



# CITY OF ANN ARBOR FY22/23 BUDGET OVERVIEW FEBRUARY 8, 2021

# INTRODUCTION

This evening's presentation provides an overview of the General Fund and related budget considerations for FY22 & FY23, including the following:

- City Administrator's Overview
- Financial overview and projections going into the FY22 budget process
- Presentations on service areas that are primarily resourced through the General Fund, including:
  - Draft City Strategic Plan from the December Planning Session
  - Measures of Success/Key Performance Indicators
  - Impacts/Non-Financial Adjustments for FY22 & FY23

# OVERVIEW

## Tonight

- Introduction
- Overview of the General Fund for FY2022
- Finance, Fire, Police, Community Services, 15<sup>th</sup> District Court, & City Administrator

## Upcoming Key Dates

- 2/22 – Work Session – Pension/VEBA & AAHC
- 3/8 – Work Session – Public Services & City Attorney
- 3/22 – Work Session – DDA & Smartzone
- 4/19 – City Administrator Presents the Recommended Budget to Council
- 5/3 – Public Hearings on Budget and Fees
- 5/17 – City Council Consideration/Adoption of Budget

# GENERAL FUND KEY ASSUMPTIONS

- The overall recurring revenue change is projected to be (0.73)% in FY22 and 2.77% in FY23 (without the GASB #68 reimbursement revenue).
  - Property taxes are projected to increase 2.6% in both FY22 and FY23.
  - State Shared Revenue is not projected to increase in FY22 or FY23. Given the uncertainty of the State's appropriation, the annual growth is assumed to be non-recurring.
  - Parking revenue (including parking tickets) is projected to decrease by 27.1% in FY22 from FY21 levels.
- The overall recurring expenditure increase is 3.14% in FY22 and 2.95% in FY23.
  - Included in the expenditures for FY22/23:
    - Costs of labor contracts – 0% - 3% depending on contract.
    - Pension/VEBA were reset to previous policy levels.
    - Increased forecasted health care costs.
    - Asset replacement costs consistent with policies.
    - \$1M for Fire Station replacement.
- The City's General Fund millages are estimated at 9.7019 mills, having been reduced from 12.5 mills due to Headlee since their adoption.

