



Legislation Text

File #: 12-0567, Version: 2

Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for Fiscal Year 2013

Attached for your review and action is the proposed fiscal year FY 2013 City Budget that totals \$405 million and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 9, 2012.

General Fund Activities

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

	<u>FY 2013</u>
Recurring Revenues	\$ 79,193,112.00
Recurring Expenditures	\$ 77,820,749.00
Non-recurring Expenditures	<u>1,049,001.00</u>
Total Expenditures	\$ 78,869,750.00

General Fund recurring expenditures decreased by \$(500,266) (-0.64%) compared to FY 2012, and recurring revenues increase by \$1,205,255 (+1.5%). Below is a summary of non-recurring expenditures:

<u>General Fund Non-recurring Expenditures</u>	<u>FY 2013</u>
Golf Operations Subsidy	\$ 272,220.00
Building Settlement Funding	100,000.00
Housing Commission Subsidy	154,000.00
Court Facilities Fund transfer	65,000.00
Police Recruit Program	150,000.00
High Speed Intercity Rail Grant Match	<u>307,781.00</u>
Total General Fund Non-recurring Expenditures	\$ 1,049,001.00

FTEs

The City's FTEs are proposed to decrease from 706 to 685 in FY 2013:

- 18 FTE decrease in Police Services
- No FTE change in Fire Services
- 1 FTE decrease in Public Services
- 2 FTE decrease in Community Services

- 3 FTE decrease in Fifteenth District Court
- 0.5 FTE decrease in Attorney
- 1 FTE increase in City Administrator
- 3 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 2013 the Headlee rollback multiplier is anticipated to be 1.00):

	PROPOSED FY 2013	ACTUAL 2012	FY DIFFERENCE
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	1.9944	0.1306
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0969	1.0969	0.0000
OPEN SPACE & PARKLAND PRESERVATION	0.4779	0.4779	0.0000
DEBT SERVICE	0.1250	0.1496	(0.0246)
TOTAL	16.5720	16.4660	0.1060

Prepared by: Tom Crawford, Chief Financial Officer

Approved by: Steven D. Powers, City Administrator

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2013 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

Whereas, City Council, with the adoption of the FY2009 budget, Council directed staff to implement a five-year plan that provides supplemental funding from the General Fund fund balance to subsidize the golf courses in Fund 0047 while significant operational and capital investments are made to improve operations;

Whereas, Housing Commission has requested additional funding for FY 2012 and 2013 in the amount of \$154,000 for hiring additional staff to develop and implement a property maintenance program;

Whereas, The High Speed Intercity Rail project (in funds 00CP and 00MG) anticipates receipt of up to \$307,781 by June 30, 2012 but may conclude the fiscal year with a fund deficit if the funds are not received, and the City has included sufficient funding in the FY2013 budget to remedy the deficit should it materialize;

RESOLVED, That if the High Speed Intercity Rail project ends fiscal year 2012 with a deficit, the

City's approved deficit elimination plan (under MCL 141.921) would be the transfer of up to \$307,781 from the General Fund as provided for in the FY2013 budget;

RESOLVED, That Council adopts the General Fund Allocations as listed in the FY 2013 Consolidated Plan, to be funded out of the Community Development Budget;

RESOLVED, That the unexpended grant entitlement for the Community Development Block Grant and the HOME Funds 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 Housing Trust 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 Housing Trust Fund, respectively;

RESOLVED, That the proposed list of Capital Improvement projects in the amount of \$347,033,962 are approved; and that \$103,797,909 be appropriated in FY 2013 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 \$870,000 be appropriated without regard to fiscal year;

RESOLVED, That a total 686 full-time equivalent positions be adopted in the FY 2013 budget;

RESOLVED, That the City Administrator be authorized to transfer funds between service units within the designated service areas 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 2013 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2013 in a dedicated Fund containing \$1,658,749 in revenues and \$1,658,749 in expenditures;

RESOLVED, That the City Council continue one more year of providing a General fund subsidy to the Golf Courses in FY2013 to fulfill the original five year commitment discussed in 2009;

RESOLVED, That the City Council include the additional Housing Commission funding in the amount of \$154,000 for FY2013 with the expectation that the Housing Commission will procure separate funding by FY2014;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2013;

