

**BUDGET AMENDMENTS AS PROPOSED BY ANN ARBOR CITY COUNCIL
ON MAY 16, 2016**

Amendment 1-Provide Funding to the Affordable Housing Fund

Whereas, the Council approved an amendment to the budget for FY14 that the City incorporate into the budget a recurring cost of \$100,000 for the Affordable Housing Fund; and

Whereas, for FY16 and FY17, these dollars have been transferred directly to the Housing Commission to offset administrative costs; and

Whereas, in the future, the Housing Commission is not expected to need to receive these supplemental dollars; and

Whereas, the Affordable Housing Fund has earmarked all but \$3,000 of its balance in support of affordable housing projects and the maintenance of existing public housing and affordable housing units;

Resolved, the General Fund Community Development Expenditure Budget be increased by \$100,000.00 to transfer to the Affordable Housing Fund funded by a one-time use of fund balance in FY17; and

Resolved, the Affordable Housing Fund revenue and expenditure budgets be increased by \$100,000.00; and

Resolved, that future budgets reflect the commitment to incorporate General Fund support for funding for the Affordable Housing Fund at an annual minimum of \$100,000.00 as the Housing Commission is not expected to need supplemental funding.

Sponsors: Briere, Ackerman

Amendment 2-Fund three outdoor ice rinks for FY2017

Whereas, the outdoor ice rinks, piloted during the 2015/2016 winter at Allmendinger, Burns, and Northside Parks, were successful and well received by the community; and

Whereas, staff has estimated the expense to continue the outdoor ice rinks for the 2016/2017 winter to be \$60,000; and

Whereas, funding is available as part of the Parks Fairness resolutions (R-11-186 and R-12-382); and

Whereas, on April 19, 2016, the Parks Advisory Commission (PAC) unanimously supported continuation of the outdoor ice rinks, as well as the allocation of any available Parks "fairness resolution" expenditure funds towards the outdoor ice rink program.

RESOLVED, that the General Fund FY 2017 Parks budget be increased by \$60,000 funded by a one-time use of the General Fund balance; and

RESOLVED, that this amount reduce the amount owed under the Parks "fairness resolution".

Sponsors: Grand, Ackerman, Smith

Amendment 3- Reduce Streetlight replacement for Kerrytown by \$320,000 and request DDA to fund \$320,000 additional Kerrytown lighting

WHEREAS, the City share of the cost of 72 streetlight replacements in the Kerrytown area is \$720,000;

WHEREAS; the Downtown Development Authority (DDA) is paying for 36 streetlight replacements in Kerrytown as part of the Fifth and Detroit Street project;

WHEREAS, the DDA is projecting additional tax revenue of \$1,187,658 for FY17 over FY16;

RESOLVED, the DDA be asked to cover \$320,000 more of Kerrytown streetlights than previously planned;

RESOLVED, the General Fund use of fund balance and Non-departmental expenditure budgets be decreased by \$320,000;

RESOLVED, the General Capital Projects fund revenue and expenditure budgets be decreased by \$320,000.

Sponsor: Kailasapathy, Lumm, Eaton

Amendment 4- Increase FY17 budget for crosswalk improvements

WHEREAS, the City share of the Kerrytown streetlight project was reduced by \$320,000;

WHEREAS, a need exists for crosswalk improvements;

RESOLVED, the General Fund use of fund balance and Public Services Public Works expenditure budget be increased by \$320,000 for the purpose of a transfer to the Major Streets Fund;

RESOLVED, the Major Streets fund revenue and expenditure budgets be increased by \$320,000 funded with a General Fund transfer for the purpose of crosswalk enhancements.

