

**BUDGET AMENDMENTS AS PROPOSED BY ANN ARBOR CITY COUNCIL
ON MAY 18, 2020**

Amendment 1 - Amendment to Maintain Funding for Street Repair

Whereas, the poor condition of Ann Arbor streets is a continuing source of concern for Ann Arbor residents and “fixing the roads” is a priority frequently and passionately expressed by residents; and

Whereas, the Budget Priority Survey conducted in October and November 2018 asked residents if the city should spend more, less or the same in 57 budget categories and, of the categories residents indicated the City should spend more, the “fixing the roads” categories rated #1, #2, and #4; and

Whereas, respondents to the March 2019 County Millage Usage survey rated “additional funding for street resurfacing/repair” as the 2nd highest usage category slightly behind mental health services; and

Whereas, the largest source of funding for street re-surfacing and repair is the dedicated Street and Sidewalk tax millage, but additional funding is provided by the State of Michigan through Act 51 which passes back to local governments gasoline taxes the state collects; and

Whereas, the State of Michigan classifies streets as either “Major Streets” or “Local Streets” and roughly 2/3’s of the Ann Arbor street system are Local Streets; and

Whereas, the COVID-19 pandemic has reduced state gasoline tax collections and while the precise amount of reduction is not known, it is estimated that the city’s FY21 revenues from the state will be reduced by \$2.1million for Major Streets and \$600,000 for Local Streets.

Whereas, on May 11, the Interim City Administrator presented to city council a Financial Recovery Plan that included for the Local Street Fund a \$495,000 reduction in reduced road maintenance; and

Whereas, with traffic volume down substantially as a result of the COVID-19 pandemic, the 2020 construction season is a good time for road repair as the level of disruption caused by the construction is significantly reduced.

Whereas, That by preserving the FY 21 Local Street Fund road maintenance work plan, fund balance will potentially fall below the required minimum established by City policy;

RESOLVED, That City staff develop a plan to restore the Local Street Fund fund balance to the minimum required by City policy by reducing an equivalent amount in future years;

RESOLVED, that Local Street Fund FY21 spending on street repair is maintained at levels originally proposed in the Interim City Administrator's April 16 Budget Proposal with funding up to \$495,000 provided as necessary through the temporary use of Local Street Fund fund balance.

Sponsor: Lumm

Amendment 2 – Amendment Regarding the Nixon Corridor Improvement Project

Whereas, City Council approved the Nixon Farms (North and South) residential development in December 2015 adding approximately 475 new residential units to the Nixon Corridor and in September 2016, City Council approved the Woodbury Club residential development adding an additional 275 units;

Whereas, these 750 new residential units will exacerbate the already problematic traffic flow and congestion conditions along the Nixon Corridor and the Nixon Farms traffic study projected that future turning movements at several locations along Nixon will operate at an unacceptable Level of Service (LOS) E and F during both AM and PM peak hours;

Whereas, during discussions of the residential developments, City Council acknowledged that improvements to traffic flow along the corridor would be necessary; and

Whereas, the design phase of the Nixon Corridor Improvement Project is largely complete and reflects a series of roundabouts along the corridor that would be constructed in three phases; and

Whereas, the City's FY21-FY26 Capital Improvements Plan (CIP) reflects the following schedule and costs for construction of the Nixon Corridor Improvements Project:

FY2025 – \$2,020,000 for Phase 1 (Huron Parkway to Bluett)

FY2026 - \$3,494,000 for Phase 2 (Bluett to DhuVarren)

FY2027 (or later) - \$2,000,000 for Phase 3 (Dhu Varren to M14)

Whereas, in May 2019, city council adopted a FY20 budget amendment requesting acceleration of the project timing if possible, but staff subsequently informed council the plan was to maintain the project schedule in the CIP; and

Whereas, the adverse financial impacts on the city of the COVID-19 pandemic could result in deferral of capital projects.

RESOLVED, that city council re-affirms its commitment to fulfill its pledge made in 2015 and 2016 to improve the traffic flow along the Nixon Corridor and believes that delivering on that promise more than 10 years after it was made is not appropriate.

RESOLVED, that city council requests and encourages city staff and the City Planning Commission to re-consider accelerating the timing of the Nixon Corridor Improvement Project and at a minimum, maintain the project timing reflected in the FY21-26 CIP.

Sponsor: Lumm

Amendment 3 – Amendment Regarding LDFA/SPARK, and Local Business Support

Whereas, the COVID-19 pandemic has had a devastating impact on small businesses nationally and there are estimates that over 100,000 small businesses will permanently close even with the loan support being provided by the federal government; and

Whereas, city council recognizes that small local businesses are major contributors to Ann Arbor's unique vibrancy, charm and our strong quality of life; and

Whereas, the primary economic development activities in Ann Arbor are led by the SmartZone LDFA and SPARK, but the LDFA's ability to support businesses is limited to tech companies by its enabling language established by the Michigan Economic Development Corporation (MEDC); and

Whereas, the LDFA annual TIF revenues are over \$4 million and its reserves are projected to be \$3.7 million at the end of FY20; and

Whereas, the LDFA has committed to support the City's \$5 million Fiber project and the LDFA's FY21 budget proposal includes a \$1.5 million grant for the project as well as \$400,000 for other strategic initiative grants and a \$300,000 budget increase for major events: and

Whereas, SPARK has already implemented several initiatives to facilitate support for small local businesses and a Washtenaw County COVID-19 Business Impact survey has been launched

RESOLVED, that city council expresses its appreciation for SPARK's efforts during the crisis and the LDFA's commitment to support the Fiber project and city council commits to work with these organizations and others to support small business recovery efforts.

