

REGULAR MEETING OF THE DEARBORN HEIGHTS CITY COUNCIL

JULY 13, 2004

04-222 The meeting was called to order at 8:09 p.m. by Council Chair Elizabeth J. Agius.

Roll Call showed the following:

Present: Council Chair Elizabeth J. Agius, Councilwoman Janet S. Badalow, Councilman Kenneth R. Baron, Councilwoman Ann Brown, Councilman Bob Constan, Councilwoman Catherine L. Heise, Councilwoman Margaret M. Van Houten.

Absent: None.

Also Present: Mayor Paletko, Administrative Assistant Kramarz, Corporation Counsel Miotke, City Clerk Dudzinski, Deputy Clerk Pawlukiewicz, Treasurer Riley, Deputy Comptroller Macari, Assessor Riedel, Acting Building & Engineering Director Sobh, Police Chief Gust, Recreation Director Grybel, Public Service Administrator Franzil, Grants Coordinator Klimchalk.

The Pledge of Allegiance was led by resident Bill Shevchik.

04-223 Motion by Councilman Baron, seconded by Councilman Constan, that the Agenda for the Regular Meeting of July 13, 2004, be approved with the addition of Current Claim 6-29 (A Land Construction, Inc. 2003 Sidewalk Ramp Program) and refer 9-B (2004-05 CDBG Water Main Replacement Project) back to Administration.

Motion unanimously adopted.

04-224 Motion by Councilman Constan, seconded by Councilman Baron, that the Minutes from the Regular Meeting of June 22, 2004, be approved as submitted.

Motion unanimously adopted.

The Public Hearing for the Ford Motor Company Dearborn Heights Industrial District No. 1 12 Year Tax Abatement Public Hearing opened at 8:11 P.M., by Council Chair Agius.

Council Chair Agius asked Clerk Dudzinski to read the official Notice of a Public Hearing.

Clerk Dudzinski "PLEASE TAKE NOTICE THAT a Public Hearing shall be held before the City of Dearborn Heights City Council at 8:00 p.m. on Tuesday, July 13, 2004 in the City Council chambers located at 6045 Fenton, Dearborn Heights, Michigan, on the request for a 12 year tax abatement for the Ford Motor Company Dearborn Heights Industrial Development District No 1. Legal description of property is:

Land situation in the City of Dearborn Heights, County of Wayne, State of Michigan, described as follows: All that part of Lots 132 and 133 of ASSESSOR'S INKSTER PLAT NO. 5 of part of the West 12 of the Northwest ¼ of Section 29, Town 2 South, Range 10 East, Village of Inkster, Wayne County, Michigan, according to the plat thereof as described as: Commencing at the Southwest corner of Lot 132 for a point of beginning; thence Northerly along the Westerly line of Lot 132 a distance of 425 feet; thence Easterly along a line more or less parallel to the Southerly line of Lots 132 and 133, a distance of 510.56 feet more or less to a point on the Easterly line of Lot 133; thence Southerly along the Easterly line of Lot 133 a distance of 425 feet to the Southeast corner of Lot 133; thence Westerly along the Southerly line of Lots 132 and 133 a distance of 510.56 feet more or less to the point of beginning, subject to general taxes and assessments and utility easements.

Please note that all aspects of the request will be discussed at the public hearing.

Interested person(s) may also direct written comments concerning this issue to the City Clerk's office, 6045 Fenton, Dearborn Heights, MI 48127 prior to the time listed above. S Judith Dudzinski, City Clerk.

Notice, people with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk at 313-277-7225 at least ten (10) working days in advance of the meeting. An attempt will be made to make reasonable accommodations. S JUDITH DUDZINSKI, Clerk, Dearborn Heights, MI. Published June 30, 2004 and July 7, 2004."

Council Chair Agius stated there were representatives from Ford Motor Company here to make a presentation and asked that they introduce themselves.

Mr. Charlie Pryde, Governmental Affairs "Thank you madam chair. I'm Charlie Pryde from Governmental Affairs at Ford Motor Company and thank you madam chair and council for allowing me to present in support of this exciting investment that we will hopefully be doing in Dearborn Heights.

First, I am going to take us to the Ford Team and then talk a little bit about what is going on in the auto

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industry in general to put this investment in a context for you. We have what we consider to be the A Team here tonight. Mike Dadas from Powertrain; Todd Kloeb from Powertrain, Kellianne Nagy, who is helping with the PowerPoint presentation and I'm Charlie Pryde. I am not the country western singer, I hope that doesn't disappoint anybody.