Sponsor: Kailasapathy, Lumm, Eaton, Briere

Amendment 5- Increase LDFA FY17 budget by \$500,000 for the community fiber project

WHEREAS, Council desires to provide funding for the community fiber project;

WHEREAS, the Ann Arbor-Ypsilanti SmartZone Local Development Financing Authority (LDFA) is projecting additional tax revenue of \$761,712 for FY17 over FY16;

WHEREAS, the LDFA has a surplus budget of \$555,251 for FY17;

RESOLVED, Council asks the LDFA to approve funding for the community fiber project;

RESOLVED, The LDFA expenditure budget be increased by \$500,000 for the purpose of the community fiber project funded with the FY17 budget surplus;

RESOLVED, if the project does not move forward, the expenditure budget be decreased by \$500,000 and returned to fund balance.

Sponsor: Kailasapathy, Lumm, Eaton

Amendment 6-Amend Connector Study Budget

Whereas, the City of Ann Arbor, the Downtown Development Authority (DDA), the Ann Arbor Area Transportation Authority (TheRide), and the University of Michigan (UM) have partnered on a series of studies leading to the design and construction of The Connector; and

Whereas, there have already been two phases to the process that may result in the Connector; and

Whereas, the City of Ann Arbor, the DDA, UM, and TheRide funded the initial \$250,000 feasibility study (\$50,000; \$50,000, \$50,000, and \$100,000, respectively); and

Whereas, the City of Ann Arbor, the DDA, UM, and TheRide funded the revised feasibility \$640,000 study (\$80,000, \$80,000, \$160,000, and \$320,000, respectively); and

Whereas, the City of Ann Arbor, the DDA, UM, and TheRide, matching a Federal Grant of \$1,200,000, funded Phase II, the \$1,500,000 route study (\$30,000, \$30,000, \$150,000 and \$90,000, respectively); and

Whereas, the University of Michigan has offered to fund at least 75% of the Phase III \$3,000,000 to \$4,000,000 environmental assessment study; and

Whereas, the City of Ann Arbor and its partners in this process wish to proceed with the study; and

Whereas, the City Council has yet to approve the level of the City's participation in this study;

Resolved, that the City of Ann Arbor determines that it is willing to be a full partner in the funding of Phase III; and

Resolved, that the City Council sets its level of participation for Phase III at \$60,000, without regard to fiscal year, which assumes a project of \$3,000,000, with 90% UM participation, 6% TheRide, and 2% each for the City and the DDA; and

Resolved, that City Council approve an additional amount for staff time and training costs in the amount of \$33,950;

Resolved, that the budget be adjusted to decrease the General Fund System Planning expenditure budget thereby increasing the General Fund Reserves by \$90,000; and

Resolved, that any future request for funding for this or any future phase of the Connector will require active Council approval; and

Finally resolved, that the Council will review and approve the final proposal for the routing of the connector prior to any funding request for a future phase.

Sponsor: Briere, Krapohl

Amendment 7-Approve Solid Waste Supplemental Funding for a Food Waste Pilot(s) Supporting the Implementation of the Organics Study Recommendation

Whereas, a 2012 waste sort conducted by the City of Ann Arbor found that over 40% of the material making its way to the landfill from Ann Arbor was comprised of organic waste, most of which was food and wood waste;

Whereas, on December 17, 2012 the Ann Arbor City Council adopted the Ann Arbor Climate Action Plan, which promotes opportunities to create stronger, more effective recycling and composting programs;

Whereas, The Waste Less: Solid Waste Resource Plan adopted in October, 2013 set goals of increasing single-family, multi-family and commercial waste diversion rates;

Whereas, meaningful increases in diversion rates will require a host of interrelated strategies in order to maximize the recovery of materials in a cost-effective and efficient manner;

Whereas, such innovations include: commercial food waste pilot programs in the Downtown Development Authority (DDA) area, Ann Arbor Public Schools and non-recoverable food items from Food Gatherers and the Delonis Homeless Shelter;

Whereas, such programs have widespread support from local businesses, the Ann Arbor Public Schools and potential participants, who are ready to act now;

Whereas, in February, 2016 the Environmental Commission unanimously endorsed this proposal for supplemental programming and financial support for these initiatives in the fiscal 2016/17 solid waste operating budget; and

Whereas, Ann Arbor entered into a contract with CB&I to conduct a study for the purpose of assessing the City's potential for year-round organic (compost) pickup;