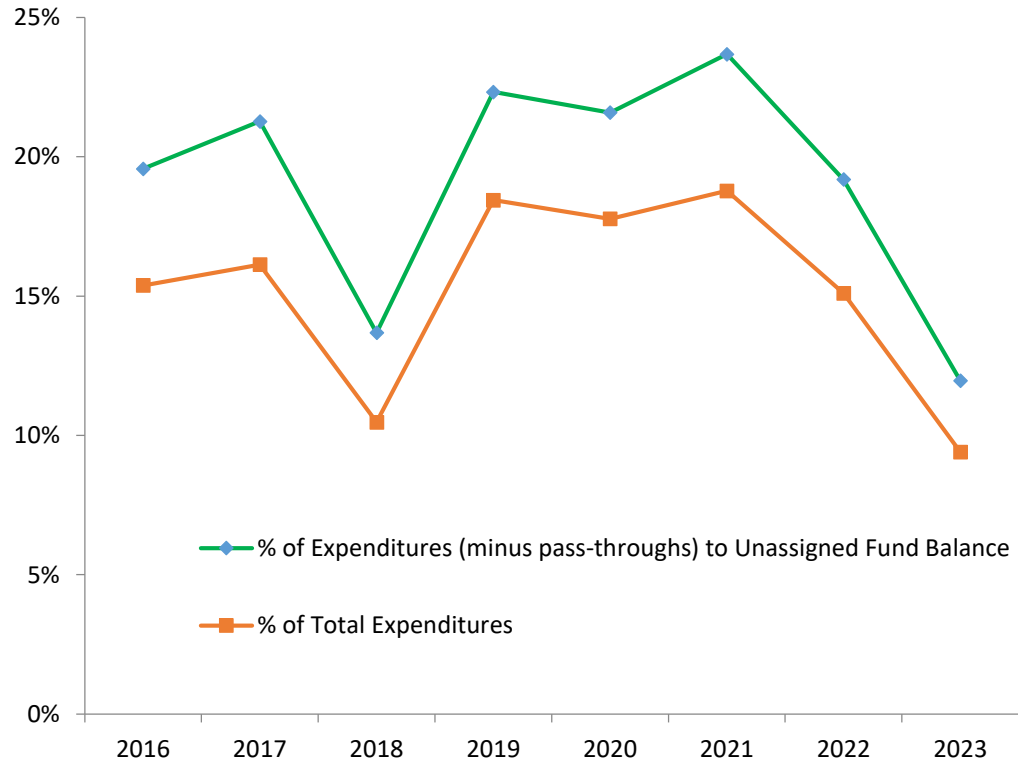


## FY2022 Financial Outlook

### General Fund

	FY2021	FY2022					FY2023
		Initial	Economics	Reductions Related to Core Services	Staff Requests Related to Core Goals	Staff Requests Related to Strategic Goals	
	Budget	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	Projected
	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)	(Mils.)
<b>Recurring</b>							
Revenues	\$ 112.6	\$ 114.3	\$ (1.9)	\$ -	\$ 0.8	\$ 113.2	\$ 116.6
Expenditures	(111.6)	(115.5)	0.2	3.4	(1.2)	(113.8)	(117.8)
Net Surplus/(Deficit)	\$ 1.0	\$ (1.2)	\$ (1.7)	\$ 3.4	\$ (0.4)	\$ (0.6)	\$ (1.2)
<b>One-time</b>							
Revenues	\$ 1.1	\$ 1.4	\$ (0.1)		\$ 0.03	\$ 1.3	\$ 0.1
Expenditures	(1.1)	-	(1.2)	0.7	(0.8)	(4.7)	(5.1)
Net Surplus/(Deficit)	\$ -	\$ 1.4	\$ (1.3)	\$ 0.7	\$ (0.8)	\$ (3.4)	\$ (5.0)
Net Surplus/(Deficit)	\$ 1.0	\$ 0.2	\$ (3.0)	\$ 4.1	\$ (1.2)	\$ (4.0)	\$ (6.2)
Unassigned Fund Balance	\$ 21.4					\$ 17.4	\$ 11.2
Policy range (15% to 20%)	18.7%					15.1%	9.4%