One of the things that you hear a lot about with the auto industry is that it is intensively competitive and all businesses are. We all hear that, but what helped me to understand that the best is this slide right here, and I imagine not everybody can see it, in fact I can't even see it from here, but in the last column it's 2003 and what the number at the top is, is the capacity, the amount of automobiles that the industry can produce in that year and that's 83.4 million units. Now, what that green portion of the column is, is the amount of units that people purchase which I think is 57 million about. Now the yellow above that which is 24.3 million units is what's called excess capacity. That means that there are enough plants to build those units in the entire world and it also means that if you were to close every single plant in North America, that's Ford, GM, Daimler Chrysler, Honda, Toyota, there would still be more than enough automobile manufacturing facilities in Europe, Asia, South America that would be able to build enough vehicles to support the demand for vehicles in the rest of the world including North America. So that shows you, if you remember back to your economics, that when supply exceeds demand you have a problem and you have a very competitive market. So, this is what's been driving Ford Motor Company, General Motors and Daimler Chrysler and all the other auto companies and will continue to drive us for the years to come. This is why we have undertaken the revitalization effort and this investment is a piece of that.

So if we go to the next slide, this talks about what the key competitive factors are. With all this production, all these automobile companies' customers are facing more products, more equivalents and more complex decisions. Meaning, for example, in an SUV you can get a big SUV like an Expedition or you can go for an Explorer or you can go for an Escape. In terms of competition there used to be no competition for the Explorer and the Blazer in the community and now BMW's got it, Toyota's got it, Honda's got it. There is a tremendous amount of competition out there. There are also decisions in terms of powertrain that everybody can make. The important thing is how do you get that product out there. People choose product and they choose their products quickly. So if we can get out product development times quicker then we will gain competitive advantage. What this shows is that your able to take an idea to market quicker than you will be less likely to make a mistake with that market. Which means, of course, that people would like to have right now hybrid electric vehicles. The quicker you can get those to market the more competitive advantage you will have. Also, if you make a mistake then you can change quicker, you can recover quicker which is of course really important. And then, of course, you're better able to segment the market and what that means again, going back to the Escape, with our Escape we got three different powertrains. We have a four cylinder engine, a six cylinder engine and now we have a hybrid electric powertrain. So that's the key. That's what we have to do and do this quickly, without a problem and with a quality effort. Now the last portion there comes from the University of Michigan study of automobile transportation. They are talking about twelve months for a car from when it's an idea to when it's in production. They say that Toyota can presently do that in 10.5 months and the North American average is about 21 months. We really have to pick this up and this is where Todd and Mike come into play. Because they are going to be helping us with this investment with Powertrain to be quicker on our feet so I'll end and send it to Todd now."

Todd Kloeb "Good evening Council. Thanks for hosting us tonight. As Charlie said, speed is one of the critical factors for us to become more competitive in the auto industry. If you recall back in late 2000-2001 the Detroit auto manufacturing companies were not exactly healthy. And we really sat down at that time and laid out a five year strategy of Ford Motor Company to determine how do we revitalize the company, how do we get back on our feet. And there were really three or four major initiatives that we felt, or our senior management felt, would bring us back into the forefront of automotive manufacturing worldwide. And if you recall there is a whole lot of extra capacity there. So we are not only fighting for our own market share, we're fighting not to become part of that excess capacity. So we also have to get more efficient. So as we laid out that groundwork in the 2000-2001 time period the company really recognized that we had a number of initiatives. One is that we needed to maintain our overall cost structure, flat at the worst and objective-wise to improve our overall cost structure on a vehicle per vehicle basis to maintain our competitive nature.

Secondly, and probably more importantly, we needed to be able to be a product driven company. As you guys know and most probably participate in this everyday, we are all interested in what is the new thing out on the market. Many times by the time we realize what the market share is going to be interested in its too late. By the time we get to market with the product, the fad is over. So it's really important, as Charlie mentioned, to be able to take those new ideas as we are able to see it in our demographics and get it to market very quickly, to be able to capitalize on that event and then get back out. So speed is a really important factor of being competitive in the automotive industry. So Ford recognized the pride driven recovery was really where we were going to make our most headway. Finally, we recognize, and you might see some of this from our competitors, the powertrain was going to become more and more of a leading market of what drove vehicle sales. You've seen it with the hemi commercials, right. We want to be part of that and we think that is necessary. You mentioned the hybrid vehicles, it's important for us to be competitive in powertrain. So that was recognized as one of our major initiatives for recovery. From that spawned the North American Powertrain Project, to be honest with you, Beech Daly has an

opportunity here to be a very big player and that is what we are here to present to you tonight.

What Mike and I are going to spend the next couple of slides doing is kind of taking you from that 50 thousand per view and start bringing you down to how the Beech Daly site in Dearborn Heights plays a roll in bringing that recovery process around for Ford Motor Company. As I mentioned, and as most of us do when our senior management comes forth with a plan, we start developing our own strategies to deliver that. Through the Powertrain Group we started to begin developing how powertrain feeds into that corporate strategy. Some of the key deliverables that come out of that are reduced time and cost, we already know that right? Secondly, we started recognizing for us to reduce in powertrain time and cost we had to transition to some common manufacturing and common tooling processes, which to be honest with you, had never really been pursued within the automotive manufacturing community, which you know most vehicles have unique tools to go with it, they have unique processes that go with it and from plant to plant things are different, things cost more money, right?

