

PUBLIC SERVICES

GENERAL FUND

1. Systems Planning Service Unit - Energy Office
2. Field Operations - Street Lights
3. Water Treatment Services - Hydro activities in General Fund
4. Facilities
5. Alternative Transportation / Sidewalks

STREETS (Street Millage & Major/Local Street Funds)

6. Alternative Transportation / Sidewalks
7. Street Reconstruction/Resurfacing & Maintenance

City of Ann Arbor
BUDGET IMPACT ANALYSIS

SERVICE AREA:	PUBLIC SERVICE AREA	FY2015	FY2016	FY2017
		BUDGET for Ongoing Operations	Targeted Expenditures*	Targeted Expenditures*
SERVICE UNIT:	SYSTEMS PLANNING	\$ 85,919	\$ 64,191	\$ 64,490

SERVICE ACTIVITY	FUND	CHANGES FROM EXISTING SERVICE LEVELS	FY2016	FY2017	Strategic Plan Goal # (if applicable)-see key to the right	Sustainability Framework # (if applicable)- see key to the right
Energy & Outreach Sustainability	0010	Fund a full-time employee, which was previously grant funded <ul style="list-style-type: none"> • The growing integrated use of the Sustainability Framework and its Action Plan throughout organization requires resourcing to monitor, maintain and update these vital tools for the City and the Ann Arbor community • Allows updating and maintenance of the City's Sustainability Framework and the Sustainability Action Plan • Work with staff, City Council, boards, and commissions to further progress towards the Sustainability Framework goals and implementation of the Sustainability Action Plan • Develop and obtain outside funding sources for community sustainability and energy efficiency efforts (averaged nearly \$130,000 over past 4 years) • Develop and implement community-facing programs that grow the local culture of energy efficiency, climate, and sustainability in the residential and business sectors • Benefits all goals set forth in the Sustainability Framework, including sustainable energy, energy conservation, sustainable buildings, engaged community, diverse housing, and economic vitality 	\$ 84,388	\$ 85,668	5	1
	0010	IT Charges associated with the position, which was previously grant funded	\$ 6,512	\$ 6,521		
TOTAL DOLLAR IMPACT IDENTIFIED			\$ 90,900	\$ 92,189		

* These numbers for General Fund should come from the General Fund Target sheet.

Total Budget	\$ 155,091	\$ 156,679
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NOTE:
FY17 Expenditure Budget Projections do not assume a flowthrough of items from FY16. If you are making a one-time change in FY16, you would list in FY16. Otherwise, please list the impact in both columns.

Street Lights

REVENUES

<u>Street lights</u>	<u>Basis</u>	<u>Annual Amount</u>	<u>Sustainability</u>
General Fund - Field Operations	Property Taxes/Fees	Varies Annually	Subject to health of Gen Fund

EXPENDITURES

<u>Street lights</u>	<u>Amount</u>	<u>Outlook</u>
Street light operations (electricity)	\$ 1.6 mil.	City has little control of this sometime volatile expense.
Street light repairs/maintenance	\$ 0.4 mil.	Additional Recurring need is \$265k/yr. <u>\$750,000</u> need in FY 17 for Kerrytown Additional \$3.25 mil. needed in and outside the downtown area,
Street light installations (new)		Adding new poles reduces ability to invest in maint. No new poles in staff budget requests.

City of Ann Arbor
BUDGET IMPACT ANALYSIS

SERVICE AREA:

PUBLIC SERVICE AREA

SERVICE UNIT:

FIELD OPERATIONS

FY2015 BUDGET for Ongoing Operations	FY2016 Targeted Expenditures*	FY2017 Targeted Expenditures*
\$ 4,704,143	\$ 4,774,670	\$ 4,840,139