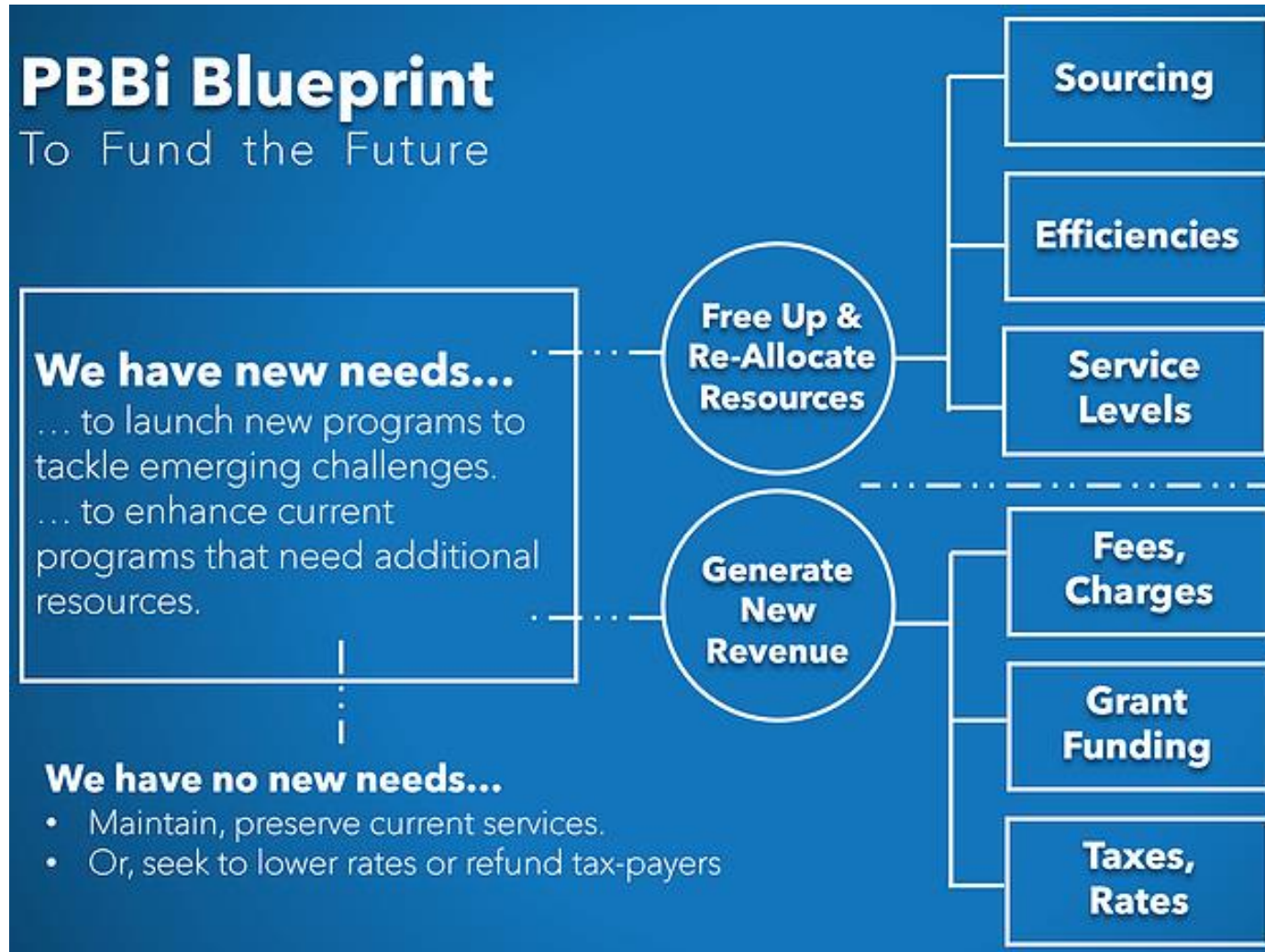
# FUND BALANCE SUMMARY



## FUND BALANCE

	Amount	% of Total Expenditures	% of Adjusted Expenditures
FY2016 Unassigned	\$ 15,330,765	15%	20%
FY2017 Unassigned	\$ 16,243,676	16%	21%
FY2018 Unassigned	\$ 11,143,139	10%	14%
FY2019 Unassigned	\$ 19,713,016	18%	22%
FY2020 Unassigned	\$ 19,554,234	18%	22%
FY2021 Forecasted Unassigned	\$ 21,462,328	19%	24%
FY2022 Forecasted Unassigned	\$ 17,420,881	15%	19%
FY2023 Forecasted Unassigned	\$ 11,189,388	9%	12%

# PRIORITY BASED BUDGETING/DECISION MAKING PROCESS



- The PBB process resulted in 48 ideas for reducing cost or improving services.
- Service Area Administrators considered the ideas when formulating their budget impacts described in this presentation.
- The City's financial needs exceed available resources.

# DRAFT CITY STRATEGIC PLAN

## Goals:

- Safe, Engaged, Vibrant Community with Strong Neighborhoods
- Diverse, Equitable, and Inclusive Community
- Environmental Stewards
- Well Maintained and Sustainable Infrastructure
- Healthy and Sustainable Economy
- Responsible and Responsive Government with Good Governance

## Objectives:

Objectives with SMART measures were identified in the draft plan and incorporated into the following departmental budget presentation.

## Impacts:

- Staff impacts reflect the impact to services that would result if a 5% reduction was applied to each department. It does *not* necessarily reflect a Service Area Administrator's recommended level of reductions.
- Where needed, requests for funds have also been included to achieve strategic objectives.