Whereas, the CB&I Organics Study will be completed by January 2017;

Whereas, this study has been asked to develop implementation strategies for organic collection; and,

Whereas, the scope of the food waste pilot program will be defined in the Organics Report but will include no fewer than 10 downtown restaurants and 9 public school facilities;

RESOLVED, That the FY17 Solid Waste expenditure budget be increased by \$100,000 funded with a one-time use of fund balance to finance a food waste collection pilot program;

RESOLVED, That this funding will establish a commercial food waste collection pilot program based on the scope recommended in the CB&I Organics Study, which may be broader or more comprehensive than the food waste pilot recommended by the Environmental Commission in their February 2016 resolution; and,

RESOLVED, upon receipt of the complete Organic Study, in the event that the study recommendation is to not do any commercial composting, but to do other things involving compost collection, staff will bring those recommendations to council; and,

RESOLVED, That the pilot program or higher priority recommended action will begin by April 1, 2017 and upon completion a report prepared and delivered to City Council summarizing the project to be delivered by March 1, 2018 or as recommended by the CB&I Organics Study.

Sponsors: Smith, Briere, Ackerman, Krapohl

Amendment 8- Increase General Fund budget for Community-Facing Climate Action Programs

WHEREAS, City Council passed Resolution 14-095 directing staff to draft recommendations on Community Energy Efficiency;

WHEREAS, City Council received a recommendation from staff on May 5, 2014, detailing the resources necessary to make significant progress on creating and implementing additional community energy efficiency, conservation, and renewable energy programs that further the Climate Action Plan's adopted targets, reduce our community GHG emissions, provide economic benefit to our community and help to preserve our quality of life ("Community-Facing Climate Action Programs");

WHEREAS, City Council unanimously adopted the Climate Action Plan on December 17, 2012, committing the City to reduce its greenhouse gas emissions by 90% by 2050;

WHEREAS, The City of Ann Arbor will not achieve the goals articulated the Climate Action Plan if we do not invest in staffing and Community-Facing Climate Action Programs;

WHEREAS, in FY2016, \$165,000 was budgeted for Community-Facing Climate Action Programs, which was then allocated for sustainability associate staff, and for contractual services with the Clean Energy Coalition and Ecology Center;

WHEREAS, those efforts have attracted approximately \$2 million in proposed PACE clean energy investments; and have begun development of a commercial energy benchmarking ordinance, a citywide energy concierge service, the Solar Group-Buy/Solarize Ann Arbor program, and a climate action community engagement program;

WHEREAS, the FY2017 budget submitted by the Interim City Administrator includes \$80,000 for the continuation of the sustainability associate efforts;

WHEREAS, a non-recurring amendment of \$85,000 would allow continuation of the current level of community-facing climate action programs;

RESOLVED, That the General Fund FY2017 Systems Planning expenditure budget be increased by \$85,000 to continue funding community-facing climate action programs, funded with a one-time use of fund balance.

Sponsors: Smith, Briere, Grand, Taylor, Krapohl

Amendment 9- Increase General Fund Planning & Development Budget to Fund Reporting Costs for Old West Side Historic District Modification Regarding 415 West Washington

Whereas The Local Historic Districts Act (P.A. 169 of 1970) (“LHDA”) mandates that before City Council may consider modification of an existing historic district, a Historic District Study Committee, appointed by City Council, must issue a preliminary report, hold a public hearing, and issue a final report with a recommendation;

Whereas, The City-owned property and its buildings located at 415 West Washington are within the Old West Side Historic District;

Whereas, It is appropriate to evaluate the buildings and property at 415 West Washington in connection with the modification of the Old West Side Historic District as provided for in the LHDA;

Whereas, The cost of the research and preparation of the statutorily required reports and compliance with the requirements of LHDA are estimated to be \$15,000;

Whereas, The budgeting of \$15,000 reporting and related costs of the Historic District Study Committee’s consideration of modification of the Old West Side Historic District regarding 415 West Washington will not prevent the City Council providing direction to the City Administrator to seek Historic District Commission authorization to demolish the buildings at 415 West Washington prior to the initiation of a Study Committee; and

RESOLVED, That the General Fund Planning & Development expenditure budget be increased by \$15,000 with a one-time use of fund balance to fund reporting and related costs of the Historic District Study Committee’s consideration of modification of the Old West Side Historic District regarding 415 West Washington.