SERVICE ACTIVITY	FUND	CHANGES FROM EXISTING SERVICE LEVELS	FY2016	FY2017
Street Lighting	0010	LED Globe/Pole/Foundation Replacements: <b style="padding-left: 40px;">Kerrytown FY 18: Washington St - \$300,000 FY 19: N. Main St. - \$350,000 FY 20: S. Main St. - \$250,000 FY 21: S. University - \$500,000 FY 22: State & Liberty - \$350,000		\$ 750,000

Strategic Plan Goal # (if applicable)-see key to the right	Sustainability Framework # (if applicable)- see key to the right
2	2

TOTAL DOLLAR IMPACT IDENTIFIED	\$ -	\$ 750,000
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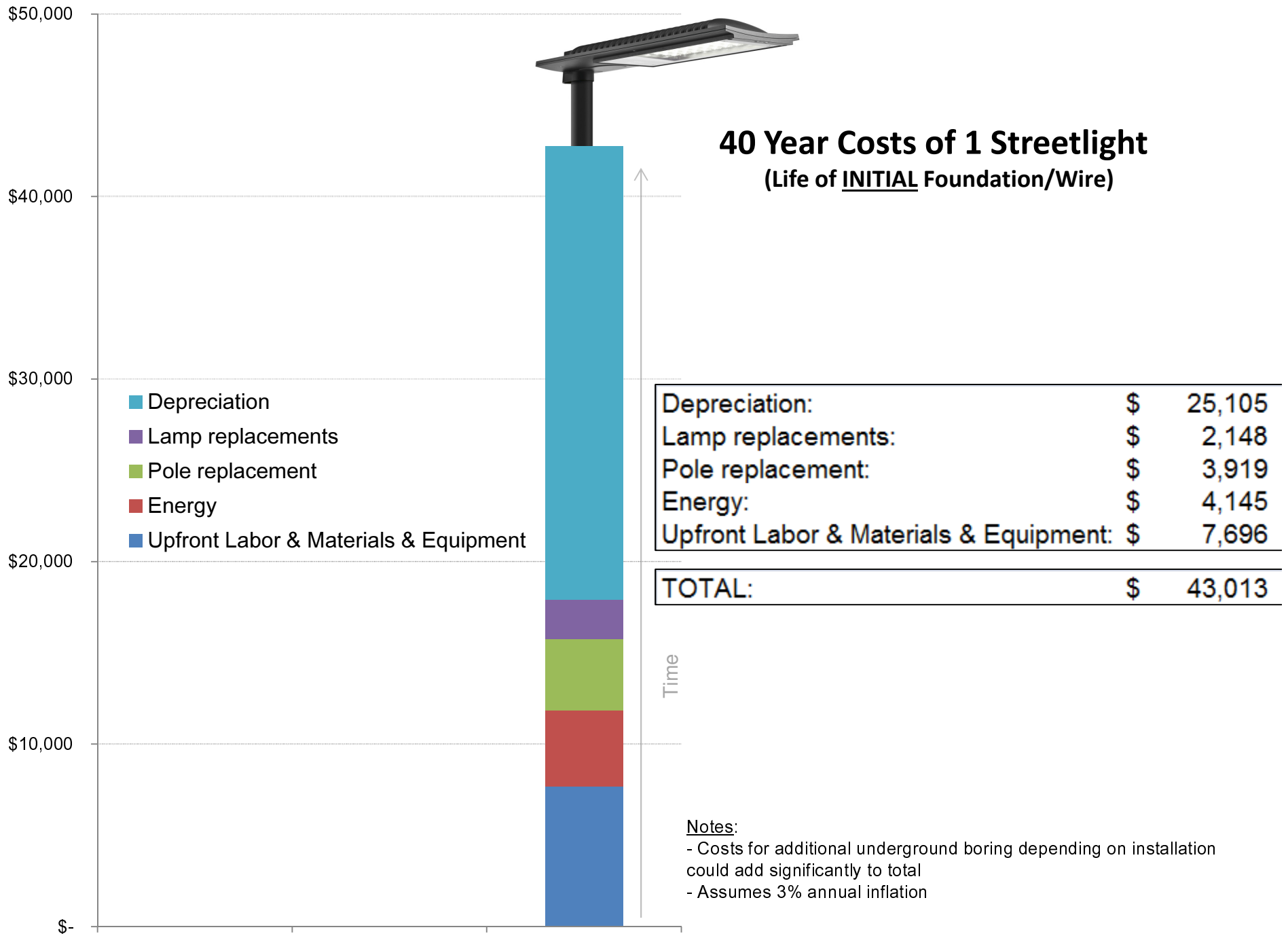
* These numbers for General Fund should come from the General Fund Target sheet.