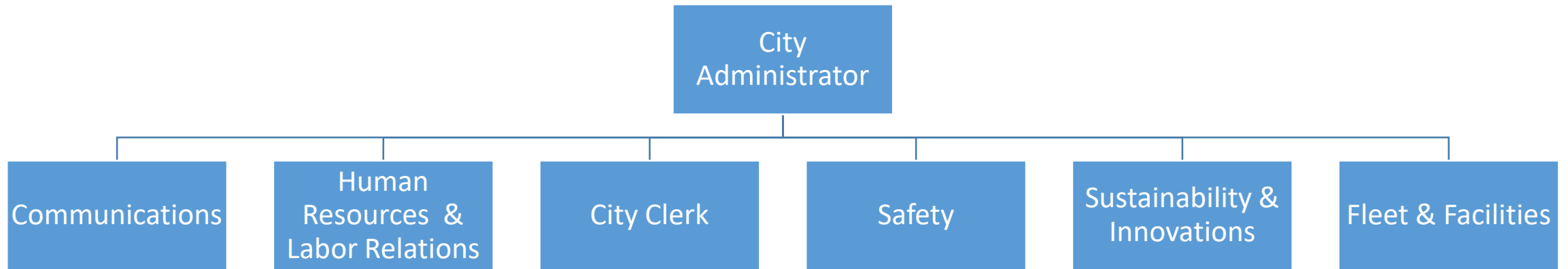


# MAYOR & COUNCIL IMPACTS

IMPACT/ISSUE	AMOUNT	TYPE
Mayoral coin	569	R
Reduce conference, training & travel for Mayor & Council	(5,500)	R
<b><i>Mayor &amp; Council Total Impacts</i></b>	<b><i>(4,931)</i></b>	

R = Recurring Cost O = One-Time Cost

# CITY ADMINISTRATOR'S OFFICE



The City Administrator is appointed by the City Council and is the Chief Administrative Officer for the City. The City Administrator provides management and direction to nearly all City functions. The City Administrator's service area is comprised of the functions shown above. The City Administrator's area provides the organization with a broad array of services such as employee policies, benefits, professional development, labor relations, public policy analysis, community member communications, safety, intergovernmental relations, and City administration.

# CITY ADMINISTRATOR (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Overall residents highly recommend living in Ann Arbor to others	<ul style="list-style-type: none"> <li>By 2022, the bi-annual resident survey for residents recommending to others to live in Ann Arbor is 90% or higher.</li> </ul>
City organization is a model employer in regard to diversity, equity, and inclusion	<ul style="list-style-type: none"> <li>By 2022, develop a Diversity, Equity, and Inclusion strategic plan for the organization.</li> </ul>
Diversity of business types operating within the city	<ul style="list-style-type: none"> <li>By 2023, building on existing partnerships with Ann Arbor SPARK, the Chamber of Commerce, CVB and other community partners continue to increase business diversity that supports revenue growth for the city.</li> </ul>
Responsive to community and city council concerns	<ul style="list-style-type: none"> <li>By 2023, establish internal capability and response time standards to measure city-wide customer service.</li> </ul>

# CITY ADMINISTRATOR (continued)

OBJECTIVE	PERFORMANCE MEASURE
Strengthen human capital by recruiting, developing, and retaining exceptional city staff	<ul style="list-style-type: none"> <li>• Through a strong safety program maintain 0 annual workplace deaths and recordable serious injuries.</li> <li>• By 2023, develop a plan to implement supportive career development programs.</li> <li>• By 2023, develop a plan to implement fair compensation programs in comparison to benchmarks.</li> </ul>
Demonstrate good governing practices	<ul style="list-style-type: none"> <li>• By 2022, the bi-annual resident survey indicates the % of residents indicating Overall Confidence in Ann Arbor Government is 60%.</li> </ul>
City is recognized as being prudently managed	<ul style="list-style-type: none"> <li>• By 2023, all budgets for major funds reflect recurring expenditures (with on-going capital needs fully accounted for) are funded by recurring revenues.</li> </ul>

# CITY ADMINISTRATOR

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
<b><i>City Administrator</i></b>		
National Citizen Survey (conducted every other year)	30,000	O
<b><i>City Administrator Total Impacts</i></b>	<b><i>30,000</i></b>	

R = Recurring Cost O = One-Time Cost



# CITY ADMINISTRATOR (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Support Council operations and initiatives	<ul style="list-style-type: none"> <li>• Prepare annual report on city activities</li> </ul>
Promote, train and support employees' efforts in communications and outreach via the Community Engagement Tool Kit	<ul style="list-style-type: none"> <li>• Integrate diversity and equity emphasis into community engagement process</li> </ul>
Provide preventative and reactive services to city facilities and grounds	<ul style="list-style-type: none"> <li>• Close 80% of facility work orders within 5 business days</li> </ul>
Manage a program to identify and prioritize hazards and risks that city employees encounter during required work activities	<ul style="list-style-type: none"> <li>• Develop and implement a city-wide program.</li> </ul>
Employee relations	<ul style="list-style-type: none"> <li>• Number of employee policies updated or created</li> </ul>
Boards & commissions support	<ul style="list-style-type: none"> <li>• 100% compliance with Open Meetings Act</li> </ul>