Sponsors: Taylor, Smith, Warpehoski

Amendment 10- Increase budget for Lakes and Impoundments

Whereas, the Huron River Impoundment Management Plan recommended that the City establish base-line information about the rate of silt accumulation (bathymetry) in the four city-maintained impoundments; and

Whereas, the accumulation of silt in natural lakes has potentially been increased due to development; and

Whereas, establishing base-line information about the quality and quantity of native water plants can identify areas where invasive species are endangering local aquatic flora and both water quality and natural habitat; and

Whereas, the City would benefit from establishing this base-line data as it plans for the long-term health of our drinking water, our natural areas, and the river; and

Whereas, the City would also benefit from establishing that base-line information for natural lakes, determining which types of maintenance are most beneficial;

Whereas, Barton Pond remains our primary drinking water source, and conducting bathymetric, water quality and plant diversity studies would benefit our drinking water source, while conducting those same studies on other ponds and natural lakes would assist our planning for future maintenance of these resources,

Resolved, that the City include in the annual operating budget \$45,000 each year for the next four years for the development and implementation of a 4-year annual water quality and aquatic plant survey to track the health of both First and Second Sister Lakes and the four City-maintained impoundments;

Resolved, that the Water Supply System annual FY 17 operating budget be increased by \$1,875 and FY 17 General Fund Operating budget be increased by \$43,125 with a General Fund corresponding offset by reducing the General Fund Reserves by \$43,125;

Resolved, that the FY 18, FY 19 and FY 20 Water Supply System and General Fund Operating Budgets incorporate the \$1,875 and \$43,125 funding necessary to fund the annual water quality and aquatic plant survey;

Resolved, that the plan for the annual water quality and aquatic plant survey will be presented to City Council for approval by January 16, 2017;

Resolved, that the City undertake a baseline bathymetry survey of the four City-maintained river impoundments in FY17;

Resolved, that the FY 17 General Fund expenditure budget be increased by \$175,000 funded with a one-time use of fund balance to finance the appropriate share of the baseline bathymetry survey project; and

Resolved, that the FY 17 Water Supply System operating budget be increased by \$25,000 to finance the appropriate share of the baseline survey project.

Sponsor: Briere

Amendment 11- Allocate \$100,000 in FY17 to the Fund for New Streetlights Established by Council in FY16 and To Direct the City Administrator to Present to Council Recommendations Regarding Installation of New Streetlights

Whereas, public safety is a service priority highly valued by many community residents and adequate street lighting is a significant contributor to the perception of safety in our neighborhoods; and

Whereas, in February 2015, City Council lifted the moratorium on new streetlights in place since 2006 and in May 2015, Council unanimously adopted a FY16 budget amendment that:

- Created a new, dedicated General Fund account/fund for the purpose of funding new streetlights
- Directed the City Administrator to develop a process to evaluate and fund new streetlight requests
- Allocated \$100,000 from General Fund balance to the “new streetlight” account/fund for FY16; and

Whereas, Staff has completed the development of a new streetlight prioritization model based on eight criteria with weighting and scoring and the City is now prepared to begin installing new streetlights in priority locations; and

Whereas, since “smart” street lights were first deployed in large scale a decade ago, the technology has evolved significantly with improved sensors, dimming systems and other features that can help ensure public safety and the market for “smart” lighting has become more competitive; and

Whereas, the proposed FY17 budget includes funding for streetlight replacement (\$720,000) and for a streetlight condition assessment (\$120,000), but there is no funding or spending reflected in the FY17 Budget for new streetlights; and