Total Budget	\$ 4,774,670	\$ 5,590,139
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NOTE:

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40 Year Costs of 1 Streetlight (Life of INITIAL Foundation/Wire)



City of Ann Arbor
BUDGET IMPACT ANALYSIS

SERVICE AREA:	PUBLIC SERVICE AREA	FY2015	FY2016	FY2017
		BUDGET for Ongoing Operations	Targeted Expenditures*	Targeted Expenditures*
SERVICE UNIT:	Water Treatment Services	\$ 195,216	\$ 219,519	\$ 221,775

SERVICE ACTIVITY	FUND	CHANGES FROM EXISTING SERVICE LEVELS	FY2016	FY2017	Strategic Plan Goal # (if applicable)- see key to the right	Sustainability Framework # (if applicable)- see key to the right
Hydro	0010	Barton Dam interior inspection, recommended every 10 years, last completed 2005	\$ 20,000		2	1,11
Hydro	0010	Barton Dam 20 year old Logic controller replacement, controls dam gates	\$ 20,000		4	1,11
Hydro	0010	Barton Dam preventative maintenance, recommended every 10 years, last completed 2005		\$ 200,000	2	1,2,11
Hydro	0010	Painting of Barton & Superior Dam, including Superior's flashboard	\$ 80,000		2	1,11
Hydro	0010	Barton Dam embankment rehabilitation, eliminates the risk of potential dam failiure which would cause property damage and/or loss of life. FY 18 includes completion of project: \$750,000, funding split with water fund 0042.		\$ 50,000	2	7,11
TOTAL DOLLAR IMPACT IDENTIFIED			\$ 120,000	\$ 250,000		

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NOTE:

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Total Budget	\$ 339,519	\$ 471,775
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City of Ann Arbor
BUDGET IMPACT ANALYSIS

	FY2015	FY2016	FY2017
SERVICE AREA:	BUDGET for Ongoing Operations	Targeted Expenditures*	Targeted Expenditures*
SERVICE UNIT:	3,322,587	3,350,647	3,400,238