RESOLVED, that city council requests the LDFA discuss with MEDC what flexibility there may be in utilizing its funding for general business recovery purposes and if there is flexibility, city council requests the LDFA consider utilizing a portion of the \$700,000 in the FY21 budget (\$400,000 strategic initiative grants and \$300,000 major events) and/or deferring funding for the Fiber project in order to provide funding for small business recovery programs.

RESOLVED, that city council requests the LDFA and SPARK consider and inform the City of any actions that should be considered by the City to facilitate and better leverage the ongoing recovery efforts.

Sponsor: Lumm, Ramlawi

Amendment 4 – Amendment to Reduce Deer Cull Funding and Increase Funding for the Center of the City

Whereas, Funding for the deer cull is \$140,000 in FY21 as part of the FY21 recommended budget;

Whereas, The Treeline Trail project has \$40,000 in funding for FY21 as part of the FY21 recommended budget;

Whereas, The Center of the City has \$20,000 in funding for FY21 as part of the FY21 recommended budget;

Whereas, The Center of the City Task Force did not spend the full amount allocated to its activities in the FY 2020 budget;

RESOLVED, That City Council reduce the amount of funding for the deer cull in the FY21 General Fund budget to \$70,000;

RESOLVED, That City Council increase the funding for The Center of the City by \$20,000 in the General Fund budget for a total of \$40,000 budgeted, with the source of funding as the reduction in the deer cull budget for FY21.

Sponsor: Hayner

Amendment 5 – Amendment to Postpone the Funding for the Hollywood Blvd Project, Ann Arbor Saline Project, Historic District Survey, and the Capital Sinking Fund Transfer for FY 2021

Whereas, The Hollywood Blvd Project is included in the FY 2021 recommended budget in the General Fund in the amount of \$479,000;

Whereas, The Ann Arbor Saline Project is included in the FY 2021 recommended budget in the General Fund in the amount of \$175,000;

Whereas, The Historic District Survey is included in the FY 2021 recommended budget in the General Fund in the amount of \$40,000;

Whereas, A transfer to the Capital Sinking Fund from the General Fund is included in the FY 2021 recommended budget in the amount of \$400,000;

Whereas, The City of Ann Arbor is experiencing revenue shortfalls due to the COVID19 pandemic;

Whereas, A postponement of the Hollywood Blvd Project, Ann Arbor Saline Project and the Capital Sinking Fund transfer were highlighted as part of the Financial Recovery Plan for FY 2021 presented on May 11, 2020;

RESOLVED, That City Council postpone the Hollywood Blvd Project, Ann Arbor Saline Project, the Historic District Survey, and the Capital Sinking Fund Transfer for FY 2021;

RESOLVED, That City Council approve the reduction in the FY 2021 General Fund budget in the amount of \$479,000 for the Hollywood Blvd Project;

RESOLVED, That City Council approve the reduction in the FY 2021 General Fund budget in the amount of \$175,000 for the Ann Arbor Saline Project;

RESOLVED, That City Council approve the reduction in the FY 2021 General Fund budget in the amount of \$40,000 for the Historic District Survey;

RESOLVED, That City Council approve the reduction in the FY 2021 General Fund budget in the amount of \$400,000 for the Capital Sinking Fund Transfer;

RESOLVED, That as revenues return to their previous amounts that the Hollywood Blvd Project, Ann Arbor Saline Project, Historic District Survey, and the Capital Sinking Fund Transfer be reconsidered for inclusion in future budgets.

Sponsor: Taylor

Amendment 6 – Recognition of Parks Fairness Resolution with Budget Amendments

Must be calculated after all amendments are considered

Whereas, On May 17, 2010, Council passed a resolution (R-10-150) adopting policy guidance for the administration of the Parks Maintenance and Capital Improvements Millage that, among other things, that the General Fund Parks & Recreation budget be increased at the same percentage as the average General Fund overall budget percentage increase;

Whereas, On May 16, 2011, Council passed resolution R-11-186 amending the policy guidance;

Whereas, On August 9, 2012, Council reaffirmed via resolution R-12-382, their intent to administer the Parks Maintenance and Capital Improvements Millage policy adopted per resolution R-11-186 for the duration of the current millage;

Whereas, The budget amendments adopted by Council for the FY21 budget increase the General Fund expenditure budget by \$XX; and

Whereas, The Parks General Fund budget should be increased \$XXX to ensure compliance with the 2010, 2011 and 2012 resolutions;

Whereas, Council recognizes that the historic pandemic from the novel coronavirus has brought unprecedented financial stress to the City's general fund both in speed and in depth;

RESOLVED, That the General Fund Parks FY21 expenditure budget not be amended for its increase of \$XXX based on the prior resolutions as a cost savings effort to assist the rest of the General Fund activities; and

RESOLVED, That this resolution and its precedence from prior resolutions be re-instated for the FY22 and future budgets.

Sponsor: Grand