Whereas, the proposed FY17 General Fund non-departmental budget reflects a year-to-year increase of \$1.22 million (160% increase) in contingencies (from \$761,000 in the FY16 amended budget to \$1.98 million in FY17) including \$500,000 for a new workforce planning contingency and increases in the Administrator’s operating contingency and the contingencies for labor settlements and pension contribution smoothing; and

Whereas, reducing FY17 contingencies by \$100,000 and allocating the funds to new streetlights would hold General Fund budgeted spending at the Administrator’s proposed level in total and still result in a significant year-to-year increase (\$1.1 million or 140%) in contingencies; and

Whereas, the City Administrator Operating Contingency in the FY17 Plan adopted a year ago was \$250,000 and has been increased by \$100,000 to \$350,000 in the proposed FY17 budget; and

Whereas, it is Council's desire to begin implementing the program to install new streetlights in priority locations;

RESOLVED, that the FY17 General Fund expenditure budget be increased by \$100,000 for a one-time allocation to the New Streetlight Fund and FY17 General Fund expenditure budget be decreased by \$100,000 in non-departmental contingencies contained in the "other charges" account (specifically, City Administrator Operating Contingency line item in Other Charges);

RESOLVED, that within 90 days, the City Administrator presents to Council for approval a recommendation to begin implementing the new streetlight installation program including evaluation of potential "smart" street lights for the program;

RESOLVED, that the Administrator may present to Council for consideration other sources of funding to substitute for those identified above.

Sponsor: Lumm, Eaton

Amendment 12- Establish a FY17 Budget for Deer Management Lethal Methods of \$110,000 and to Direct the City Administrator to Present to Council a Recommended Plan for Ongoing Deer Management Actions, Costs and Funding

Whereas, in response to citizen concerns particularly in the First and Second Wards regarding growing Deer populations and the damage being caused to the city's natural environment, native species and eco-systems, as well as concerns related to public health and safety, City Council commenced a collaborative study process in May 2014 to dimension the severity of the issue and to begin evaluation of alternative deer management strategies and approaches; and

Whereas, in May 2015, after conducting a thorough evaluation and research process with extensive public engagement, the city issued its final report which recommended that the city should set an overall goal of reducing deer-human interactions with a recommended approach of a series of annual culls, beginning in the Winter of 2016 on City property in Wards 1 and 2; and

Whereas, in May 2015, Council established a \$90,000 deer management budget for FY16 to cover the expected costs of the staff recommendations in the event Council chose to adopt those recommendations; and

Whereas, in August 2015, Council adopted the staff recommendations including a series of at least four annual culls commencing in Winter 2016 and implementing a deer

feeding ban. The feeding ban was implemented by Council in September 2015 and the first of the series of annual culls was conducted in January-February of 2016; and

Whereas, the August 2015 adopted Council resolution also included exploring non-lethal experimental options for deer management. The Administrator's proposed FY17 budget includes \$35,000 to support the study of non-lethal deer management methods and that provision is unaffected by this resolution; and

Whereas, the most recent helicopter aerial survey in February 2016 counted 202 deer, up from 168 deer counted a year earlier, and while these surveys are not precise or comprehensive, the increase suggests that the Ann Arbor deer populations continue to grow and it is known that in the absence of predators or management actions, deer populations tend to double every two-three years; and

Whereas, there were 88 deer-vehicle collisions in Ann Arbor in 2015 which represents a 73% increase over the 51 crashes in 2014; and

Whereas, the final actual costs for all aspects of the FY16 deer management program (cull, aerial surveys, assessing browse damage, and staff time) are not yet available, but staff estimates the total cost for FY16 will be \$107,521; and

Whereas, the experience of other communities demonstrates that for a deer management program to be effective, it must:

- be sustained for several years
- incorporate (on an ongoing, strategic basis) metrics, maps and trend data on deer populations and locations, deer-vehicle collisions, and deer browse damage to public areas and private property
- be supported by a staff time commitment that includes contractor management/oversight, development and monitoring of data and metrics, public engagement, and coordination with key partners (MDNR and UM); and