The third initiative when it comes up is flexibility. We talked about having to be able to get new product to market very quickly as new ideas pop, as new fads pop, we want to be able to deliver that product. When we are done with it we want to be able to get it back out, but saying that we also don't want to waste all that investment in that short term manufacturing cycle that goes away. So flexible manufacturing became an initiative. So we are walking you down to this closer and closer to Dearborn Heights level.

There are three or four key manufacturing strategies that were recognized as how we deliver those initiatives. Those manufacturing strategies are really where we start becoming a part of Dearborn Heights and hopefully part of the Beech Daly facility. One initiative is called Rapid Manufacturing and I don't want to go into a lot of detail into what that process is but Rapid Manufacturing is a way through an additive process where we can product prototypes with no tooling investment. If you take a normal prototype, maybe I better back up for just one second. A prototype, whether a vehicle prototype or a powertrain prototype is a process where we build try-out parts, if you will, is another way to call it. We slowly evolve these try-out parts into a final product that's been tested, durability tested, fit and finish then we deliver to the public. So we go through anywhere from six months to five years of development on a program before we deliver to the customer. Well if you think about that there is a whole lot of investment tooling that later is just thrown in the trash can because it's not manufacturing intent or customer intent manufacturing for the site. What rapid manufacturing delivers to you is the ability for us to produce one or more parts with no tooling investment. They do it through laser centering process, a lot of high tech additive manufacturing processes that to be honest with you, I'm going to go into it in detail a little later, would be the first in North American to take it to this extent. Again, if we are able to produce those parts, try them out, prove them out, make quick changes to them, get them on an edge and get them back tested again. Now that's were competitive advantage around speed becomes a play because we don't have to invest in a tool, go have it made, build ten parts, find out it didn't work, go change the tool, come back, try ten more parts. Every part can be different and every part can be new everyday. The technology gives us huge capability in terms of speed. Secondly, certainly in terms of cost, because we don't have the investment in throw away tooling. To take that a step farther one of our initiatives is to begin getting what we call MLP or Make Like Production processes further upstream in the development stage. What that simply means is just what it says. We want to get to the point where we're making our prototypes exactly how they are going to make them in the plants. And we don't do that today for the reasons I just explained to you. They are all throw away tooling. We go through a lot of changes and we can't afford to do it. But if we are able to produce those parts one after another, different iterations, we are now able to go make the investment in being able to produce the processes so when we get done with the prototype development we know it's going to work in our plants already because we've done it the whole time that way. So Make Like Production is the second part of that initiative.

The third and the fourth really fit together. Computer aided process planning is something that you guys have probably started to see CAD, CAM, CATH, we call it, and allows us to take some of that communization we just talked about and create future bases or libraries. So that we make sure that all of our processes now become a cataloged event. We do this process this way with this tool every time and unless there is a real reason to change that process we are going to do it that way. So we do it the same way every time. We have a supply base that supports that same process. All of our plants are the same and feeds right into the last part of this and that's flexible manufacturing.

As all that becomes the way we do our business, now all of our plants do that way of business, now we have real flexible capacity. If we have a head line, for example at Lima that has excess capacity and we have a head line at Romeo that needs more heads it's very easy for us to transfer common strategies right down to that plant and start kicking out additional parts on their line once that all becomes the same. So you can see how that all starts revolving into a strategy, or a package, that starts feeding back to what Charlie said. So with that I think Mike is going to bring the final step home. How does Beech Daly now become the center where all that begins."

Mike Dadas "Good evening Council and thank you again for hosting us tonight and allowing us to present. Todd overwhelmed me with the detail too. He's been living and breathing this for the last 24 months so when he wakes up in the morning and when he goes home at night this is all he sees.

I've got to say I'm not going to go into that level of detail. If you have questions after we can expand upon

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it. This project, certainly in my 30 years, is one of the most exciting that I've had the opportunity to work on for Ford Motor Company. And eventually I think for the whole auto industry because there is no doubt that we're not able to maintain secrecy to everything we do for a very long period of time. We do feel that we have an edge on our competition right now and we are trying to bring that to North America and we will bring that to North America and hopefully to the Beech Daly facility.

