



Legislation Text

File #: 13-0482, Version: 3

Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for Fiscal Year 2014 **(7 Votes Required)**

Attached for your review and action is the proposed fiscal year FY 2014 City Budget that totals \$347 million and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 15, 2013.

General Fund Activities

This recommended budget holds recurring expenditure levels in line with the projected revenue levels.

	<u>FY 2014</u>
Recurring Revenues	\$ 82,632,798
Non-recurring Revenues (Use of Fund Balance)	260,514
	<u>\$82,893,312</u>
Recurring Expenditures	\$ 81,287,363
Non-recurring Expenditures	1,605,949
Total Expenditures	<u>\$ 82,893,312</u>

General Fund recurring expenditures increased by \$3,390,421 (+4.4%) compared to FY 2013, and recurring revenues increased by \$3,439,686 (+4.4%). This includes Golf revenue of \$1,303,000 and expenditures of \$1,436,902. Below is a summary of non-recurring expenditures:

<u>General Fund Non-recurring Expenditures</u>	<u>FY 2014</u>
Attorney (succession plan)	\$ 18,449
Financial Services (succession plan/process improvements)	135,000
Hydropower (regulatory and capital improvements)	307,500
Facilities (capital projects)	875,000
Systems Planning (State street corridor study)	150,000
Building Settlement Funding	100,000
Non-Departmental (ICMA citizen survey)	20,000
Total General Fund Non-recurring Expenditures	<u>\$ 1,605,949</u>

FTEs

The City's FTEs are proposed to increase from 685 to 693 in FY 2014 (excluding transfers between Service Areas):

- 4 FTE increase in Fire Services
- No FTE change in Police Services

- 1.3 FTE decrease in Public Services
- 3 FTE increase in Community Services
- No FTE change in Fifteenth District Court
- 0.2 FTE decrease in Attorney
- 0.5 FTE increase in City Administrator
- 1.67 FTE increase in Financial and Administrative Services

Millage Rates

The following millages are the maximum allowable levy after the Headlee rollback multiplier is applied (for FY 2014 the Headlee rollback multiplier is anticipated to be 1.00):

	PROPOSED FY	ACTUAL	FY	DIFFERENCE
	2014	2013		
GENERAL OPERATING	6.1682	6.1682		0.0000
EMPLOYEE BENEFITS	2.0560	2.0560		0.0000
REFUSE COLLECTION	2.4670	2.4670		0.0000
AATA	2.0560	2.0560		0.0000
STREET RECONSTRUCTION	2.1250	2.1250		0.0000
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0969	1.0969		0.0000
OPEN SPACE & PARKLAND PRESERVATION	0.4779	0.4779		0.0000
DEBT SERVICE	<u>0.0000</u>	<u>0.1250</u>		<u>(0.1250)</u>
TOTAL	16.4470	16.5720		(0.1250)

Prepared by: Tom Crawford, Chief Financial Officer

Approved by: Steve Powers, City Administrator

Whereas, City Council has reviewed the City Administrator’s proposed budget for FY 2014 for the City of Ann Arbor; and

Whereas, A public hearing and various public meetings have been held to obtain citizen input on the proposed budget; and

RESOLVED, That Council adopts the General Fund Allocations as listed in the FY 2014 Consolidated Plan, to be funded out of the Community Development Budget;

RESOLVED, That the unexpended grant entitlement for the Community Development Block Grant Fund be re-appropriated at the end of the fiscal year until such time as all grant funds have been expended;

RESOLVED, That any Community Development Program Income be appropriated upon receipt of the funds for the purpose of Community Development Project Activities;

RESOLVED, That any contributions to the Special Assistance Fund and the Affordable Housing fund in excess of the budgeted amount, shall be appropriated at the time of receipt and for the purpose of the Ann Arbor Assistance Fund and the Affordable Housing Fund, respectively;

RESOLVED, That the proposed list of Capital Improvement projects in the amount of \$174,958,747 are approved; and that \$34,950,180 be appropriated in FY 2014 for these or similar projects, within the respective funds, as determined by the Service Area, and may be carried forward without regard to fiscal year;

RESOLVED, That Art in Public Places Fund budget be appropriated without regard to fiscal year;

RESOLVED, That the Technology Improvement projects in the amount of \$1,228,209 be appropriated without regard to fiscal year;

RESOLVED, That a total 693 full-time equivalent positions be adopted in the FY 2014 budget;

RESOLVED, That the City Administrator be authorized to transfer funds between service units within the designated service areas or from Non-Departmental within the same fund;

RESOLVED, That any funds contributed to the Parks Memorials and Contributions fund in excess of the budgeted amount shall be appropriated at the time of receipt for the purpose of that fund without regard to fiscal year;