# CITY ADMINISTRATOR

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
<b><i>City Administrator</i></b>		
Reduce contract for lobbying services from \$48k to \$5k	(43,000)	R
Reduce funding available for annual council facilitation	(6,000)	R
Eliminate funding for misc. governmental services	(7,000)	R
<b><i>City Administrator Total Impacts</i></b>	<b><i>(56,000)</i></b>	
<b><i>Clerk's Office</i></b>		
Increase Medical Marijuana License Revenue	(35,000)	R
Reduction of incidentals & supplies that support A2 Community Academy	(1,500)	R
Eliminate eComment for Council Agenda	(2,831)	R
Reduce overtime for FY22 due to no scheduled elections	(15,000)	O
Reduce telecom & contracted services in FY22 due to no scheduled elections	(8,329)	O
<b><i>Clerk's Office Total Impacts</i></b>	<b><i>(62,660)</i></b>	

# CITY ADMINISTRATOR

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
<b><i>Fleet &amp; Facilities</i></b>		
Potential reduction in temporary pay available for repairs & maintenance	(5,000)	O
Reduction in professional services, contracted services and materials & supplies for building renovations and improvements	(84,000)	R/O
City Hall HVAC Modernization	200,000	O
City Hall air duct cleaning	35,000	O
City Hall exterior shell energy improvement study	50,000	O
Fire Station #1 fire alarm system replacement	75,000	O
<b><i>Fleet &amp; Facilities Total Impacts</i></b>	<b><i>271,000</i></b>	

R = Recurring Cost O = One-Time Cost

# CITY ADMINISTRATOR

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
<b><i>Human Resources</i></b>		
Move 10% of 4 HRSP positions to the Risk Fund for benefits related work	(60,018)	R
Move 20% of HR Director position to the Risk Fund for benefits related work	(39,694)	R
<b><i>Human Resources Total Impacts</i></b>	<b><i>(99,712)</i></b>	
<b><i>Safety Unit (Risk Fund)</i></b>		
Reduce conference, training & travel to align with actual spending	(3,000)	R
<b><i>Safety Unit Total Impacts</i></b>	<b><i>(3,000)</i></b>	

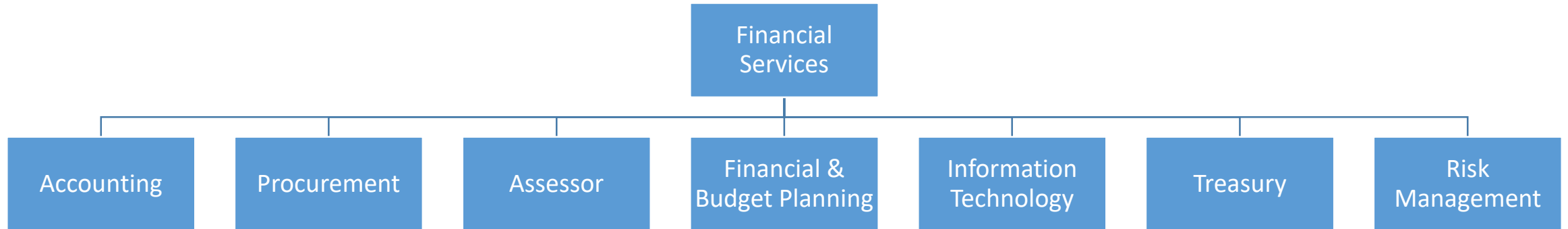
R = Recurring Cost O = One-Time Cost

# CITY ADMINISTRATOR – HORIZON ISSUES

- Adaptation of operations to post-COVID environment
- Need for additional economic development & legislative lobbying efforts
- Diversity, Equity & Inclusion strategic plan
- Implementation of succession plans
- Adoption of City strategic plan



# FINANCIAL AND ADMINISTRATIVE SERVICES



The Financial Services Area is comprised of seven services units: Accounting, Procurement, Assessor, Financial & Budget Planning, Information Technology, Treasury, and Risk Management.