Whereas, the Administrator's proposed budget for FY17 includes a \$35,000 provision for recurring deer management lethal methods which represents the approximate cost of culling 100 deer, but does not reflect the costs for any of these related actions necessary for an effective deer management program; and

Whereas, a detailed plan and cost estimate for year two of the deer management program has not yet been developed, but it's expected the city will take advantage of the learnings from year one which could result in savings in some areas, but added actions and costs in other areas; and

Whereas, it is prudent and fiscally responsible to include in the FY17 budget an appropriate provision to cover the costs of the potential year two actions and based on

the FY16 experience, a FY17 budget provision of \$110,000 for deer management lethal methods appears both reasonable and adequate; and

Whereas, Council desires a longer-term plan for deer management including recommended actions and estimated recurring and one-time costs and it is expected that once accepted by Council, the appropriate recurring costs will be reflected in future year budget recommendations by the Administrator; and

Whereas, the Administrator's proposed FY17 budget includes a one-time expenditure of \$183,950 for the proposed City share of the Connector project study and related staff time; and

Whereas, the DDA has experienced a dramatic increase in TIF revenues over the last four years – an increase of \$2.5 million (67%) from \$3.7 million actual in FY13 to \$6.2 million budgeted for FY17 - and the DDA also experienced an unexpected windfall of \$275,000 in FY16 TIF revenues (\$5.35 million forecast compared with \$5.07 million budgeted) and as a result, is in a better position than the city to provide funding for the Connector project study;

RESOLVED, that the FY17 General Fund expenditure line item for deer management lethal methods and the related deer-management activities mentioned above (aerial counts, surveys, metrics, maps and trend data on local deer populations and locations, browse damage and natural area habitat assessments, and deer-vehicle collisions as well as staff time for development and monitoring of data and metrics, public engagement and education, and coordination with key partners (MDNR and UM) be increased by \$75,000 to \$110,000 and the General Fund expenditure item for the Connector study be reduced by \$75,000 to \$108,950;

RESOLVED, that the Administrator may present to Council for consideration other sources of funding to substitute for the source identified above;

RESOLVED, that City Council directs the City Administrator to present to Council within 120 days a recommended long-term plan for deer management including recommended actions and estimated recurring and one-time costs, and once accepted by Council, the Administrator will incorporate the recommended amounts in his subsequent year budget proposals.

Sponsor: Lumm, Eaton

Amendment 13- Establish Spending Guidelines for the Street, Bridge and Sidewalk Millage Proceeds Collected from Taxpayers in FY17 and Future Years

Whereas, there is widespread community consensus that Ann Arbor streets are in poor condition and that "fixing the roads" is a top priority; and

Whereas, Ann Arbor voters have approved tax millages for road repair seven times – first in 1984 and subsequently in 1988, 1991, 1996, 2001, 2006 and 2011; and

Whereas, Ann Arbor voters in 2011 approved two separate millage ballot questions

- 2.00 mills for street and bridge repair
- 0.125 mills for sidewalk repair; and

Whereas, the ballot questions in 2011 identified the amount raised in the first year for each of the two millage questions - \$9.1 million (or 94% of the total) for street and bridge repair and \$563,000 (or 6%) for sidewalk repair - and many voters reasonably expected that if approved, the actual spending over the life of the millage would be consistent with the dollars raised from the respective questions; and

Whereas, voters approved both millage questions in 2011 and through the first four years of the approved millage (FY13 through FY16), the 0.125 mills for sidewalk repair has generated \$2.4 million in tax revenue;

Whereas, over the same four year period, expenditures on sidewalk repair have totaled \$5.3 million, \$2.9 million more than the revenue generated by the 0.125 sidewalk millage which has resulted in \$2.9 million less invested in road and bridge repair than would have been made if spending amounts were consistent with the revenue amounts raised; and

