 3.98. Allison seconded the motion which was adopted unanimously.**

**IV. Ayrshire Public Sanitary Sewer and Water Special Assessment District**

**A. Opening Remarks by Supervisor**

Supervisor Moran explained in the past the Township has received requests from residents of the Ayrshire neighborhood to provide water and/or sewer services. Prior to this year the Township had at least twice requested its engineer to do a cost study for providing those services, but the project did not proceed beyond generalized discussion. In 2006 several residents requested the Township again to review the possibility of providing water and sewer services to the neighborhood. Because of the history, the Township then advised the residents they would only begin to review the possibility of a Special Assessment District (SAD) if the Township received petitions from owners of more than 50% of the area to be served. The Township directed its engineer to update the most recent cost study using industry approved inflation factors in order to provide a generalized idea to the residents of the cost of such a project at this time. The Township received petitions from owners of more than 50% of the area in the proposed SAD and scheduled for discussion the question of whether the Board should declare its intent to create a SAD. At its ~~September~~ August meeting the Board of Trustees adopted a resolution which

tentatively declared the Board's intention to make water and sewer improvements for the Ayrshire neighborhood. The Board directed the Township engineer to do a new cost study to determine the costs of providing those services and scheduled the first public hearing on the two SADs.

Moran further explained the purpose of this public hearing is to review the construction plans and amended cost estimates, to review the boundaries of the two proposed SADs, to allow residents to request in writing to be included within one or two of the districts if not previously included, and to permit residents who previously signed written requests to be included in the SAD to withdraw their request in writing. Also the purpose of the meeting is to hear objections to the petitions, the improvements, or the SADs, and for the Board to confirm there are residents holding more than 50% of the area in the district.

Moran stated if the Board determines there is more than 50% support for the project, it may elect to proceed with the process. If it does the Supervisor must prepare a SAD roll which will identify each property and the assessment to be applied against each property. If the Supervisor is directed to prepare the SAD roll, discussion will be referred to the Utilities Committee for recommendation of payment terms. The Board will then schedule a second public hearing. At the second public hearing residents may only object to the following: whether their property was accurately assessed in relation to the benefits received, the total cost of the project, and whether the proceedings to date have been valid. Anyone who wants to object to the assessment on the roll against their property and proceed to the tax tribunal must file with the Township a written objection before the end of the second hearing.

Moran noted even if the Board has petitions from more than 50% of the land area of each SAD the Board may elect at this meeting or a subsequent meeting not to proceed with this project because ultimately it is a Board of Trustees decision.

#### **B. Presentation by Township Engineer**

Damien Wetzel Township Engineer made a presentation on the Ayrshire sanitary sewer and water special assessment districts. Wetzel explained that a special assessment is a tool for raising money directly from property owners that benefit from a particular project, without burdening the general public with those costs. Wetzel addressed the current issues facing the Ayrshire neighborhood in establishing a SAD. Wetzel demonstrated the overall preliminary plan for water and sewer services including the Ayrshire/Waverly layout and the Ayrshire/Danford layout. Wetzel outlined the boundaries of the proposed SADs and explained the construction methods and techniques of directional drill and open cut for the installation of sewer and water mains. Wetzel provided a summary of the preliminary total project cost and assessment for water and sanitary sewer. According to the preliminary engineering report the preliminary cost per benefit for water SAD is \$22,268 and \$24,395 for sanitary sewer SAD. Wetzel explained these costs do not include Township tap fees, individual service lead construction costs and possible extensive legal costs to acquire easements if not voluntarily granted. Wetzel indicated the Township has received petitions from 74% of acreage in support of the sanitary sewer SAD and 69% of acreage in support of the water SAD.

Wetzel answered a series of questions from the Board and public regarding the proposed layout of the districts and additional costs of the project.

**C. Public Hearing on both districts**

Moran opened the public hearing at 8:10 p.m.

David Maurer, 4055 Waverly Place, asked if he had to make a decision tonight.

Special Counsel Lynda Thomsen advised the public a decision has to be made at or at the close of this public hearing. Moran stated if any residents want to withdraw their previous petition or add their petition they need to do it in writing at this meeting.

Maurer asked if the Board will be informing residents of finance terms and interest rates tonight.

Moran said that issue will be referred to the Utilities Committee for recommendation. Moran said he would expect requiring payment within a period of 5 to 10 years along with an interest rate in the 5-8% range. Other financing sources are also available to residents outside of the Township.

Jack Wagoner, 4030 Danford Road, asked if the Board could provide the final costs per month since it is kind of a nebulous number right now. Wagoner said residents would be more interested in making a decision if they knew that number.

Perry advised the residents the amount of their monthly payment is largely dependent on how their assessment is financed. Thomsen advised the residents the term of financing by the Township is a decision of the Board. Thomsen said the longer Township money is tied up; other residents of the Township are bearing the expense of the improvement that doesn't benefit them.

Kate Choals, 4037 Danford Road, asked the Board to explain the location and size of the easements.