SERVICE ACTIVITY	FUND	CHANGES FROM EXISTING SERVICE LEVELS	FY2016	FY2017	Strategic Plan Goal # (if applicable)-see key to the right	Sustainability Framework # (if applicable)- see key to the right
Facilities	0010	Guy C. Larcom Building Freight Elevator Replacement (CIP Item) - Replacement of original elevator equipment and cab which is over 50 years old. As this is the only elevator that accesses the mechanical penthouse, maintaining it in reliable condition is important to the overall maintenance of the building's systems. Replacement parts are difficult to obtain and repairs are frequent and very expensive.	\$ 200,000	\$ -	2	2,3,11
Facilities	0010	Guy C. Larcom Building Environmental Controls (CIP Item) - Integrate the HVAC and lighting controls on floors 2, 3, 4 & 5 into the building control management system (BCMS) that operates floors B, 1 & 6 as well as the Justice Center. Existing BCMS is decades old, inefficient and no longer supported. It will allow improved control and building comfort while allowing for a reduction in energy use.	\$ 90,000	\$ -	2	2,3,11
Facilities	0010	Fire Stations 3 & 4 Rehabilitation Program (CIP Item) - Program includes repaving of parking lots, installation of a new driveway (FS #3), and a variety of small capital maintenance items including painting, lighting upgrades, exercise/day room upgrade (FS#4), patio repairs (FS#3), window replacement (FS#4) and other items. The program addresses deferred capital issues and will result in lower maintenance costs and improved energy efficiency.	\$ -	\$ 100,000	2	2,3,11
Facilities	0010	Fire Stations 1 & 6 Rehabilitation Program (CIP Item) - Program includes the replacement of five HVAC rooftop units (\$75k) and the replacement of the original elevator equipment and cab (\$60k) at FS#1, both nearing 40 years of use. The program also includes a variety of smaller capital maintenance items including kitchen replacements, painting, lighting replacement, flooring, emergency lights (FS#6), weather sealing and other items. FS#1 elevator is the only ADA access to the joint dispatch center and fire station offices. The program addresses deferred capital issues and will result in lower maintenance costs and improved energy efficiency.	\$ 221,000	\$ -	2	2,3,11
Facilities	0010	Fire Station 2 Renovations (CIP Item) - Replace the existing building roof (which includes asbestos) in FY16. The roof leaks and accessing it for repairs causes new leaks in the deteriorated shingles. Replacement will provide a weathertight building shell for FY17 work. FY17 improvements include electrical upgrades, replacement windows, parking lot repaving, kitchen renovations, replace AC window units and other items. The renovations will improve the use of the building as Fire Prevention office space, improve energy efficiency and user comfort and safety.	\$ 80,000	\$ 72,500	2	2,3,11
Facilities	0010	Fire Station Generators (CIP Item) - Replace old, unreliable diesel generator in FS#1 with natural gas powered unit in FY16. The existing generator was purchased used when installed decades ago. The unit can not be exercised or operated without exhaust fume issues and the diesel fuel storage in the building basement does not meet current codes. Install a natural gas emergency generator in FS#3 in FY17. The fire station has no backup power at this point and is functionally limited during an emergency situation with no power. Generators for fire stations 4 & 5 are proposed for FY18 & FY19.	\$ 230,000	\$ 100,000	2	7,11
Facilities	0010	Council Chamber Renovations Phase 2 - Reconfigure the council workstations to improve security, technology and ADA accessibility. The project would complete the asbestos abatement of the Council Chambers and make a more traditional arc style configuration that would eliminate the public seating at the backs of Council. The project would also resolve the many ADA issues with the current configuration and improve the use of technology for the public as well as elected and appointed officials who utilize the space.	\$ 140,000	\$ -	2	6,7,11
Facilities	0010	(CIP Item) Address near-term 415 W. Washington site stabilization including asbestos abatement, general site clean-up, retaining wall repair, roof repair, & completion of environmental assessment.	\$ 300,000		7	
TOTAL DOLLAR IMPACT IDENTIFIED			\$ 1,261,000	\$ 272,500		

* These numbers for General Fund should come from the General Fund Target sheet.

NOTE:

Total Budget	\$ 4,611,647	\$ 3,672,738
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Alternative Transportation / Sidewalks

REVENUES

<u>Alternative Transportation</u>	<u>Basis</u>	<u>Annual Amount</u>	<u>Sustainability</u>
Street Millage - approx. 33%	Local Property Tax	\$ 3.2 mil.	Growth with property taxes (2%-2.5%/yr)
State Rev (ACT 51) - 3.4% xfer to Alt Fund	Weight & Gas tax	\$ 0.3 mil.	Flat -no growth
 <u>Sidewalk-Ramp Repair/Reconstruction (Not new)</u>			
Street Millage	Local Property Tax	\$ 0.6 mil.	Growth with property taxes (2%-2.5%/yr)
 <u>New Sidewalk-Ramp Repair/Maint. - Public Land ONLY</u>			
General Fund	Property Taxes/Fees	\$ - mil	Subject to health of Gen Fund

