



## Legislation Text

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File #: 21-1322, Version: 1

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Resolution to Order Election and to Determine Ballot Question for Amendment to Section 14.2 of the City Charter Related to the \$25,000 Dollar Limit (**7 Votes Required**)

Reviewed by: Matthew P. Thomas, Assistant City Attorney

Whereas, Section 14.1 of the City Charter, entitled "Authority of Council," subsection b provides:

All contracts, except as otherwise provided in this charter or by ordinance of the Council in accordance with the provisions of Section 14.2 of this charter, shall be approved by the Council and shall be signed on behalf of the City by the Mayor and the Clerk;

Whereas, Section 14.2 of the City Charter, entitled "Purchase and Sale of Personal Property," provides:

The Council shall by ordinance establish the procedures for contracts for all services and for the purchase and sale of personal property under the direction of the City Administrator. The ordinance shall provide the dollar limit within which purchases of personal property may be made without the necessity of securing competitive bids, and the dollar limit within which purchases may be made and contracts for services entered into without the necessity of council approval. Such dollar limits shall, in no case, exceed twenty-five thousand dollars (\$25,000.00). No purchase shall be made or service contract entered into unless a sufficient appropriation is available;

Whereas, The \$25,000 dollar-limit exception has not been altered to account for inflation or otherwise since 1995, even though the cumulative rate of inflation since that time is over 75%;

Whereas, Staff estimates that changing the dollar-limit to \$75,000 would result in Council seeing 48% fewer items, where such items account for merely 4% of the total value of all contracts that the City enters into in a year;

Whereas, Staff further estimates that such change would result in the City realizing a savings of nearly 625 fewer staff hours expended on processing resolutions for contract approvals; and

Whereas, Increasing the dollar limit to \$75,000 and allowing the City Council to adjust such amount in the future to account for inflation is in the City's best interest.

RESOLVED, That the following amendment to Section 14.2 of the City Charter be placed on the ballot and submitted to the voters at the next general city election:

- (a) The Council shall by ordinance establish the procedures for contracts for all services and for the purchase and sale of personal property, under the direction of the City Administrator. The ordinance shall provide the dollar limit within which purchases of personal property may be made without the necessity of securing competitive bids, and the dollar limit within which purchases may be made and

contracts for services entered into, without the necessity of eCouncil approval. ~~Such dollar limits shall, in no case, exceed twenty-five thousand dollars (\$25,000.00)~~ The dollar limit within which purchases may be made and contracts for services entered into, without the necessity of Council approval shall, in no case, exceed \$75,000.00 (which City Council may by ordinance increase to account for inflation). The dollar limit within which purchases of personal property may be made without the necessity of securing competitive bids shall, in no case, exceed \$25,000. No purchase shall be made or service contract entered into unless a sufficient appropriation is available.

RESOLVED, That November 2, 2021 is designated as the day for holding an election on the proposed Charter amendment;

RESOLVED, That the City Clerk shall transmit a copy of this resolution to the Attorney General and the Governor of Michigan and shall perform all other acts required by law for holding the election;

RESOLVED, That the following question shall appear on the ballot in the following form:

**ANN ARBOR CITY CHARTER AMENDMENT RELATED TO THE \$25,000 DOLLAR  
LIMIT**

Shall Section 14.2 of the Charter be amended to permit the City Council to delegate to the City Administrator the authority to approve purchases and to enter into contracts when the cost to the City is equal to or lesser than \$75,000, to be adjustable for inflation.

\_\_ Yes \_\_ No

RESOLVED, That the proposed Charter amendment and proposed ballot question shall be published in full in the Washtenaw County Legal News;

RESOLVED, That the City Clerk is directed to publish the proposed Charter amendment in full, together with the existing Charter provisions amended as required by law and in accordance with resolution of Council, and to post the proposed Charter amendment in full together with the existing Charter provisions to the City's website; and

RESOLVED, That if the amendment is adopted, it shall take effect on January 1, 2022.

Sponsored by: Councilmember Eyer, Councilmember Radina and Mayor Taylor