In general, from a project overview, this total investment is worth approximately 13 million dollars. From a new equipment standpoint, something that you are interested here tonight, is roughly around 8 to 8 ½ million dollars in new equipment approximately that would be going into the site that we select. Sixty percent of that 13 million, as I mentioned, is on new equipment, the balance 40% is in relocation because this project, after we select a successful site, will involve the reorganization of basically three buildings in the immediate area of three different cities. Something that you may be interested in tonight is jobs. What does it bring to the City of Dearborn Heights? It's always a favorite question. We estimate between 80 and 100 employees would accommodate the Beech Daly facility initially. We're not sure where that will go in the future. We certainly, as I mentioned, are excited about this project and we honestly feel that this is just scratching the surface for our end of it. We feel that this is going to be the way we do engines and transmissions in the future, along with other things.

I manage all of our prototype operations for transmission/engines throughout the world. We're currently doing a lot of this in Europe right now and we are doing it very successfully. So this isn't new technology from a world standpoint, its new technology in North America and you may ask why this hasn't been in North America yet and it's mainly because of US Patent and licensing issues. We took this on just about 20 months ago. It was out there for anybody to grab. Nobody really wanted to jump off the fence, if you'll allow me to use that slang, and tackle it. It's been a major, major challenge for our Office of General Counsel and for Governmental Affairs to assist us in working with the universities, patent companies and many suppliers in North America to make this happen and today we are successful in doing that.

I was tasked, like I said, 24 months ago to bring this technology into North America and start delivering some of the benefits that we were seeing in our European operations. We now are at the point in the very near future of bringing this home. We are making parts with our suppliers right now. We just don't have a site to put the equipment in and that's the part that we are in here for tonight.

As we mentioned, much of the new equipment will be first of its kind over here because there is a lot of new technology that is being developed really almost on a daily basis. Some of the equipment that we will be putting in the new facility is not brand new, it's not new technology, it's new for us to use it in the processes that we are looking at using it in. Some of the other stuff is brand new and we were able to lock it up and we have a substantial time period that we are the sole purchasers of the equipment from the suppliers.

Enabling lean prototype principles and Make Like Production operations for prototype as Todd mentioned, that's something that seems to be a buzz word in the industry. You can take it to a short process or you can take it to a long process. We've been very successful right now in bringing this to market and actually tying this into our plan. We are delivering pure production applications from our prototype builds today into our manufacturing plants and some of our recent launches in North America and also across the border in Windsor have been some of the fastest, most cost efficient launches that we have ever had in the history of our company. And it's truly because we have been able to take these processes, try them out within our prototype operations and transfer them right to the plant so that when that plant launches that job one as we call it, can do a vertical ramp up. It does not have to do a gradual 8 to 10 month ramp up. That's where you spend a lot of money. That's where you are very inefficient.

Substantial reduced engine development time, you heard Charlie mention 10 ½ months. That's 10 ½ months to bring a powertrain to market and a vehicle program to market. Twenty one months is pretty normal right now probably even stretched for some companies. We honestly want to beat 10 ½ months. We have internal objectives that at least from a powertrain standpoint substantially under that. We feel that we are going to be able to accomplish that and that's what this whole project was based on.

With that I've got to wrap it up right now. We are very interested in having you vote in a positive measure on this abatement request tonight. As with any business case, as you well know, as I sat through your earlier discussions around here the bottom line is it comes down to cost and that's why we are here tonight. Thirteen million dollars you may think is not a lot of money to Ford Motor Company but if you looked at our revenue and our profits over the last few years it certainly is. And trying to get 13 million dollars approved in today's market is extremely, extremely difficult. We feel that this project has great opportunities, not only for Ford, but for the future for the way engines and powertrains are developed. This is a critical part of making this business case successful so that we can go forward. With that you know that we are asking here and hoping for a twelve year abatement which only falls in line with our partnership with the City of Dearborn Heights. We'd like to continue that. We'd like to rejuvenate the Beech Daly facility and bring it up to all new standards and make it a state-of-the-art showplace that everybody both here and Dearborn Heights can be proud of for years to come and with that I thank you."

Councilwoman Van Houten "You mentioned there were going to be about 80 to 100 jobs at this facility will those be new jobs added to the Michigan economy or will those be relocated from other areas in

Michigan?"

Mike Dadas "The bulk of them will be relocated from other areas in Michigan."

Council Chair Agius "Which places will those be?"

Mike Dadas "They could come from any number of cities around including Dearborn and Allen Park. This project as it stands right now does not encompass any job loss to Ford Motor Company. No jobs are going away; matter of fact the project actually grows at this point in time 8 to 12 brand new jobs for the company. But it's still in its infancy, we need to see where it's going to go before....."

Van Houten asked "Does it have the potential to grow many more jobs than that?"

Mike Dadas "I think the potential is definitely there, yes."

Councilman Baron "Has it happened in the past that maybe after six years you decide that you need a bigger facility, that you need to move, do something else, has that come to play in any of this?"

