

MEMORANDUM

TO: Mayor and Council
FROM: Howard Lazarus, City Administrator
DATE: May 21, 2018
SUBJECT: Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for fiscal year 2019

Attached for your review and action is the proposed FY 2019 City Budget that totals \$434 million in revenue and \$390 million in expenditures and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 16, 2018.

General Fund Activities

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

	<u>FY 2019</u>
Recurring Revenues	\$ 103,543,501
Non-recurring Revenues	<u>1,537,812</u>
Total Revenues	\$ 105,081,313
Recurring Expenditures	\$ 103,543,501
Non-recurring Expenditures	<u>1,537,812</u>
Total Expenditures	\$ 105,081,313

General Fund recurring expenditures increased by \$1,490,442 (+1.5%) compared to FY 2018's adopted budget, and recurring revenues decreased by \$155,958 (-0.2%). Below is a summary of non-recurring expenditures:

<u>General Fund Non-recurring Expenditures</u>	<u>FY 2019</u>
Mayor-Sister City Celebration	\$ 1,000
Human Resources-Ultipro Improvements	9,000
Housing Commission-One-time support	68,000
Community Services-Annexation funding	100,000
Public Services-Streetlights	130,000
Public Services-ADA Accessibility Compliance Study	25,000
Public Services-Barton and Superior Dam work	125,000
Public Services-Fire Stations 1 & 6 Bathroom Renovations	150,000
Non-departmental-Workforce planning carryover funding	262,612
Non-departmental-Update governance plans	500,000
Non-departmental-Carryover for FY18 governance plans	<u>167,200</u>
Total General Fund Non-recurring Expenditures	<u>\$ 1,537,812</u>

FTEs

The City's FTEs are proposed to increase from 742, as amended during FY18, to 743 in FY 2019 (excluding transfers between Service Areas and net of incidental changes):

- 2.0 FTE increase in Safety Services, Police
- 1.0 FTE decrease in Safety Services, Fire

As part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 743 FTEs by 10 on a temporary basis.

Millage Rates

The following millages are the maximum allowable levy after the Headlee rollback multiplier is applied (for FY 2019 the Headlee rollback multiplier is anticipated to be 0.9845):

	PROPOSED FY 2019	ACTUAL FY 2018	CHANGE
GENERAL OPERATING	5.9407	6.0343	(0.0936)
EMPLOYEE BENEFITS	1.9802	2.0114	(0.0312)
AAATA	1.9802	2.0114	(0.0312)
REFUSE COLLECTION	2.3759	2.4134	(0.0375)
STREET, BRIDGE & SIDEWALK MILLAGE	2.0920	2.1250	(0.0330)
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0594	1.0761	(0.0167)
OPEN SPACE & PARKLAND PRESERVATION	<u>0.4601</u>	<u>0.4674</u>	<u>(0.0073)</u>
TOTAL	15.8885	16.1390	(0.2505)

Prepared by: Tom Crawford, Chief Financial Officer
Approved by: Howard Lazarus, City Administrator

RESOLUTION TO ADOPT ANN ARBOR CITY BUDGET
AND RELATED PROPERTY TAX MILLAGE RATES
FOR FISCAL YEAR 2019

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2019 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 2019 Consolidated Plan, to be funded out of the Community Development Budget;

RESOLVED, That any contributions to the Special Assistance 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;

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 any contributions to the Drug Enforcement Fund, the Federal Equitable Sharing Forfeiture Fund and the Michigan Justice Training Fund in excess of the budgeted amount, shall be appropriated at the time of receipt, without regard to fiscal year, and for the purpose of the Drug Enforcement Fund, the Federal Equitable Sharing Forfeiture Fund and the Michigan Justice Training Fund, respectively;

RESOLVED, That the proposed list of Capital Improvement projects in the amount of \$159,173,734 are approved; and that \$38,667,784 be appropriated in FY 2019 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 the Technology Improvement projects in the amount of \$501,587 be appropriated without regard to fiscal year;