REVENUES

CITY ATTORNEY	\$ 150,000
CITY ADMINISTRATOR	
Clerk Services	176,900
COMMUNITY SERVICES	
Planning & Development Services	1,125,950
Planning	198,250
Office of Community Development	220,471
Parks and Recreation Services	2,471,912
FINANCIAL SERVICES	
Financial and Budget Planning	14,639,918
Treasury	40,448,611
PUBLIC SERVICES	
Field Operations	388,449
Customer Service	60,000
Water Treatment	325,000
SAFETY SERVICES	
Police	3,542,776
Fire	743,976
DISTRICT COURT	2,218,978
NON-DEPARTMENTAL	12,481,921
TOTAL GENERAL FUND REVENUES	\$79,193,112

EXPENDITURES

MAYOR AND CITY COUNCIL	\$375,710
CITY ATTORNEY	1,884,968
CITY ADMINISTRATOR	
City Administrator	477,240
Human Resources	1,345,748
Clerk Services	1,027,813
COMMUNITY SERVICES	
Planning & Development Services	1,433,737
Planning	948,556
Office of Community Development	1,832,240
Parks and Recreation	3,637,332
FINANCIAL SERVICES	

Accounting	770,270
Assessor	975,512
Financial and Budget Planning	869,924
Procurement	122,954
Treasury	614,519
PUBLIC SERVICES	
Customer Services	249,305
Field Operations	4,190,801
Fleet & Facilities	1,728,846
Public Services Administration	104,490
Systems Planning	105,773
Water Treatment Services	179,312
SAFETY SERVICES	
Police	24,551,485
Fire	13,913,103
DISTRICT COURT	4,068,565
NON-DEPARTMENTAL	13,662,639
TOTAL GENERAL FUND EXPENDITURES	\$79,070,842

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2013 budget; and

REVENUES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	802,000
0002	ENERGY PROJECTS	202,286
0003	DOWNTOWN DEVELOPMENT AUTHORITY	4,614,727
0009	SMART ZONE LOCAL DEVELOPMENT FINANCING AUTHORITY	1,658,749
0010	GENERAL	79,193,112
0011	CENTRAL STORES	1,572,902
0012	FLEET SERVICES	7,244,905
0014	INFORMATION TECHNOLOGY	6,597,508
0016	COMMUNITY TELEVISION NETWORK	1,805,068
0021	MAJOR STREET	6,801,850
0022	LOCAL STREET	1,726,877
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	2,305,023

0025	BANDEMER PROPERTY	4,258
0026	CONSTRUCTION CODE FUND	2,512,228
0027	DRUG ENFORCEMENT	146,000
0028	FEDERAL EQUITABLE SHARING	151,000
0033	DDA PARKING MAINTENANCE	2,026,350
0034	PARKS MEMORIALS & CONTRIBUTIONS	39,776
0035	GENERAL DEBT SERVICE	9,027,018
0036	METRO EXPANSION	347,993
0038	ANN ARBOR ASSISTANCE	8,000
0042	WATER SUPPLY SYSTEM	23,892,574
0043	SEWAGE DISPOSAL SYSTEM	22,769,671
0046	MARKET	179,035
0047	GOLF ENTERPRISE	1,590,714
0048	AIRPORT	849,595
0049	PROJECT MANAGEMENT	4,247,060
0052	VEBA TRUST	2,110,818
0053	POLICE AND FIRE RELIEF	10,000
0054	CEMETERY PERPETUAL CARE	1,200
0055	ELIZABETH R DEAN TRUST	79,817
0056	ART IN PUBLIC PLACES	333,549
0057	RISK FUND	27,819,736
0058	WHEELER CENTER	515,391
0059	EMPLOYEES RETIREMENT SYSTEM	44,432,212
0060	GENERAL DEBT /SPECIAL ASSESSMENTS	182,893
0061	ALTERNATIVE TRANSPORTATION	448,265
0062	STREET RECONSTRUCTION MILLAGE	16,298,302
0063	DDA PARKING SYSTEM	18,108,214
0064	MICHIGAN JUSTICE TRAINING	71,000
0069	STORMWATER SEWER SYSTEM	5,999,435
0070	AFFORDABLE HOUSING	46,641
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	5,482,430
0072	SOLID WASTE FUND	13,909,549
0073	LOCAL FORFEITURE	300
0082	STORMWATER BOND	3,345,000
0083	SENIOR CENTER ENDOWMENT	37,500
0088	SEWER BOND	75,645,000
0089	WATER BOND	7,174,000
00CP	GENERAL CAPITAL FUND	264,472
00MG	MAJOR GRANT PROGRAMS FUND	43,309
		<hr/> \$404,900,312 <hr/>