RESOLVED, That the City Council approve the proposed FY 2014 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2014 in a dedicated Fund containing \$1,655,647 in revenues and \$1,814,892 in expenditures;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2014;

REVENUES

CITY ATTORNEY	\$ 150,000
CITY ADMINISTRATOR	
Clerk Services	176,700
COMMUNITY SERVICES	
Planning & Development Services	1,206,200
Planning	256,000
Office of Community Development	161,399
Parks and Recreation Services	3,890,807
FINANCIAL SERVICES	
Financial and Budget Planning	15,632,693
Treasury	41,570,096
PUBLIC SERVICES	
Customer Service	60,000
Field Operations	90,900
Public Services Administration	75,000
Water Treatment	325,000
SAFETY SERVICES	

Police	2,887,770
Fire	895,506
DISTRICT COURT	2,224,810
NON-DEPARTMENTAL	13,549,807
TOTAL GENERAL FUND REVENUES	\$83,152,688

EXPENDITURES

MAYOR AND CITY COUNCIL	\$375,169
CITY ATTORNEY	1,919,226
CITY ADMINISTRATOR	
City Administrator	571,492
Human Resources	1,429,315
Clerk Services	951,665
COMMUNITY SERVICES	
Planning & Development Services	1,374,619
Planning	979,874
Office of Community Development	1,828,808
Parks and Recreation	5,208,811
FINANCIAL SERVICES	
Accounting	869,577
Assessor	1,044,037
Financial and Budget Planning	882,596
Procurement	167,499
Treasury	619,883
PUBLIC SERVICES	
Customer Services	239,315
Field Operations	4,267,678
Fleet & Facilities	2,400,352
Public Services Administration	191,523
Systems Planning	232,886
Water Treatment Services	489,218
SAFETY SERVICES	
Police	24,475,751
Fire	14,504,888
DISTRICT COURT	4,379,290
NON-DEPARTMENTAL	13,749,216

TOTAL GENERAL FUND EXPENDITURES \$83,152,688

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2014 budget; and

REVENUES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	402,231
0002	ENERGY PROJECTS	244,318
0003	DOWNTOWN DEVELOPMENT AUTHORITY	5,859,811
0009	SMART ZONE LOCAL DEVELOPMENT FINANCING AUTHORITY	1,814,892
0010	GENERAL	83,152,688
0011	CENTRAL STORES	1,422,570
0012	FLEET SERVICES	7,842,881
0014	INFORMATION TECHNOLOGY	7,713,010
0016	COMMUNITY TELEVISION NETWORK	2,093,801
0021	MAJOR STREET	6,948,813
0022	LOCAL STREET	1,808,451
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	2,415,495
0025	BANDEMER PROPERTY	5,284
0026	CONSTRUCTION CODE FUND	2,541,728
0027	DRUG ENFORCEMENT	137,000
0028	FEDERAL EQUITABLE SHARING	138,000
0033	DDA PARKING MAINTENANCE	4,403,131
0034	PARKS MEMORIALS & CONTRIBUTIONS	98,932
0035	GENERAL DEBT SERVICE	9,123,422
0036	METRO EXPANSION	349,908
0038	ANN ARBOR ASSISTANCE	4,000
0042	WATER SUPPLY SYSTEM	24,673,540
0043	SEWAGE DISPOSAL SYSTEM	22,882,612
0046	MARKET	188,207
0048	AIRPORT	856,007
0049	PROJECT MANAGEMENT	4,308,998
0052	VEBA TRUST	12,269,026
0053	POLICE AND FIRE RELIEF	7,000
0054	CEMETERY PERPETUAL CARE	760

0055	ELIZABETH R DEAN TRUST	55,062
0056	ART IN PUBLIC PLACES	340,464
0057	RISK FUND	27,599,946
0058	WHEELER CENTER	423,643
0059	EMPLOYEES RETIREMENT SYSTEM	34,844,628
0060	GENERAL DEBT /SPECIAL ASSESSMENTS	175,035
0061	ALTERNATIVE TRANSPORTATION	420,794
0062	STREET RECONSTRUCTION MILLAGE	14,351,539
0063	DDA PARKING SYSTEM	19,989,172
0064	MICHIGAN JUSTICE TRAINING	50,800
0069	STORMWATER SEWER SYSTEM	6,231,847
0070	AFFORDABLE HOUSING	102,500
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	5,203,836
0072	SOLID WASTE FUND	14,409,048
0073	LOCAL FORFEITURE	100
0082	STORMWATER BOND	3,900,000
0083	SENIOR CENTER ENDOWMENT	396
0088	SEWER BOND	5,005,000
0089	WATER BOND	10,011,794
00CP	GENERAL CAPITAL FUND	1,075,000
		\$348,132,120