RESOLVED, That a total 743 full-time equivalent positions be adopted in the FY 2019 budget;

RESOLVED, That as part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 743 FTEs by 10 on a temporary basis;

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 the City Council approve the proposed FY 2019 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2019 in a dedicated fund containing \$4,314,100 in revenues and \$4,314,100 in expenditures;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2019;

<u>REVENUES</u>	
CITY ATTORNEY	\$ 277,976
CITY ADMINISTRATOR	
Clerk Services	187,460
COMMUNITY SERVICES	
Building & Rental Services	1,268,079
Planning	371,778
Parks and Recreation Services	4,805,136
FINANCIAL SERVICES	
Financial and Budget Planning	27,086,004
Treasury	47,373,113
PUBLIC SERVICES	
Engineering	64,075
Public Works	59,500
Public Services Administration	74,399
Water Treatment	400,000
Fleet & Facilities	4,000
SAFETY SERVICES	
Police	3,788,185
Fire	673,033
DISTRICT COURT	1,931,425
NON-DEPARTMENTAL	16,717,150
TOTAL GENERAL FUND REVENUES	\$ 105,081,313

EXPENDITURES

MAYOR AND CITY COUNCIL	\$ 359,834
CITY ATTORNEY	2,220,828
CITY ADMINISTRATOR	
City Administrator	889,526
Human Resources	1,970,972
Clerk Services	1,286,985
Safety	343,651
Sustainability & Innovation	206,397
COMMUNITY SERVICES	
Building & Rental Services	1,566,371
Planning	1,434,969
Community Development	4,550,349
Parks and Recreation	8,738,591
FINANCIAL SERVICES	
Accounting	869,651
Assessor	1,212,673
Financial and Budget Planning	1,013,288
Information Technology	3,625,642
Procurement	151,637
Risk Management	117,828
Treasury	946,205
PUBLIC SERVICES	
Public Works	46,422
Fleet & Facilities	3,492,575
Engineering	4,089,211
Public Services Administration	155,063
Systems Planning	20,088
Water Treatment Services	466,677
SAFETY SERVICES	
Police	28,516,331
Fire	16,525,325
DISTRICT COURT	4,757,396
NON-DEPARTMENTAL	15,506,828
TOTAL GENERAL FUND EXPENDITURES	\$ 105,081,313

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2019 budget; and

REVENUES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	\$ 775,724
0002	ENERGY PROJECTS	238,266
0003	DOWNTOWN DEVELOPMENT AUTHORITY	9,966,428
0009	SMART ZONE LDFA	4,314,100
0010	GENERAL	105,081,313
0011	CENTRAL STORES	1,092,863
0012	FLEET SERVICES	8,884,102
0014	INFORMATION TECHNOLOGY	7,992,767
0016	COMMUNITY TELEVISION NETWORK	2,316,121
0021	MAJOR STREET	10,184,401
0022	LOCAL STREET	2,712,533
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	2,606,984
0025	BANDEMER PROPERTY	11,834
0026	CONSTRUCTION CODE FUND	3,328,062
0027	DRUG ENFORCEMENT	19,048
0028	FEDERAL EQUITABLE SHARING	47,933
0033	DDA PARKING MAINTENANCE	3,974,235
0034	PARKS MEMORIALS & CONTRIBUTIONS	39,973
0035	GENERAL DEBT SERVICE	8,924,765
0036	METRO EXPANSION	406,910
0038	ANN ARBOR ASSISTANCE	5,062
0041	OPEN SPACE ENDOWMENT	20,000
0042	WATER SUPPLY SYSTEM	29,160,888
0043	SEWAGE DISPOSAL SYSTEM	28,250,119
0048	AIRPORT	925,155
0049	PROJECT MANAGEMENT	4,808,843
0052	VEBA TRUST	12,105,584
0053	POLICE AND FIRE RELIEF	7,059
0054	CEMETERY PERPETUAL CARE	3,980
0055	ELIZABETH R DEAN TRUST	60,130
0057	RISK FUND	31,414,098
0058	WHEELER CENTER	446,124
0059	EMPLOYEES RETIREMENT SYSTEM	54,358,806
0061	ALTERNATIVE TRANSPORTATION	692,336
0062	STREET, BRIDGE & SIDEWALK MILLAGE	16,697,833
0063	DDA PARKING SYSTEM	23,945,100
0064	MICHIGAN JUSTICE TRAINING	21,073
0069	STORMWATER SEWER SYSTEM	10,499,265
0070	AFFORDABLE HOUSING	5,000
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	6,307,175
0072	SOLID WASTE FUND	18,961,535
0082	STORMWATER BOND	3,263,600
0088	SEWER BOND	9,668,000
0089	WATER BOND	6,074,000
0100	COUNTY MENTAL HEALTH MILLAGE	2,200,000
00CP	GENERAL CAPITAL FUND	889,637
		\$ 433,933,764