Whereas, FY17 represents the fifth year of the approved five-year millage; and

Whereas, Council has approved placing on the August 2, 2016 election ballot a five-year street, bridge and sidewalk millage question that retains the total 2.125 mills rate, but expands the permitted uses of the tax proceeds to include new sidewalk construction (not just sidewalk repairs) as well as other non-motorized facilities and crosswalk construction and enhancements; and

Whereas, Council has not yet adopted any guidelines with regard to the relative spending amounts for the various permitted uses (new permitted uses or existing permitted uses) should the millage be approved by voters in August; and

Whereas, Council believes that establishing guidelines on relative spending amounts for the permitted uses promotes transparency and accountability and that taxpayers should know how their tax dollars are to be spent;

Resolved, that for FY17, the road, bridge and sidewalk millage proceeds will be spent in amounts consistent with the revenue generated from the respective millage rates approved by voters in 2011 with no more than \$625,000 spent on sidewalk repair or other non-road/bridge repair purposes;;

Resolved, that if voters approve the ballot question in August, it is Council's expectation that no less than 94% of the proceeds generated from the millage over the five year period (FY18 through FY22) will be used for road and bridge repair and no more than 6% utilized for sidewalk repair and construction or other non-motorized facilities.

Sponsor: Lumm, Eaton

Amendment 14- Increase Police Staffing in the FY17 Budget by Two Officers

Whereas, public safety is a core, essential city service and a service priority highly valued by many community residents and taxpayers; and

Whereas, over the last decade, the number of sworn officers in the AAPD has been reduced by 37 officers (23% - from 159 in FY05 to 122 in FY16) and the Administrator's proposed FY17 Budget reflects no change in police staffing from FY16; and

Whereas, former Police Chief Seto stated on several occasions that at current staffing levels, AAPD is essentially a reactive police force and that to become a more pro-active, community-oriented force requires additional staffing; and

Whereas, current Police Chief Baird indicated that additional staffing could enable enhancements in community engagement and traffic enforcement – key neighborhood public safety priorities – as well as provide for additional pro-active patrols and detective follow-up on cases rather than closing the cases without follow-up; and

Whereas, on June 3, 2013, City Council formally requested the DDA allocate funding for downtown beat cops, but the DDA has not acted on the request despite an increase in their TIF revenues of \$2.5 million (67%) in just four years (from \$3.7M in FY13 to \$6.2M in FY17);

Whereas, the City's General Fund tax revenues have grown by about 10% over the last four years while DDA tax revenues have grown almost seven times that (67%) during the same period; and

Whereas, a DDA annual contribution of \$180,000 to assist the city in advancing pro-active, community-oriented policing would benefit the downtown as well as neighborhoods and would represent a commitment of less than 10% of the amount the DDA's TIF revenues have increased the last four years; and

Whereas, the FY17 budget reflects an increase of 7.5 FTE's on top of a 1.5 FTE increase in FY16 with no increase in Police staffing over the two years; and

Whereas, the FY17 non-departmental expenditure budget includes \$888,000 for union and non-union pay increases which is almost twice the amount (\$473,000) that was included in the adopted FY16 budget; and:

Whereas, the FY17 budget did not reflect targets for departmental cost savings or any programmatic savings;

Whereas, the proposed City Administrator Operating Contingency for FY17 is \$350,000 - an increase of \$167,026 (or 91%) over the FY15 budget and is in addition to \$1.6 million in contingencies for pay increases, workforce planning and pension contribution smoothing.

RESOLVED, that the recommended FY17 budget be amended to increase the budgeted FTE in the Police Department by two (149 FTE to 151 FTE) and that Police General Fund expenditures be increased by \$180,000 to reflect the two additional officers;

RESOLVED, that the Police Chief shall determine how to deploy the two additional officers, but that Council suggests they be deployed in the Community Engagement Unit;

RESOLVED, that in light of their dramatic growth and higher-than-anticipated TIF revenues, City Council requests the DDA allocate \$180,000 of funding to the City's General Fund beginning in FY17 to support public safety efforts and City Council requests that the DDA notify the city of its decision within 90 days.

