

City faces increased financial woes

\$100,000 deficit predicted in municipal revenues

By GORDON ATCHESON
The city may be faced with a sizable deficit in fiscal 1974 — a year for which the city administration had predicted a balanced budget — thus compounding an already unprecedented financial crisis, The Daily learned yesterday.

In an exclusive interview, City Administrator Sylvester Murray said that revenue figures for the fiscal year ending June 30, reveal that municipal income is running about \$100,000 behind anticipated levels.

MURRAY indicated significant reductions in expenditures therefore will be recommended, in a report now being prepared for City Council, as an alternative to further deficit spending.

Although he refused to discuss specific dollar amounts, Murray said the revenue areas lagging behind estimates include licenses, permits, and fees, and federal grant allocations.

The city currently has a \$1.1 million deficit accumulated over the past five years. As a result of the debt, the state Municipal Finance Commission ordered the city to adopt a deficit reduction plan.

A plan re-allocating \$300,000 this year to slash the debt has been tentatively approved by the commission, although the agency originally requested a significantly higher figure.

MURRAY said the commission has not yet been informed of the latest development and its reaction would "not be good." Conceivably, the agency could step in and assume complete control of the city's finances, but such drastic action seems unlikely.

Early last month, commission director James Marling said the city would be given a free hand in solving the financial problems. Nevertheless, he cautioned city officials that the agency would not tolerate any more deficit spending.

Murray refused to discuss specific recommendations which will be given to the council concerning reduction of expenditures.

Since personnel allocations constitute about three-quarters of the municipal budget, that area has

received close scrutiny to determine possible cutbacks.

AMONG OPTIONS previously brought before council — which might be authorized to reduce spending during the next six months—are:

- forcing all city employees to take an extra day a month off without pay (saving \$200,000);
- arbitrarily ordering each department to cut expenditures by five per cent (saving \$400,000);
- indefinitely laying off city employees.

Previously, the city has shied away from dismissing employees, but that policy might well be discarded in light of the increasingly tight financial picture.

Regardless of how expenditures are reduced, the net result will be less extensive and less efficient city services.

COUNCIL approved the fiscal 1974 budget which was drafted to balance at nearly \$16 million last May. Former City Administrator Guy Larcom and former Asst. City Administrator of Finance Kenneth Sheehan authored the document and assured council that the budget

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Gill resigns SGC presidency

Cites academic considerations

Student Government Council President Lee Gill resigned last night bringing to a close seven controversial months in office.

Three Gill appointees — Administrative Vice-President David Fowler, Coordinating Vice-President Terry Talbott, and Treasurer Rosemary Mullin—also announced their resignations, only seconds before Gill stunned the crowded weekly SGC meeting with his decision to quit.

GILL OFFICIALLY blamed "academic reasons" for his mid-term resignation, unprecedented in SGC history, but hinted that a series of recent attempts by other Council figures to remove him from office played a key role in producing his startling move.

SGC Executive Vice President Jeff Schiller immediately became president of Council, and caught his first taste of executive crisis as the meeting erupted into a shouting and shoving match between Gill supporters seeking to continue the session and opponents who moved for an early adjournment.

Gill told last night's meeting "I have to go back to being a student," and repeatedly emphasized that school pressure was the sole reason for his abrupt exit.

"I've been accepted by a couple of law schools," he said, "but I wanted to be accepted by a couple more, and my grade point average has got to rise."

IN A LATER interview, Gill again pointed to "personal priorities," but hinted that numerous attacks on his administration and his personal actions "discouraged" him.

"It wasn't a matter of where my enemies on SGC were at," he said. "I beat them on every occasion. It was my personal priorities that mattered."

He added, however, "Mudslinging and game-playing may be fun, but I no longer have time to fight people or court battles."

GILL WON his most recent "battle" — a trial last week in which the city charged him with assault and battery based on a complaint from controversial former SGC Treasurer David Schaper. The SGC president acted as his own attorney and won a quick acquittal.