EXPENDITURES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	\$ 775,723
0002	ENERGY PROJECTS	238,266
0003	DOWNTOWN DEVELOPMENT AUTHORITY	9,966,428
0009	SMART ZONE LDFA	4,314,100
0010	GENERAL	105,081,313
0011	CENTRAL STORES	1,067,388
0012	FLEET SERVICES	8,656,768
0014	INFORMATION TECHNOLOGY	7,907,908
0016	COMMUNITY TELEVISION NETWORK	2,278,826
0021	MAJOR STREET	10,184,401
0022	LOCAL STREET	2,712,533
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	1,335,941
0025	BANDEMER PROPERTY	11,834
0026	CONSTRUCTION CODE FUND	3,315,063
0027	DRUG ENFORCEMENT	17,894
0028	FEDERAL EQUITABLE SHARING	46,912
0033	DDA PARKING MAINTENANCE	3,974,235
0034	PARKS MEMORIALS & CONTRIBUTIONS	39,973
0035	GENERAL DEBT SERVICE	8,924,765
0036	METRO EXPANSION	406,910
0038	ANN ARBOR ASSISTANCE	5,000
0041	OPEN SPACE ENDOWMENT	20,000
0042	WATER SUPPLY SYSTEM	20,493,219
0043	SEWAGE DISPOSAL SYSTEM	23,913,266
0048	AIRPORT	917,357
0049	PROJECT MANAGEMENT	4,768,553
0052	VEBA TRUST	769,444
0055	ELIZABETH R DEAN TRUST	60,130
0057	RISK FUND	30,437,922
0058	WHEELER CENTER	446,124
0059	EMPLOYEES RETIREMENT SYSTEM	41,581,199
0061	ALTERNATIVE TRANSPORTATION	692,336
0062	STREET, BRIDGE & SIDEWALK MILLAGE	15,374,884
0063	DDA PARKING SYSTEM	23,945,099
0064	MICHIGAN JUSTICE TRAINING	21,000
0069	STORMWATER SEWER SYSTEM	9,520,678
0071	PARK MAINTENANCE & CAPITAL IMPROVEMEN	6,307,175
0072	SOLID WASTE FUND	18,961,535
0082	STORMWATER BOND	3,263,600
0088	SEWER BOND	9,668,000
0089	WATER BOND	6,074,000
0100	COUNTY MENTAL HEALTH MILLAGE	495,000
00CP	GENERAL CAPITAL FUND	889,637
		<u>\$ 390,107,339</u>

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2019:

	PROPOSED
GENERAL OPERATING	5.9407
EMPLOYEE BENEFITS	1.9802
AAATA	1.9802
REFUSE COLLECTION	2.3759
STREET, BRIDGE & SIDEWALK MILLAGE	2.0920
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0594
OPEN SPACE & PARKLAND PRESERVATION	0.4601
TOTAL	<hr/> 15.8885

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