RESOLVED, that while it is Council's expectation that the DDA will recognize the relative disparity in revenue growth and accommodate this request, in the event the DDA chooses not to provide funding support, the \$180,000 increase in the Police General Fund expenditures is funded by the following:

- *If the budget amendment allocating \$100,000 in one-time funding to new streetlight fund is approved and the funding source is a reduction in the City Administrator Operating Contingency, then the \$180,000 is funded by a \$67,026 reduction in City Administrator operating contingency and a \$112,974 reduction in contingency for pay increases*
- *If the budget amendment allocating \$100,000 in one-time funding to new streetlight fund is not approved or is approved with a funding source other than the City Administrator Operating Contingency, then the \$180,000 is funded by a \$167,026 reduction in City Administrator operating contingency and a \$12,974 reduction in contingency for pay increases*

RESOLVED, that the Administrator may present to Council other recurring expenditure reductions to substitute for those identified above and that within 120 days, the Administrator shall report to City Council the status of the DDA decision and in the event the DDA refuses, the source(s) of funding recommended for Council consideration.

Sponsor: Lumm, Eaton

Amendment 15- Authorize One-Time Expenditure of up to \$50,000 to Assist in the Development and Presentation to Council for Consideration of a Re-structured Employee Pension Plan for New Hires

Whereas, the City currently offers employees a defined benefit pension plan; and

Whereas, at June 30, 2015, the City's pension plan was 86.17% funded with an unfunded liability of \$73.7 million (Assets of \$459.5 million; Liabilities of \$533.2 million); and

Whereas, unfunded pension liabilities and unsustainable legacy costs have been a significant national issue for many years and in response, recognizing that defined contribution (401-K type) plans are more sustainable in the long term, most employers have transitioned away from traditional defined benefit retirement plans for their new hires; and

Whereas, by adopting a defined contribution retirement structure for new hires, the city could reduce both the ongoing cost and the volatility and risk to taxpayers and would then be providing the same type of benefit to city employees provided to most Ann Arbor residents and taxpayers who are asked to pay the costs; and

Whereas, the State of Michigan as well as our two local public Universities – UM and EMU – offer defined contribution retirement plans to new employees; and

Whereas, the new defined contribution plan structure would apply only to new hires. Current retirees and current employees would not be affected and would remain on their current defined benefit plans.

Whereas, the re-structuring of the City's employee retirement plan was raised as an item for discussion several years ago, but no recommendation has yet been presented to Council for consideration; and

Whereas, pension plan re-structuring could have a significant financial benefit to the City in future years and it is Council's desire to discuss potential pension re-structuring by the end of 2016; and

Whereas, City staff have indicated they are studying alternatives including a potential hybrid-plan structure and engaging the professional services of a retirement plan consulting firm could be valuable in assisting city staff in developing a recommendation for Council consideration on a timely basis; and

Whereas, the FY17 Budget includes a \$500,000 one-time expenditure for workforce planning. Retirement plan structure is an important element of workforce planning and utilizing up to 10% of the budget provision should not jeopardize the other workforce planning efforts;

RESOLVED, that City Council authorize a one-time FY17 General Fund expenditure of up to \$50,000 to engage the services of a retirement plan consultant for the purposes of developing a re-structured employee retirement plan for new hires for Council consideration;

RESOLVED, that the cost incurred is funded from the \$500,000 General Fund provision in the FY17 budget proposal for workforce planning;

RESOLVED, that City Council's expectation is that the City Administrator will present for Council consideration a recommendation for a re-structured employee retirement plan for new hires by the end of Calendar year 2016 and the recommendation will first be reviewed with Council's Budget and Labor Committee.

Sponsor: Lumm

Amendment 16-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 FY17 budget increase the General Fund expenditure budget by \$XX,XXX; and

Whereas, The Parks General Fund budget increased by \$XX,XXX for budget amendments for FY17 approved by City Council;

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

RESOLVED, That the General Fund Parks FY17 expenditure budget be amended to increase \$XX,XXX to be funded as a one-time expenditure from the General Fund fund balance.

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