Previously, Gill was the target of an unsigned leaflet which Schaper helped distribute. The leaflet claimed Gill had embezzled some \$8,500 of Council funds and escaped prosecution with the aid of

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Lee Gill: A legacy of tumult

By DAN BIDDLE

Daily News Analysis
The only uncontroversial thing about Lee Gill — the only thing that his outspoken friends and enemies would agree on — is the everpresent aura of controversy that has surrounded him.

It is altogether appropriate that Gill closed out his seven-month tenure as Student Government Council president with an exit that promises to trigger as much disagreement and uproar as anything that happened in those tumultuous seven months.

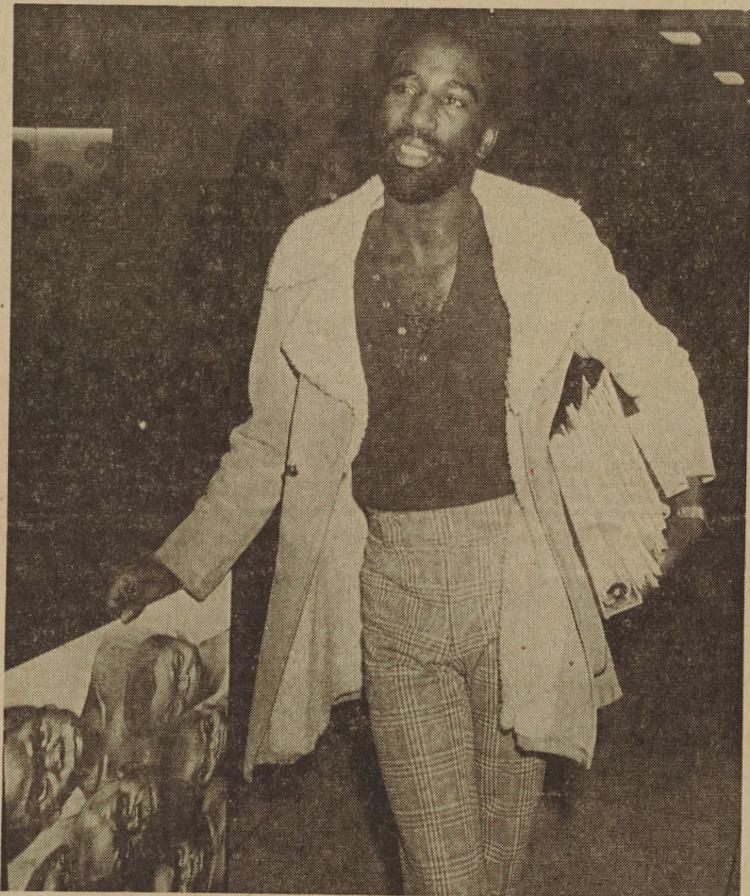
TYPICALLY, Gill's statements last night left room for a new round of debate about the man who rose with remarkable skill from a conviction and jail term for interstate car theft to become the first black president of a student body that is 92 per cent white.

Gill repeatedly emphasized last night that his resignation stemmed from academic rather than political pressure. "I've got to go back to being a student," he said. "I've suffered in a lot of different ways since I got on SGC."

But if the lanky, well-dressed ex-Chicagoan felt pressure from his professors, he must have "suffered" at least equally from the seemingly continuous attacks on his administration, his actions, and his personal affairs.

FROM THE Campus Coalition party and others came unproven charges that Gill had embezzled some \$8,500 in Council funds during a bank transaction shortly after his landslide election to the top SGC post last May. Most of the

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Daily Photo by DAVID MARGOLICK

LEE GILL, former Student Government Council president, carrying a painting in one hand and books in the other, stalks out of the SGC offices in the Union after announcing his resignation at last night's Council meeting.

'State of City' talk delivered

By CHERYL PILATE

Amid the friendly jokes and camaraderie of a Chamber of Commerce banquet, City Administrator Sylvester Murray last night delivered the annual State of the City address.

"We can be optimistic tonight amid our problem," commented Murray, referring to the city's hefty \$1.1 million budget deficit. "Ann Arbor is not the only city that is facing a deficit."

THE PRIMARY causes for the city's debt, he explained, are "wage increases for city employees" which have jumped about 35 per cent during the past five years, and the steadily decreasing revenue collected from the University for police and fire protection.