Moran explained an easement is legal permission to take some defined actions in a particular area of property. When constructing the sewer and water mains the engineers need a larger easement that is permitted in a wider area during the time of construction. When construction is finished, a maintenance easement is requested on either side of the main lines for the purposes of maintaining and repairing the sewer and/or water lines. The Township is asking for a 35 foot permanent easement for water and sewer; 20 feet for water only; and 30 feet for sewer only.

DiPietro noted there are 6-7 acres of undeveloped land that could easily connect to utilities at The Ridge. Presuming the Township doesn't move forward with the Ayrshire plan those property owners could connect to The Ridge because there is no other alternative, leaving the most expensive part of bringing water and sewer service to the Ayrshire neighborhood. She said the costs therefore will be exponentially higher in the future.

Basch commented that Mr. Lillie with Landhere Development filed a letter with the Township stating he is in favor of creating a SAD even though he does not need a SAD to service his property.

David Maurer commented there are only 5 of the 18 properties represented here tonight. Maurer said his initial petition was to show his interest in proceeding so he could find out more about the project. He said he is here to find out more but is now told he is in the SAD whether he wants to be or not.

Moran advised Mr. Maurer that he could withdraw his petition.

Thomsen advised the Board that payments should be set up payable in annual installments where the interest declines but the principle stays the same. Thomsen said if a resident appeals their assessment to the tax tribunal the tribunal does not decide what the amount should be, instead the tribunal determines whether it is an appropriate reasonable assessment.

Eulalia Stewart, 4040 Danford Road, commented that most of the residents have been on opposite sides throughout the process but an attempt has been made to draw up the district with the principle expressed by the Board. She said anything else becomes a picking and choosing kind of thing and could go on endlessly if not based on some principle.

Basch commented even though this is an action initiated by the residents she hasn't heard anyone speak in favor of the district and has only heard objections that the costs are too high.

Moran asked if anyone wanted to, in writing; withdraw their petition to participate in the water and sewer district.

David Maurer requested in writing to withdraw his petition from the SAD for water and sewer service.

It was noted that prior to the meeting, Noble Dzakpasu, 2315 Ayrshire Drive, requested in writing to withdraw his petition from the SAD for water and sewer service.

Moran closed the public hearing at 9:00 p.m.

The Township engineer recalculated the assessment property percentages based on the two withdrawals. Wetzel indicated there are now 65% in support for sewer and 61% in support for water.

**D. Board Discussion and Action**

The Township attorney advised the Board a resolution is on the table establishing the Ayrshire SAD and determination of improvement costs based on the Township engineer's total costs for each district.

**Perry moved approval of the resolution establishing the Ayrshire public water system special assessment district at a cost of \$408,366. DiPietro seconded the motion.**

Allison commented at 61% and 65% it is clearly a community that largely wants to do this but the costs are so high he is concerned and would like to table the matter to have some time to reflect upon his decision.

Perry said the Board can adopt this resolution tonight and decide at a later time not to move forward. Perry said by putting the issue squarely before all the people in the district it will give them the opportunity to object to the project.

Moran said he supports the motion to approve the district. Moran said his support for the project at this point should not be taken as final support. Moran said the Township has identified a district that makes sense; there is more than majority support for it; money has been spent to develop the preliminary engineering costs; and he sees nothing to be gained from delaying the decision on the resolution.

Dieterle said the costs of the project really bother him and he would have a hard time voting for it for that reason. He added if it's going to be death by a thousand cuts over time it would be the only thing that would cause him to vote for it. The long term consequences of not doing it now would supersede doing it now.

Basch said she is opposed to establishing the district because the costs are so much higher than the benefits to the individual homeowners.

**Moran indicated it's been moved and seconded to approve the resolution draft dated 9-25-07 establishing the Ayrshire public water system special assessment district at a cost of \$408,366. Roll Call Vote: Dieterle - Aye; DiPietro - Aye; Perry - Aye; Allison - Aye; Moran - Aye; Basch - Nay. Motion passed.**

**DiPietro moved approval of the resolution establishing the Ayrshire public sanitary sewer special assessment district at a cost of \$414,715. Allison seconded the motion.**

Allison explained his reason for changing his mind. He said he is convinced this is moving the process forward but the Board can still turn back at the next step. Allison said even though it is a very big burden it's the best it's ever going to be.

DiPietro said there has been continued interest by the residents to bring sewer and water to this neighborhood, and it is in the best interest of the public long term to have this matter resolved.

**Moran indicated it's been moved and seconded to approve the resolution draft dated 9-25-07 establishing the Ayrshire public sanitary sewer special assessment district at a cost of \$414,715. Roll Call Vote: Dieterle - Aye; DiPietro - Aye, Perry - Aye; Allison - Aye; Moran - Aye; Basch - Nay. Motion passed.**

## **V. Public Comment**

DiPietro thanked the Utilities Committee for all their efforts.

Sally Burden, 4050 Waverly Place, said only 4 of the 12 households that live in this neighborhood are signed up in favor of this project.

Eulalia Stewart, 4040 Danford Road, thanked the Board and Utilities Committee for their consideration in this project.

Kate Choals, 4037 Danford Road, commented if this project moves forward it would be a real burden and her family would have to move because of it.

**VI. Adjournment**

**Basch moved approval to adjourn the meeting at 9:18 p.m. Allison seconded the motion which was adopted unanimously.**