EXPENDITURES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	302,000
0002	ENERGY PROJECTS	244,318
0003	DOWNTOWN DEVELOPMENT AUTHORITY	5,859,811
0009	SMART ZONE LOCAL DEVELOPMENT FINANCING AUTHORITY	1,814,892
0010	GENERAL	83,152,688
0011	CENTRAL STORES	1,422,570
0012	FLEET SERVICES	7,732,282
0014	INFORMATION TECHNOLOGY	7,577,679
0016	COMMUNITY TELEVISION NETWORK	2,093,801
0021	MAJOR STREET	6,948,813
0022	LOCAL STREET	1,808,451
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	1,430,838
0025	BANDEMER PROPERTY	1,789
0026	CONSTRUCTION CODE FUND	2,456,022
0027	DRUG ENFORCEMENT	137,000

0028	FEDERAL EQUITABLE SHARING	138,000
0033	DDA PARKING MAINTENANCE	2,326,270
0034	PARKS MEMORIALS & CONTRIBUTIONS	42,403
0035	GENERAL DEBT SERVICE	9,123,422
0036	METRO EXPANSION	258,713
0038	ANN ARBOR ASSISTANCE	4,000
0042	WATER SUPPLY SYSTEM	21,020,974
0043	SEWAGE DISPOSAL SYSTEM	21,265,755
0046	MARKET	188,207
0048	AIRPORT	843,274
0049	PROJECT MANAGEMENT	4,308,998
0052	VEBA TRUST	458,948
0055	ELIZABETH R DEAN TRUST	55,062
0056	ART IN PUBLIC PLACES	14,000
0057	RISK FUND	27,594,891
0058	WHEELER CENTER	423,643
0059	EMPLOYEES RETIREMENT SYSTEM	34,844,628
0060	GENERAL DEBT/SPECIAL ASSESSMENTS	175,035
0061	ALTERNATIVE TRANSPORTATION	420,794
0062	STREET RECONSTRUCTION MILLAGE	14,351,539
0063	DDA PARKING SYSTEM	19,989,172
0064	MICHIGAN JUSTICE TRAINING	50,800
0069	STORMWATER SEWER SYSTEM	5,872,843
0070	AFFORDABLE HOUSING	100,000
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	5,202,836
0072	SOLID WASTE FUND	14,409,048
0073	LOCAL FORFEITURE	100
0082	STORMWATER BOND	3,900,000
0088	SEWER BOND	5,005,000
0089	WATER BOND	10,011,794
00CP	GENERAL CAPITAL FUND	1,075,000
		<u>\$326,693,103</u>

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2014:

	PROPOSED
GENERAL OPERATING	6.1682
EMPLOYEE BENEFITS	2.0560
REFUSE COLLECTION	2.4670
AATA	2.0560
STREET RECONSTRUCTION	2.1250

PARKS MAINTENANCE & CAPITAL IMPROVEMENTS	1.0969
OPEN SPACE & PARKLAND PRESERVATION	0.4779
TOTAL	<u>16.4470</u>

Approved Amendments by City Council on May 20, 2013

**Amendment 1-
Increase FY14 Human Services Funding to FY13 Budgeted Level**

Whereas, The proposed FY14 budget includes a \$46,899 decrease in funding available for human services nonprofit entities;

Whereas, The Ann Arbor Area Community Foundation Board of Directors, the United Way of Washtenaw County Board of Directors, the Washtenaw County Board of Commissioners, and the Washtenaw Urban County Executive Committee have committed to awarding human services allocations in FY 14 based upon the approved allocations in FY 12 and FY13 by extending the two-year plan an additional year;

RESOLVED, The FY14 General Fund Community Development budget be increased by \$46,899 for human services funding through the one-time use of General Fund fund balance;

RESOLVED, Council directs staff to incorporate this revised funding level of \$1,244,629 in future budgets.

Sponsors: Briere, Kailasapathy, Warpehoski, Teall, Lumm

**Amendment 2-
Restore Fall Leaf and Holiday Tree Pickup Services**
Defeated

**Amendment 3-
Increase funding for Affordable Housing using DDA TIF funds**

Whereas, The DDA is forecasted to receive \$568,343 more in TIF revenues than anticipated in the proposed FY14 budget;

Whereas, Council desires to support the public housing program in the DDA area;

RESOLVED, The DDA TIF fund revenue and expenditure budgets be increased by \$568,343 for the purposes of creating a one-time transfer;

RESOLVED, The DDA Housing fund revenue and expenditure budgets be increased by \$300,000 to reflect Council's desire for the DDA to support affordable housing in the DDA area; and

RESOLVED, Ann Arbor City Council requests that the DDA allocate at least \$300,000 for the replacement of the light poles on Main Street.