EXPENDITURES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	802,000
0002	ENERGY PROJECTS	202,286
0003	DOWNTOWN DEVELOPMENT AUTHORITY	4,614,727
0009	SMART ZONE LOCAL DEVELOPMENT FINANCING AUTHORITY	1,658,749
0010	GENERAL	79,070,842
0011	CENTRAL STORES	1,572,902
0012	FLEET SERVICES	7,244,905
0014	INFORMATION TECHNOLOGY	6,597,508
0016	COMMUNITY TELEVISION NETWORK	1,805,068
0021	MAJOR STREET	6,801,850
0022	LOCAL STREET	1,726,877
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	2,305,023
0025	BANDEMER PROPERTY	4,258
0026	CONSTRUCTION CODE FUND	2,371,572
0027	DRUG ENFORCEMENT	146,000
0028	FEDERAL EQUITABLE SHARING	151,000
0033	DDA PARKING MAINTENANCE	2,026,350
0034	PARKS MEMORIALS & CONTRIBUTIONS	34,298
0035	GENERAL DEBT SERVICE	9,027,018
0036	METRO EXPANSION	347,993
0038	ANN ARBOR ASSISTANCE	8,000
0042	WATER SUPPLY SYSTEM	20,031,646
0043	SEWAGE DISPOSAL SYSTEM	19,423,975
0046	MARKET	179,035
0047	GOLF ENTERPRISE	1,590,714
0048	AIRPORT	795,594
0049	PROJECT MANAGEMENT	4,247,060
0052	VEBA TRUST	423,158
0055	ELIZABETH R DEAN TRUST	79,817
0056	ART IN PUBLIC PLACES	320,837
0057	RISK FUND	27,819,736
0058	WHEELER CENTER	515,391
0059	EMPLOYEES RETIREMENT SYSTEM	32,758,275
0060	GENERAL DEBT/SPECIAL ASSESSMENTS	182,893
0061	ALTERNATIVE TRANSPORTATION	448,265
0062	STREET RECONSTRUCTION MILLAGE	16,298,302
0063	DDA PARKING SYSTEM	17,158,615
0064	MICHIGAN JUSTICE TRAINING	70,000

0069	STORMWATER SEWER SYSTEM	5,940,877
0070	AFFORDABLE HOUSING	46,641
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	5,461,220
0072	SOLID WASTE FUND	13,592,309
0073	LOCAL FORFEITURE	300
0082	STORMWATER BOND	3,345,000
0083	SENIOR CENTER ENDOWMENT	37,500
0088	SEWER BOND	75,645,000
0089	WATER BOND	7,174,000
00MG	MAJOR GRANT PROGRAMS FUND	43,309
		<u>\$382,373,695</u>

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2013:

	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
DEBT SERVICE	0.1250
TOTAL	<u>16.5720</u>

Approved Amendments by City Council on May 21, 2012

**Amendment 1 -
Increase the General Fund Expenditure Budget for District Court Personnel**

Whereas, the FY2013 plan approved last year for the Fifteenth District Court included three Senior Secretary-Courts positions; and

Whereas, the FY2013 recommended budget was reduced by one Senior Secretary-Court position, corresponding to the vacant judge positions that wasn't sure to be filled; and

Whereas, the third judge position was recently filled and the judge will require a Senior Secretary-

Courts position;

RESOLVED, the City increase the General Fund Fifteenth District Court FTEs by one, and funding for the position totaling \$76,193 be added to the adopted budget, funded by a reduction in the FY2013 planned General Fund surplus.

Sponsored by: Councilmember Taylor

**Amendment 2 -
Increase the General Fund Expenditure Budget for Fire Personnel**

Whereas, the FY2012 adopted budget reduced the budgeted number of Fire Services FTEs (six firefighter fighters and one management assistant) from 89 to 82; and

Whereas, the FY2013 plan approved with the FY2012 budget further reduced the budgeted number of Fire Services FTEs from 82 to 77; and

Whereas, the FY2013 recommended budget reinstated the number of FTEs to the FY2012 level of 82; and

Whereas, the City is pursuing additional Fire Protection funding from the State as well as grants for funding Firefighters and anticipates some of this revenue will come to fruition during FY2013; and

Whereas, the City Council wishes to restore the budgeted sworn Fire Services personnel FTEs to 88 when recurring funding is available;

RESOLVED, that Council directs the City Administrator to monitor the receipt of additional funding from grants and from the State's Fire Protection funds; and

RESOLVED, that if additional funding is received during FY2013 that the City Administrator immediately present Council with a mid-year budget amendment appropriating the funds to hire additional firefighters up to 88FTEs.