Mike Dadas "Yes, sometimes a smaller facility too. Absolutely, I'd be a fool to stand up here and say it doesn't. Our business changes constantly. All I know is that in our end of it we are a critical part of the development of vehicles for Ford Motor Company. There isn't an engine or transmission outside of the few that we purchase on the outside that doesn't come through one of our shops or the five buildings that I manage throughout the world right now. So we are first in hand on all the new program activities and aside from that we also do a lot of things besides prototype including after market parts, racing parts and things like that. As a side note, just this week and last week we have supplied parts through our facilities to South Africa, Australia, throughout Europe and in some cases non related to Ford directly but to the Volvo's of the world, the Jaguars, the Land Rovers and in some cases we also are doing prototype parts for our supply base. Our supply base is definitely going to be an integral part of this project."

Mayor Paletko "If I might, maybe the question because he is a decision maker, given the amount of his position so what we ought to do if they do need to expand we have adjacent properties and then when you need to go visit your facilities you can make a two for one stop. We would be more than happy to do that."

Councilman Constan "Mike you don't anticipate, this is more engineering, this is nothing that there will be any environmental problems or environmental risks to the property?"

Mike Dadas "Absolutely not, we would never encounter or go into any new project regardless the type of operation. As you well know almost of our operations right now are ISO 14000 certified. The prototype business on all of my plants are ISO 14000 certified. We are also Q1 certified and just as of last week we are QF 9000 certified which was the first prototype operation in North America as far as engine and transmission. Our transmission operations received it in January, we received it two weeks ago so we are very compliant across the board, not only from an environmental standpoint but a quality standpoint."

Councilman Constan "This is an engineering not a heavy manufacturing facility."

Mike Dadas "Not a heavy manufacturing unit. The bulk of the jobs are actually building the engines, the test engines, and most of those engines are all manually hand built and also doing a lot of the measuring activities, gauging of the parts. All of these parts are 100% checked before they are built up and gone into a test engine so we can analyze the data before and after. If I may note real quick, invite you to the Allen Park facility where we have a handful of small machines that would be transferred over here. They are basically in the room about this size and represent very similar to computer operated type equipment, not the equipment that you would see in a heavy manufacturing environment."

Councilwoman Van Houten "Are you looking just for a 12 year tax abatement of the property tax and not for the personal property taxes?"

Mayor Paletko "It's the personal property taxes."

Assessor Riedel "Exemption is on the machinery equipment not on the real property."

Mayor Paletko "And personal property is subject to depreciation. I would like to ask Vikki, maybe it's clear to Council but I have a little question, if they want to look favorably on this, what would be the next series of actions or what do they need to do tonight?"

Assessor "The application has been sent to the State of Michigan. The total is worth 13 million they are only asking for a nine million dollar abatement on the equipment, and that is going to depreciate at a fairly rapid rate and we going to realize at least 70 thousand dollars a year more from that facility. They are already paying on 1 million dollars assessment on the plant and land and that's not going away."

Council Chair Agius "We don't have a specific item, is that an oversight?"

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Mayor Paletko “I noticed that and I’m hoping that in light of the fact that there was a public hearing and it centered on 5-A you might still be able to take action on it and your all here.”

Council Chair “I would like to. Do we have to suspend any rules to add something in here or can we have a vote now.”

Councilman Baron “As long as it’s pertaining to the item, yea.”

Mayor Paletko “I would not hesitate because if you didn’t have a public hearing or anything scheduled, although you are all here, I’m sure you could add it but this gave notice and then I think you were given copies of the resolutions before, it’s a standard resolution so if you need that resolution the Clerk’s office can get it in minutes.”

Councilwoman Badalow “I just wondered how long it will take your facility to become fully functional subject to all administrative approvals?”

Mike Dadas “In between six to nine months.”

Councilwoman Badalow “After January, so late 2005.”

Mike Dadas “We would hope a much earlier time frame than that.”

Council Chair stated she would entertain questions from the audience at this point, if anyone has a question on the public hearing would you come forward and state your name and address.

Ray Muscat, 23611 Haveloch “This is kind of a two edge sword for me since I work for Mr. Dadas. How does this affect the taxpayers of Dearborn Heights as far as income coming into the city and our services to the taxpayers?”

Assessor Riedel “Income considerably, the \$70,000 as I mentioned earlier is a minimum on that first year of operation and as far as services we are already servicing that building and they have been paying property taxes on that building.”

Mayor Paletko “It adds another \$70,000 to the pot to provide services to the residents of Dearborn Heights.”

Council Chair Agius “Does anyone else from the public have a question, anyone else...”

Mayor Paletko “The only thing I can say now that you’ve heard the plan is I was very excited when I first heard this. I think this is good news for the City of Dearborn Heights and hopefully it will get approved tonight and we look forward to having a long standing relationship between Ford and the City of Dearborn Heights.”

Council Chair Agius “Thank you. Thank you all for your presentation and I will take a motion at this time to first close the public hearing and then we can go to a vote.”