On the positive side, Murray emphasized the progress made locally in the areas of mass transit, human resource services, and commercial development — such as the Briarwood shopping center.

In the prepared text of his speech, Murray outlined the planned development of the massive Huron River Park and Recreational Complex. The 1500 acre river park stretches from the northwest to the southeast corners of the city and will be open to the public later this year.

OTHER PLANNED improvements for the city include a bike way system providing a "unique link among all the city parks, neighborhoods, shopping areas and recreational areas" and a computer traffic signal system that is scheduled to be operational in this sesquicentennial year.

Despite the budgetary problems, Murray pointed out that "the quality of life in the city remains at a relatively high level." He went on to cite several possible solutions to the situation, including a local income tax.

But Murray did not endorse the income tax, commenting that other cities have not solved their budget woes by such a method.

MURRAY ALSO listed other steps which have been taken to reduce the deficit including money-saving modifications in several city programs and administrative economies in all municipal departments.

Murray assured his audience that all departments were doing their utmost to guarantee local residents will "receive a dollar's worth of work for a dollar's worth of tax money."

INTERNATIONAL TALKS:

Energy council called

WASHINGTON (AP)—Secretary of State Henry Kissinger said yesterday that next month's meeting of oil-consuming countries would be the first in a conference series aimed at stabilizing the world's energy balance and economy.

Kissinger said at a news conference that the Nixon administration was launching a diplomatic effort of unprecedented scope to deal with a global problem of unprecedented size.

KISSINGER said this effort seeks international agreements or understandings on the sharing of

energy technology among nations; efforts to determine demand for energy; and measures for conserving energy.

One serious problem, he emphasized was the fate of developing energy-consuming nations all of whose foreign aid would be wiped out by the recent price increase of foreign oil.

"Our estimate is that their bill may approach \$30 billion, which of course far exceeds any of the aid flows that anyone has ever projected," Kissinger said.

HE SAID THE United States is

in a strong position, with its own energy resources and a strong economy, to take care of its own energy needs independently and through bilateral agreements—for example, by making separate arrangements with Arab nations.

However, he said such a narrow approach would not be wise in the long run. "It could be that we will be driven to this," Kissinger warned, but he said it would be far better for the world's nations to solve the energy problems together.

Self-centered policies, he said, would only weaken the economies of other nations and in time the world economy would suffer and the nations would learn that "no nation can prosper in isolation."

Kissinger said the United States could achieve self-sufficiency in energy, and perhaps even an energy surplus, within 10 to 15 years.

ONCE THAT happens, he said, the United States would consider sharing its energy with others.

To develop the long-range, global energy policy, Kissinger said a series of meetings was envisioned, beginning with the Feb. 11 meeting announced Wednesday by the White House.

The second stage, Kissinger said, would be a larger meeting of oil-consuming countries, including the developing countries and "other interested parties."

The third step, Kissinger said, would be a meeting of the oil-consuming and oil-producing nations, to take place within three months after the Feb. 11 meeting.

Milliken calls for tax reduction



Gov. Milliken

LANSING (UPI)—Addressing the state legislature in his annual State of the State message, Gov. William Milliken yesterday unveiled a plan that he claims will save Michigan taxpayers some \$107 million over the next two years.

Milliken said his tax cut program would provide relief to virtually all segments of the economy—from food shoppers to farmers.

A PLEDGE TO come down hard on criminals—especially narcotics dealers—also highlighted the governor's address.

The proposed tax cuts come on the heels of a \$380 million property tax relief program—first proposed by Milliken in his State of the State address, a year ago—that took ef-

fect Jan. 1 and will provide rebates to homeowners for two years.

The two tax relief programs, formulated in the face of an economic slowdown that is seen as a certainty, will cost the state a half-billion dollars in revenues.

THE COMPREHENSIVE reductions were made possible, in part, by an anticipated \$750 million to \$800 million surplus in the state budget for the current fiscal year, according to Gerald Miller, Milliken's budget consultant.

Acknowledging the impact of the energy crisis, Milliken noted the state is currently "entering a period which will result in a slowdown in the rate of economic growth. See TAX, Page 8



465 and 281 . . .

. . . are the winning numbers in this week's Michigan State Lottery. The second chance numbers are 140 and 138.