Sponsored by: Councilmembers Teall, Taylor, Lumm and Mayor Hieftje

Amendment 3 - (Defeated)

Amendment 4 - (Defeated)

**Amendment 5 -
Amendment to Increase FY13 Human Services Funding to FY12 Budget Levels**

Whereas, The City of Ann Arbor, 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 approved a Coordinated Funding process in the fall of 2010 for FY 2012 and FY 2013 human services funding;

Whereas, The City of Ann Arbor, the United Way of Washtenaw County, Washtenaw County, and the

Washtenaw Urban County released a joint Request for Qualifications in December 2010 to determine applicants' financial and organizational capacity;

Whereas, The City of Ann Arbor, the United Way of Washtenaw County, Washtenaw County, and the Washtenaw Urban County released a joint Request for Proposals in January 2011 to eligible agencies for human services program operations applications;

Whereas, A Coordinated Funding Review Committee has reviewed all eligible applications and in April 2011 recommended the allocation of \$1,244,629 in City General Funds, \$1,677,000 in United Way Funds, \$1,015,000 in Washtenaw County General Funds, and \$348,460 in Washtenaw Urban County CDBG & Washtenaw County General Funds to local nonprofit human services agencies as a part of this RFP process for FY12;

Whereas, The City of Ann Arbor, 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 approved the recommended human services funding allocations to 40 agencies for the delivery of 65 programs between April and June 2011;

Whereas, The City of Ann Arbor, 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 retain the authority to approve their own allocations;

Whereas, The City of Ann Arbor, 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 approving allocations in partnership with each other;

Whereas, The City of Ann Arbor approved general fund allocations to nonprofit entities for FY 12 in R-11-205, and increased the total dollar amount included in the human services budget for FY12 by \$85,600 in R-11-209 to a total of \$1,244,629;

Whereas, the proposed FY13 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 13 based upon the approved allocations in FY 12;

Whereas, The City of Ann Arbor has awarded funding to human service nonprofits on a two-year cycle since FY08 and has ensured level-funding in year two of each cycle since then;

RESOLVED, the FY13 General Fund Community and Economic Development budget be increased by \$46,899 for human services funding through the General Fund fund balance.

Sponsored by: Councilmembers Lumm and Smith

**Amendment 6 -
Supplemental Funding for Housing Commission for the Change in Methodology of Allocating
Retiree Healthcare Expenditures**

Whereas, the City Administrator's recommended budget revises the city's method of allocating retiree healthcare costs in such a way that the cost of retiree healthcare is allocated to the organizations where the liability is created; and

Whereas, the Housing Commission's expenditure for retiree healthcare is increasing by \$78,000 in FY2013 as a result of this change in methodology; and

Whereas, the Housing Commission is seeking to find an offset for this cost in FY2014 but has not identified an offset for FY2013; and

Whereas, without an offset in FY2013, the Housing Commission will be unable to hire critical staff for its operations.

RESOLVED, that General Fund Non-departmental expenditure budget be increased by \$78,000 for a one-time transfer of funds from the General Fund fund balance to the Housing Commission in order to allow the commission a year to find an offsetting efficiency in future budgets.

Sponsored by: Councilmembers Teall and Smith

**Amendment 7 -
Eliminate the Recycle Bank Program**

Whereas, Recycle Bank program has not produced the desired outcome of significantly increasing participation in recycling; and

Whereas, the cost of eliminating the Recycle Bank program is \$107,200, which includes \$90,000 in an equipment purchase settlement per the contract and \$17,200 for 60 days of contractual notice; and

Whereas, the Solid Waste Fund expenditure budget includes \$103,500 for the Recycle Bank contract;

RESOLVED, the Recycle Bank program be discontinued effective July 1, 2012 with no change to the Solid Waste Fund FY13 expenditure budget.

Sponsored by: Councilmembers Briere, Higgins, Hohnke, Kunselman and Lumm

Amendment 8 - (Defeated)

Amendment 9 - (Defeated)

Amendment 10 - (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 FY13 budget increase the General Fund expenditure budget by \$619,506;

Whereas, the Parks budget should be increased \$49,379 to ensure compliance with the 2006 resolution;

Whereas, the General Fund supports the Parks System budget with a transfer to the Golf Course fund annually;

Whereas, the Golf Course transfer has not previously been included in the calculation of support;

Whereas, the transfer budgeted for FY13 is \$272,220 in the General Fund Non-Departmental budget;

RESOLVED, the transfer to the golf course be recognized as providing additional assistance to Parks satisfying the additional funding requirement.

Sponsored by: Councilmember Hohnke

As Amended by City Council on May 21, 2012