Sponsors: Kunselman, Lumm, Kailasapathy

**Amendment 4-
Increase funding for Affordable Housing**

Whereas, The General Fund previously funded a transfer to the Affordable Housing fund of \$100,000 annually;

Whereas, Council desires to re-establish funding;

RESOLVED, The General Fund Community Development expenditure budget be increased by \$100,000 funded by a one-time use of fund balance in FY14;

RESOLVED, The Affordable Housing fund revenue and expenditure budgets be increased by \$100,000;

RESOLVED, Council directs staff to incorporate this funding in future budgets.

Sponsors: Briere, Kailasapathy, Warpehoski, Teall, Petersen

**Amendment 5-
Increase Police Staffing in the FY14 Budget**
Defeated

**Amendment 6-
Funding for Washtenaw Health Initiative**

Whereas, The Washtenaw Health Initiative (WHI) is a voluntary, county-wide collaboration of local leaders focused on how to make health care more accessible and improve care coordination for the low-income, uninsured, and Medicaid populations in Washtenaw County by identifying and, where possible, addressing gaps;

Whereas, The Initiative is focused both on today and preparing for 2014, when provisions of federal health care reform are expected to go into effect;

Whereas, A membership fee of \$10,000.00 in FY13 was funded through the Office of Community Development;

Whereas, Additional funding in the amount of \$10,000.00 needs to be appropriated from the General

Fund to the Office of Community Development's FY14 budget for this membership fee;

RESOLVED, That the Office of Community Development's FY14 expenditure budget be amended to increase \$10,000.00 to be funded as a one-time expenditure from the General Fund fund balance.

Sponsors: Hieftje, Higgins, Briere

**Amendment 7-
Remove funding for Art in Public Places**

Whereas, The Public Art Ordinance is under revision and will be considered by Council on June 3rd;

Whereas, The proposed FY14 budget was prepared in accordance with the current ordinance;

Whereas, The task force anticipates a different program for Public Art if the revisions are approved;

RESOLVED, The FY14 Art in Public Places expenditure budget be reduced by \$326,464.

Sponsors: Briere, Lumm, Kailasapathy

**Amendment 8-
Increase Human Services funding for Senior Meals at Miller Manor**

Whereas, Washtenaw County previously funded a meal program at Miller Manor;

Whereas, Federal sequestration has resulted in reduced program funding for the food program at Miller Manor in the amount of \$4,500;

Whereas, The City wishes to support this program;

RESOLVED, The General Fund Community Development expenditure budget be increased by \$4,500 funded by a one-time use of fund balance;

RESOLVED, Up to \$4,500 be transferred to the AAHC if federal funds are not restored in FY14;

RESOLVED, Council directs staff to incorporate this funding in future budgets if federal funds are not restored.

Sponsors: Briere, Kailasapathy, Warpehoski, Teall

**Amendment 9-
Increase funding for Sidewalk Gaps**

Whereas, Council has prioritized the City's investment in infrastructure maintenance and transportation in the urban core;

Whereas, Council has adopted the development standards for complete streets;

Whereas, The City has a number of sidewalk gaps throughout the City;

Whereas, The Ann Arbor Public Schools (AAPS) reduced funding for bus transportation and there is an increased number of students using City sidewalks;

Whereas, Council desires to work collaboratively with AAPS and the community to prioritize which sidewalks to improve;

Whereas, There is limited funding available in the Street & Sidewalk Millage Fund;

RESOLVED, The General Fund Public Services expenditure budget be increased by \$75,000 funded by a one-time use of fund balance in FY14 to fund a sidewalk gap prioritization study.

Sponsors: Briere, Taylor, Kailasapathy

**Amendment 10-
Supplemental Funding for Police Officer**

Defeated

**Amendment 11-
Recognition of Parks Fairness Resolution with Budget Amendments**

Whereas, On October 3, 2006, Council passed a resolution that, upon approval of the November 2006 Parks Millage ballot initiative, the General Fund portion of the overall budget supporting the City's Park System Budget would not be reduced more than the average of other General Fund operations of the City in the next 6 years of the millage;

Whereas, The budget amendments adopted by Council for the FY14 budget increase the General Fund expenditure budget by \$236,399;

Whereas, The Parks budget should be increased \$22,977 to ensure compliance with the 2006 resolution;

RESOLVED, That the General Fund Parks FY14 expenditure budget be amended to increase \$22,977 to be funded as a one-time expenditure from the General Fund fund balance.

Sponsored by: Taylor, Anglin

As Amended by City Council on May 20, 2013