Soviet scholar coming

Dr. Gyorgy Arbatov, perhaps the Soviet Union's leading specialist on the United States, will be at the University tomorrow through Jan. 19 as the Arthur H. Vandenberg Lecturer. Dr. Arbatov, director of the Institute of the U.S.A. of the Academy of Sciences in the USSR, is known for his work in international relations, and is a foreign policy advisor to Soviet party boss Leonid Brezhnev. He will deliver a lecture entitled "The United States in the 1970s — The View from Moscow" at 4 p.m. Tuesday in the Assembly Room of Rackham.

Joni Mitchell tickets

Tickets for the upcoming Joni Mitchell concert will go on sale tomorrow at 10 a.m. instead of at 11 a.m. as previously announced. The time change, according to concert organizers, is being made because of the long lines expected at the sales outlet here. Tickets will be sold in the lobby of the Union.

Happenings . . .

. . . are many and varied. Courtesy of the University's astronomy department, everyone will have a chance to see 1974's first new celebrity: Comet Kohoutek. The observatory on the fifth floor of Angell Hall will be open to the general public from 6 to 8 p.m. tonight. Judge for yourself whether Kohoutek is a cosmic cutie or a celestial flop . . . The Michigan Union Duplicate Bridge Club meets tonight (and every Friday night) at 7:30 in the Union's Assembly Room. It costs \$1.50 per player to enter—the price includes refreshments and pizza . . . There will be a lecture on Eckankar, the science of total awareness, tonight at 7:30 in the Faculty Club Lounge of the Union . . . And don't forget International Folk dancing, every Friday night at 8 p.m. at Barbour Gym.

Kissinger in Spain

Secretary of State Henry Kissinger will hold brief talks with Spanish Foreign Minister Pedro Cortina in Madrid today during a refueling stop on his way to Cairo from Washington, State Department officials said yesterday. The Spanish parley is expected to concern relations between Spain and the United States, and may also constitute a briefing for Spanish officials on the volatile Mideast situation.

Mideast peace still shaky

While Kissinger sped towards the Middle East yesterday, the shaky peace between Arabs and Israelis continued its steady decay. One Israeli soldier was killed and five others wounded on the Egyptian front in what Israeli spokesmen said was building to a war of attrition. The soldier — at least the fifteenth to die in border clashes since the October cease-fire — was killed in exchanges of small arms fire yesterday morning on the west bank of the Suez. The Syrian front was reported quiet.

Swearing-in delayed

New York Mayor Abraham Beame postponed at the last minute the swearing-in of the city's first black deputy mayor yesterday because of a possible illegal contribution. The appointee, N. Y. State Senator Joseph Galiber, was being investigated for a \$2,000 campaign donation which was deposited in a bank account other than his campaign account. Said a Beame spokesperson: "Until Galiber has a fairly clean bill of health, he will not be sworn in." Galiber is the third major Beame appointee who has run into difficulties from campaign and income tax investigators.

Julie in Wonderland

A children's story about a White House dog written by Julie Nixon Eisenhower is being published this month by the Saturday Evening Post. The story, "Pasha Passes By," was inspired by one of the three Nixon dogs. It is Julie's first published work, and the first duty she has performed as a part-time \$10,000-a-year assistant editor for the magazine.

'Women and the Law'

According to "Women and the Law," a booklet published by the Connecticut Civil Liberties Union, women cannot be legally forced to change their surnames when they marry. The booklet suggests that women not announce their marriages in newspapers so voter registrars won't know about it, that they renew their drivers' licenses in their own names, and that they be persistent in maintaining that they have a right to establish credit and take out insurance in their original names.

On the inside . . .

. . . Christopher Parks previews the upcoming city elections on the Editorial Page . . . The Arts Page features Cinema Weekend . . . and Jim Ecker reviews the performance of basketball coach Johnny Orr on the Sports Page.

A2's weather

We hope snow suits your taste. Our latest snow will taper off by midday adding a little more depth to our already deep snow. With a high moving down into the central portion of the country our temperatures will return to where they were earlier this week. Maximum temps today 22-27 with minimums tonight under mostly cloudy skies 9-14.