EXPENDITURES

<u>Alternative Transportation</u>	<u>Amount</u>	<u>Outlook</u>
Striping/RRFB/Red Crossing	\$ 0.3 mil.	Funding likely insufficient for need Task force level of service will challenge this level of funding
Sidewalk Repair/Reconstruction	\$ 4.4 mil.	Repairs expected to remain high through first pass of each section in town. When second round starts a better on-going funding requirement will be established.
Snow Removal Policy		If policy changes to require City to remove snow on sidewalks, it would require substantial additional resources no included in staff requests.
 <u>New Sidewalk-Ramp Repair/Maint. - Public Land ONLY</u>		
Installation	\$ 0.4 mil.	Requests vary each year based on construction activities/needs of other City funds. (FY16 - Huron Prkway & Platt)

City of Ann Arbor
BUDGET IMPACT ANALYSIS

SERVICE AREA:

PUBLIC SERVICE AREA

FY2015	FY2016	FY2017
BUDGET for Ongoing Operations	Targeted Expenditures*	Targeted Expenditures*
\$ 3,267,212	\$ 3,375,738	\$ 3,435,362

SERVICE UNIT:

PROJECT MANAGEMENT

SERVICE ACTIVITY	FUND	CHANGES FROM EXISTING SERVICE LEVELS	FY2016	FY2017
Sidewalk Installation	0010	<p>Geddes Sidewalk Provides the desired pedestrian connection from E. Huron Parkway & Platt, south of the river to Gallup Park via the pedestrian pathway network</p>	\$ 364,285	

Strategic Plan Goal # (if applicable)-see key to the right

Sustainability Framework # (if applicable)- see key to the right

2	10
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TOTAL DOLLAR IMPACT IDENTIFIED	\$ 364,285	\$ -
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* These numbers for General Fund should come from the General Fund Target sheet.

Total Budget	\$ 3,740,023	\$ 3,435,362
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NOTE:
FY17 Expenditure Budget Projections do not assume a flowthrough of items from FY16. If you are making a one-time change in FY16, you would list in FY16. Otherwise, please list the impact in both columns.

Street Summary

REVENUES

<u>Street/Bridge Reconstruction/Resurfacing</u>	<u>Basis</u>	<u>Annual Amount</u>	<u>Sustainability</u>
Street Millage	Local Property Tax	\$ 9.8 mil.	Growth with property taxes (2%-2.5%/yr)
Grants	State/Fed Grants	tbd mil.	competitive
County Road Millage	Local Property Tax	\$ 2.4 mil.	Non-recurring
 <u>Street (ie. plowing, sweeping, marking, potholes) & Traffic Signal Maintenance</u>			
State Revenue (ACT 51)	Weight & Gas tax	\$ 7.1 mil.	Flat -no growth
Metro Act	Telecom Fees	\$ 0.3 mil.	Historically flat - no growth
<i>May Statewide Ballot Proposal</i>	<i>Gasoline Tax</i>	<i>\$ 1.7 mil.</i>	<i>Would increase to \$5 mil in 3 years</i>

EXPENDITURES

<u>Street/Bridge Reconstruction/Resurfacing</u>	<u>Amount</u>	<u>Outlook</u>
Annual Street Resurfacing	\$ 7.1 mil.	Portion funded by on-going millage. Policy recommendation to reduce minimum fund balance. Insufficient funding to meet desired maintenance levels.
Major Reconstructions	\$ 3.7 mil.	Major projects (ie. Geddes & Stadium Blvd) reduce availability for local street resurfacing.
 <u>Street/ROW (ie. plowing, sweeping, marking, potholes) & Traffic Signal Maintenance</u>		
Street/ROW Maintenance	\$ 7.4 mil.	City has unmet right-of-way maintenance needs. Vacancies are hampering use of planned resources.
Snow Removal Policy		Reducing standard from 4" to 2" has a material financial impact. Staff budget includes continuation of 4" policy.