04-225 Motion by Councilwoman Van Houten, seconded by Councilman Constan, that the Public Hearing be closed.

Motion unanimously adopted.

Council Chair Agius “I will take a motion to approve the resolution required for the Industrial District No 1 Tax Abatement for Ford Motor Company which includes the Resolution Approving Application for Industrial Facilities Exemption Certificate.”

04-226 Motion by Councilwoman Van Houten, seconded by Councilwoman Badalow, to approve a Twelve (12) Year Industrial Facility Exemption including the Resolution Approving Application for Industrial Facilities Exemption Certificate at the request of the Ford Motor Company.

Motion unanimously adopted.

The Public Hearing closed at 8:47 p.m.

04-227 Motion by Councilman Baron, seconded by Councilwoman Brown, that Current Claims 6-1 through 6-29, be approved as submitted.

1. A. A. D. CONTRACTING COMPANY – Swapka Park Comfort Station – Pay. Req. #4 dated 06/15/04 from A/C 103-960-964-203 (Swapka Park) \$66,042.00. CDBG.
2. BEST ASPHALT – Swapka Park Path – Inv. 15232 dated 06/23/04 from A/C 101-202-200 (Accounts Payable) \$6,300.00. Bldg. Maint.
3. BRATCHER ELECTRIC – Electrical Setup for Spirit Festival – Inv. 12477 dated 06/14/04

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- from A/C 101-202-200 (Accounts Payable) \$3,750.00.
4. C E GLEESON – Refund Over Charge Bldg. Permit – Inv. 06/11/04 from A/C 101-202-200 (Accounts Payable) \$9,573.30. Building Dept.
 5. CENTRAL WAYNE COUNTY SANITATION AUTHORITY – Monthly Debt & Service May/June 2004 – Inv. dated 06/11/04 from A/C 101-202-200 (Accounts Payable) \$202,972.01. General Govt.
 6. CENTURY CEMENT COMPANY – Street Repair Program – Cert #3 dated 06/22/04 from A/C 202-200-000 (Accounts Payable) \$140,427.97. Major Streets.
 7. CUMMINGS, MC CLOREY, DAVIS & ACHO – Labor Attorney Matters May 2004 – Inv. 60438 dated 06/17/04 from A/C 101-202-200 (Accounts Payable) \$1,812.00. General Govt.
 8. ELLEFSON BUILDING & DEMO – Load/Haul Debris – Inv. 4007 and 4008 dated 06/29/04 from A/C 592-202-200 (Accounts Payable) \$7,500.00 and A/C 101-202-200 (Accounts Payable) \$12,100.00. General Govt.
 9. E & N CEMENT – Pavement Repairs – Inv. dated 06/28/04 from A/C 592-202-200 (Accounts Payable) \$62,918.43. Water Dept.
 10. HEIGHTS TREE SERVICE – Tree Removable July 2004 – Inv. dated 07/05/04 from A/C 101-440-820-000 (Tree Removal) \$7,040.00. DPW.
 11. J Q INC. – Grass/Weed Cutting Various Locations – Inv. dated 06/08/04; 06/18/04 and 06/25/04 from A/C 101-202-200 (Accounts Payable) \$24,850.00. General Govt.
 12. MOTOROLA – Service Contract 7/01/04 – 6/30/05 – Inv. S0716332 dated 06/18/04 from A/C 101-300-818-000 (Cont. Serv.) \$16,428.00. Police Dept.
 13. NAGEL CONSTRUCTION – Sewer Cleaning – Inv. 1946 dated 6/30/04 from A/C 592-202-200 (Accounts Payable) \$23,350.75. Water Dept.
 14. PAINTER & RUTHENBERG – Roll Off Services June 2004 – Inv. 9386 dated 6/30/04 from A/C 101-202-200 (Accounts Payable) \$7,591.00. General Govt.
 15. PLANTE & MORAN – Accounting Services June 1-15, 2004 – Inv. 990726 dated 6/24/04 from A/C 592-202-200 (Accounts Payable) \$2,990.00. Water Dept.
 16. RMS ASSOCIATES, LCC – Telephone Consulting Services – Inv. 04-1732 dated 6/21/04 from A/C 101-202-200 (Accounts Payable) \$1,570.00. General Govt.
 17. SBC GLOBAL SERVICES – 911 Maintenance – Inv. MI575729 dated 6/9/04 from A/C 101-202-200 (Accounts Payable) \$5,194.00. General Govt.
 18. STATEWIDE SECURITY TRANSPORT – Prisoner Food & Lodging May 2004 – Inv. dated 6/15/04 from A/C 101-202-200 (Accounts Payable) \$4,830.05. General Govt.
 19. TODAY LINK, LLC – Connect/Support June 2004 – Inv. 1057 dated 7/01/04 from A/C 101-202-200 (Accounts Payable) \$4,437.20. General Govt.
 20. WADE-TRIM/ASSOCIATES – CDBG Assistance 04/05 – Inv. 83142 dated 6/30/04 from A/C 103-960-918-203 (Admin.) \$780.00. CDBG.
 21. WADE-TRIM/ASSOCIATES – DHT/Down River Technical Assistance – Inv. 83001 dated 6/17/04 from A/C 592-202-200 (Accounts Payable) \$291.60. Water Dept.
 22. WADE-TRIM/ASSOCIATES – Prepare Final Report – CSO Phase II – Inv. 83002 dated 06/17/04 from A/C 592-202-200 (Accounts Payable) \$14,559.10. Water Dept.
 23. WADE-TRIM/ASSOCIATES – Residential Rehab Manual – Inv. 83137 dated 6/30/04 from A/C 103-960-918-203 (Admin.) \$1,812.96. CDBG.
 24. WADE-TRIM/ASSOCIATES - Street Repair Construction Inspection – Inv. 83038 dated 6/22/04 from A/C 202-200-000 (Accounts Payable) \$6,743.78. Major Streets.
 25. WADE-TRIM/ASSOCIATES – Tech. Assistance May 2004 Flooding – Inv. 83004 dated 6/17/04 from A/C 592-202-200 (Accounts Payable) \$234.00. Water Dept.
 26. WAYNE COUNTY ACCOUNTS RECEIVABLE – Library Fees November & December 2003 – Inv. 222311 and 222312 dated 6/7/04 and 222426 and 222425 dated 6/18/04 from A/C 738-202-000 (Accounts Payable) \$77,993.99. Library.
 27. WAYNE COUNTY ACCOUNTS RECEIVABLE – Traffic Signals April 2004 – Inv. 1000988 dated 6/10/04 from A/C 101-202-200 (Accounts Payable) \$4,084.77. DPW
 28. WAYNE COUNTY DEPARTMENT OF ENVIRONMENT – Excess Flow April/June 2004 – Inv. 222455 dated 6/30/04 and 221465 dated 6/20/04 from A/C 592-202-200 (Accounts Payable) \$222,519.29. Water Dept.
 29. A LAND CONSRUCTION, INC. – 2003 Sidewalk Ramp Program – Inv. dated 6/25/04 from A/C 103-960-972-203 (Sidewalk Ramps) \$38,038.96. CDBG.

Motion unanimously adopted.

- 04-228** Motion by Councilman Baron, seconded by Councilman Constan, that the City Council concurs with and approves naming of the Central Park Tennis Courts to honor Mr. Donald Zulinski, per the recommendation of the Parks & Recreation Commission, communication dated June 30, 2004.

Motion unanimously adopted.

- 04-229** Motion by Councilman Baron, seconded by Councilwoman Constan, that the communication from Mayor Paletko, dated June 25, 2004 re: Location of weed cutting charge, be received, contents noted and filed.

MINUTES – JULY 13, 2004 – CONTINUED

Motion unanimously adopted.

- 04-230** Motion by Councilwoman Van Houten, seconded by Councilwoman Brown, that the proposal from BS & A Software, 5668 Okemos Road, East Lansing, MI 48223 to host the Equalizer Public Record Data Web Application, with daily updates, in the amount of \$6,000.00, be approved, per the request of Treasurer Riley and Assessor Riedel, communication dated July 7, 2004. Further, that the Mayor be authorized to sign the proposal acceptance on behalf of the City and the Comptroller be authorized to prepare the appropriate budget amendment for the next council meeting.

Motion unanimously adopted.

- 04-231** Motion by Councilwoman Van Houten, seconded by Councilman Constan, that the City Council concurs with and approves the Canfield Ice Arena Management Contract for an additional six (6) years between the City of Dearborn Heights and Family Entertainment Properties, Inc. (F.E.P.I.), 30100 Telegraph Road, Suite 250, Bingham Farms, MI 48025, per Recreation Director Grybel, communication dated June 24, 2004 and Corporation Counsel Miotke, communication dated June 8, 2004. Further, that the Mayor and Clerk be authorized to sign the contract extension on behalf of the City.

Aye: Councilwoman Agius, Councilwoman Badalow, Councilman Baron, Councilwoman Brown, Councilman Constan, Councilwoman Van Houten

Nays: None.

Absent: None.

Abstain: Councilwoman Heise.

Motion adopted.

- 04-232** Motion by Councilwoman Badalow, seconded by Councilwoman Brown, that business license renewals for Msgr. Hunt K of C #3312, 7080 Garling and Buck's Pub, 23845 Warren, be approved.

Motion unanimously adopted.