2015 STREET RESURFACING STREET LIST

Major Streets

Ellsworth (State to Platt)
Eisenhower (AA-Saline to Boardwalk)
State Street (Eisenhower to I-94)
Packard (State St to Stadium)
Newport (Miller to Sunset)
Huron River Drive (City Limits to Bird Rd)
Huron Pkwy (Plymouth to Hubbard)
Dhu Varren (Railroad to west of Nixon)
Deport (Main to Carey)

Local Streets

Thayer (Huron to Kingsley)
Linwood (Doty to Wildwood)
Brierwood (Arborview to Linwood)
Jewett (S. Industrial to Packard)
S. Revena Blvd (Huron to End)
Pine Valley (Packard to Esch)
Tacoma Circle (King George to Birch Hollow)
Vintage Valley (Green to End)
Burgundy (Andover to Pepper Pike)
Pepper Pike (Vintage Valley to Andover)
Duncan (Miller to Bruce)
Belmont/Londonderry/Devonshire
Lawrence (State to Division)



Actual construction quantities may vary; therefore, existing list may be adjusted according to available project budget.

Street Millage Fund

PRIMARY SERVICES

- Street Reconstruction/Resurfacing
- Bridge Reconstruction/Resurfacing
- Local Matching Funding for Federal/State-Aid Projects
- Sidewalk Repair/Replacement (not new installation)

FINANCIAL SUMMARY

	Actual		Projected		
	FY2013	FY2014	FY2015	FY2016	FY2017
	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)
<i>Revenue:</i>					
Street Millage	\$ 9.0	\$ 9.3	\$ 9.6	\$ 9.8	\$ 10.0
Sidewalk Repair Millage	\$ 0.6	\$ 0.6	0.5	0.6	0.6
Transfers In	3.1	3.2		2.4	
All Other	1.7	0.5	0.4	0.2	0.2
Total Revenue	<u>\$ 14.4</u>	<u>\$ 13.6</u>	<u>\$ 10.5</u>	<u>\$ 13.0</u>	<u>\$ 10.8</u>
<i>Expense:</i>					
Annual Street Resurfacing	\$ 7.0	\$ 6.0	\$ 5.9	\$ 5.4	\$ 4.9
E. Stadium Bridges	3.3		0.1		
E. Stadium Resurfacing	2.2				
Miller Ave. Improvements	1.0	2.2	0.1		
Fuller/Maiden Ln Bridge Rehab			1.2		
Stone School Improvments	0.2	0.4	2.2		
Stadium Blvd.			0.6	0.6	1.7
Pontiac Trail Impr	0.1	0.1	1.1		
Madison Improvements	0.2	2.5			
Geddes Ave Improvements		0.2	1.5	2.4	1.5
Sidewalk/Ramp Repair	1.6	1.1	4.3	2.5	1.5
Alternative/Bike Paths		0.8	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>
All Other	6.0	2.0	2.0	2.8	2.4
Total Expense	<u>\$ 21.5</u>	<u>\$ 15.3</u>	<u>\$ 18.9</u>	<u>\$ 13.7</u>	<u>\$ 11.9</u>
Net	\$ (7.2)	\$ (1.7)	\$ (8.4)	\$ (0.7)	\$ (1.1)
<i>Memo:</i>					
Unrestricted Fund balance (net assets)	\$ 17.9	\$ 16.0	\$ 7.6	\$ 6.9	\$ 5.8

OBSERVATIONS ABOUT ABOVE FINANCIALS:

- FY15-FY17 Transfers In do not reflect funding from utility funds in support of projects
- FY16 Transfers In includes one-time return of funds from Project Mgmt & Fleet funds
- Annual street resurfacing program is not declining. The lower projected expenditures reflect the lack of other funding sources (ie water, sewer, etc.) that will get added as specific projects reach greater maturity in the planning process.
- Sidewalk/ramp repair declines due to improvement in the condition of the system
- Estimates for Alternative/Bike Path expenses are not possible until project design is complete
- Unrestricted fund balance projected to decline to \$5.8 mil. due to revised minimum policy.

CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS

- The Street Millage Fund is Critical for Local Matching for Federal/State-Aid Projects
- Proposed Plan is to reduce unrestricted fund balance to 1/2 of annual revenue.

FUND BALANCE (Net Assets)	<u>FY 2014</u>
	(\$ Mils.)
6/30/14 - Total Fund Balance (Net Position)	\$ 16.0
Less:	
Minimum Balance Requirement	(5.5)
Programmed Fund Balance Use	(8.4)
Obligated - but not yet spent:	
- Stone School Rd.	<u>(2.1)</u>
Available Fund Balance	\$ -

Major & Local Street Funds

PRIMARY SERVICES

- Right-of-Way Maintenance
(Pot-hole filling, guardrails, surface repair)
- Pavement Marking
- Winter Maintenance
- Traffic Engineering
- Street Sweeping
- Traffic Sign/Signal Installation and Maintenance

FINANCIAL SUMMARY

	Actual		Projected		
	FY2013	FY2014	FY2015	FY2016	FY2017
	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)	(\$ Mil.)
<i>Revenue:</i>					
Weight and Gas Tax	\$ 7.3	\$ 7.5	\$ 7.4	\$ 7.4	\$ 7.4
Parking Lane Maint/DDA	0.8	0.8	0.8	0.9	0.9
All Other	1.4	1.5	1.4	1.3	0.7
Total Revenue	\$ 9.5	\$ 9.8	\$ 9.6	\$ 9.6	\$ 9.0
<i>Expense:</i>					
Right-of-Way Maintenance	\$ 3.6	\$ 4.0	\$ 6.2	\$ 4.6	\$ 4.1
Traffic Control	2.1	2.1	2.7	2.4	2.2
Debt Service	0.8	0.8	0.8	0.8	0.8
Alternative Transportation	0.2	0.3	0.6	0.5	0.5
All Other	1.2	1.4	1.4	1.3	1.4
Total Expense	\$ 7.9	\$ 8.5	\$ 11.7	\$ 9.6	\$ 9.0
Net	\$ 1.6	\$ 1.3	\$ (2.1)	\$ 0.0	\$ 0.0
<i>Memo:</i>					
Non-recurring - Revenue	\$ 0.7	\$ 0.5	\$ 0.5	\$ 0.2	
Non-recurring - Expense			\$ 1.7	\$ 0.2	
Recurring Net	\$ 0.9	\$ 0.8	\$ (0.9)	\$ 0.0	\$ 0.0
Unrestricted Fund balance (net assets)	\$ 13.7	\$ 15.0	\$ 12.9	\$ 12.9	\$ 13.0

OBSERVATIONS ABOUT ABOVE FINANCIALS:

- FY 15 Maint. includes supplemental winter appropriation for previous year's road damage.
- FY17 All Other revenue declines \$0.6 mil. due to removal of one-time grant & State supplemental funding
- The City regularly plans/attempts to spend all funding received on right-of-way maintenance
- FY 13/14 Net Surplus resulted from vacancies.

CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS

- Funding from Weight & Gas Tax funding is insufficient to improve existing conditions
- City has unmet right-of-way maintenance needs
- Staff is currently identifying one-time maintenance items to utilize available reserves
- Increased winter maintenance levels (ie. moving from 4" to 2") would further reduce funds for road maintenance

FUND BALANCE	<u>FY 2014</u>
	(\$ Mils.)
6/30/14 - Total Fund Balance (Net Position)	\$ 15.0
Less: Minimum Balance Requirement (one-year of revenue	(7.4)
FY 15 Anticipated Use	<u>(2.1)</u>
Available Fund Balance	<u><u>\$ 5.5</u></u>
Known Potential Savings/(Use) of Fund Balance	
Consider Paying-off Broadway Bridge Bond	\$ (2.1)