- 04-233** Motion by Councilman Constan, seconded by Councilwoman Badalow, that the City Council concurs with and approves the reappointment of Mr. Larry Zahra, 26953 Sheahan and the appointment of Mr. Ed Garcia-McDonnell, 25703 Loch Lomond, to the Zoning Board of Appeals, terms to expire May 2007.

Motion unanimously adopted.

- 04-234** Motion by Councilwoman Van Houten, seconded by Councilman Constan, that the Downriver Wastewater Collection and Treatment System Resolution, be adopted as follows:

WHEREAS, the City of Dearborn Heights is a participant community in the Downriver Wastewater Collection and Treatment System (the "System"), which is owned, operated and maintained by the Wayne County Department of the Environment (the "County"); and

WHEREAS, the City of Dearborn Heights has contributed \$33,000,000 toward improvements to the regional and local portions of the System, which were completed in the year 2000 to increase the capacity of the System; and

WHEREAS, residents in the City of Dearborn Heights experienced sanitary sewer backups during the storms that occurred between May 20-23, 2004 ("May 2004 storms"); and

WHEREAS, the City of Dearborn Heights has received reports from the County stating that the Waste Water Treatment Plant lost power at 1:30 a.m. on the morning of May 20, 2004 for approximately 2 hours, which was approximately the same time that sanitary sewers began to backup and flood into basements in the City of Dearborn Heights; and

WHEREAS, the City of Dearborn Heights has also received reports from the County stating that the System was, at all times during the May 2004 storms, in compliance with EPA standards and did not bypass the System to discharge into the Detroit River; and

WHEREAS, the Dearborn Heights City Council has unanswered questions regarding the performance of the System during the May 2004 storms, the power failure at the Treatment Plant, and the procedures and standards set by the County for bypassing the System in a storm that exceeds the design capacity of the System;

THEREFORE, BE IT RESOLVED that the Dearborn Heights City Council requests a full report and explanation from the County detailing how the System performed during the May 2004

storms including what effect, if any, the loss of power at the Waste Water Treatment Plant had on the System and whether the power failure was in any way related to the sanitary sewer backups in the City of Dearborn Heights; and

Further, that a copy of this resolution be forwarded to the Wayne County Department of Environment, with a request to the Council Chair to schedule a Committee of the Whole Study Session with the County engineers, and County Representation, the City Engineers, City Attorney's, the Mayor Paletko and the City Council.

Aye: Councilwoman Agius, Councilwoman Badalow, Councilman Baron, Councilwoman Brown, Councilman Constan, Councilwoman Van Houten
Nays: Councilwoman Heise.
Absent: None.

Motion adopted.

- 04-235** Motion by Councilwoman Van Houten, seconded by Councilman Constan, that the Regional Storm Water Management Plan for Ecorse Creek Resolution be adopted as follows:

WHEREAS, the Ecorse Creek runs through a portion of the City of Dearborn Heights and is the receptacle for the storm water runoff in that area of the City; and

WHEREAS, the Ecorse Creek has a history of flooding the streets on both sides of the Creek in Dearborn Heights during major storm events; and

WHEREAS, the flooding has become worse in recent years due to the continuing land development in the communities bordering the Ecorse Creek to the west of the City of Dearborn Heights; and

WHEREAS, the flow of the Ecorse Creek narrows in the communities to the east of Dearborn Heights, which causes water to accumulate in the flood plain area of Dearborn Heights; and

WHEREAS, the only way to solve the Ecorse Creek flooding problems is through a Regional Storm Water Management Plan for all of the communities bordering the Ecorse Creek; and

WHEREAS, the Wayne County Department of Environment has jurisdiction over and is responsible for cleaning and maintaining the Ecorse Creek in Dearborn Heights and in the surrounding communities;

THEREFORE, BE IT RESOLVED that the City of Dearborn Heights requests that the Wayne County Department of the Environment continue to meet with representatives from each of the communities bordering the Ecorse Creek to plan, design and implement a Storm Water Runoff Management Plan for the Ecorse Creek to alleviate the flooding in the streets of the City of Dearborn Heights and other communities during major storm events. Further, that a copy of this resolution be forwarded to the Wayne County Department of Environment, Commissioner Cavanagh, and the other communities bordering the Ecorse Creek.

Aye: Councilwoman Agius, Councilwoman Badalow, Councilman Baron, Councilwoman Brown, Councilman Constan, Councilwoman Van Houten
Nays: Councilwoman Heise.
Absent: None.

Motion adopted.

- 04-236** Motion by Councilwoman Van Houten, seconded by Councilman Constan, that the meeting be adjourned.

Motion unanimously adopted.

The meeting adjourned at 10:10 p.m.

S. JUDITH DUDZINSKI
CITY CLERK

ELIZABETH J. AGIUS, CHAIR
CITY COUNCIL

MARIA E. LAWRENCE
COUNCIL/CLERK SECRETARY