# FINANCIAL & ADMINISTRATIVE SERVICES (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
City is recognized as being prudently managed	<ul style="list-style-type: none"><li>• Maintain a General Obligation bond rating of AA+ or better.</li><li>• By 2023, all budgets for major funds reflect recurring expenditures (with on-going capital needs fully accounted for) are funded by recurring revenues.</li></ul>
Deliver exceptional city core services	<ul style="list-style-type: none"><li>• By 2022, publish an annual report describing the delivery of core services.</li></ul>

# FINANCIAL & ADMINISTRATIVE SERVICES (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
No incremental resources requested		

R = Recurring Cost O = One-Time Cost

# FINANCIAL & ADMINISTRATIVE SERVICES (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Prudent and Sustainable Financial Standards	<ul style="list-style-type: none"> <li>• Audit – Zero material weaknesses and zero significant deficiencies</li> <li>• Bond Rating – LTGO AA+, Water AA, Sewer AA+</li> </ul>
Alignment of Resources to Deliver Strategy	<ul style="list-style-type: none"> <li>• No structural deficit, recurring revenues and expenditures balance (except for pandemic related issues).</li> <li>• Fund balance at 21.1% (policy range = 15-20%)</li> <li>• Pension funded ratio = 84%</li> <li>• VEBA funded ratio = 67%</li> </ul>
Sustainable and Strong Finance Team	<ul style="list-style-type: none"> <li>• Fully staffed</li> <li>• Succession plans in place</li> </ul>
Equitable Economic Development	<ul style="list-style-type: none"> <li>• New Poverty Exemption guidelines adopted</li> <li>• High speed fiber optic project in process</li> </ul>
Transformative Initiatives	<ul style="list-style-type: none"> <li>• Priority Based Budgeting initiated and integrated in the budget process</li> </ul>

# FINANCIAL & ADMINISTRATIVE SERVICES

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
Reduction in Collection Costs	(1,000)	R
Reduction in Legal Fees	(6,500)	R
Reduction in Tuition Reimbursement	(5,000)	R
Reduction in Materials & Supplies	(5,500)	R
Potential layoff or retirement	(85,768)	R
<b><i>Financial &amp; Administrative Services Total Impacts</i></b>	<b><i>(103,768)</i></b>	

R = Recurring Cost O = One-Time Cost



# NON-DEPARTMENTAL IMPACTS

IMPACT/ISSUE	AMOUNT	TYPE
Reduce materials & supplies that was previously for internal grants	(10,000)	R
Reduce postage	(24,000)	R
Reduce dues & licenses	(10,000)	R
Eliminate transfer to Capital Sinking Fund for General Fund owned facilities	(400,000)	O
<b><i>Non-Departmental Total Impacts</i></b>	<b><i>(444,000)</i></b>	

R = Recurring Cost O = One-Time Cost

# FINANCIAL & ADMINISTRATIVE SERVICES HORIZON ISSUES

- Implementation of succession plan, training, and organizational development
- Implementation and integration of Priority Based Budgeting (PBB)
- Ensuring the health and sustainability of pension / OPEB plans
- Support development of sustainability initiatives
- Navigate financial challenges of COVID-19 and post-pandemic realities

# INFORMATION TECHNOLOGY (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Universal access to information and communication technology	<ul style="list-style-type: none"><li>• By 2023, create a strategy for how all Ann Arborites will have access to affordable &amp; reliable internet and other telecommunication technologies.</li></ul>

# INFORMATION TECHNOLOGY

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
No incremental resources requested at this time. However IT has an objective to create a strategy to provide access to affordable & reliable internet and is working with the SmartZone LDFA to build high speed fiber networks.		

R = Recurring Cost O = One-Time Cost

# INFORMATION TECHNOLOGY (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Application Delivery	<ul style="list-style-type: none"> <li>• Project Closure Survey Results - &gt;90% average of the "Very Satisfied" and "Satisfied" results of overall project customer satisfaction.</li> <li>• Project Closure Survey Results - &gt;90% average of the "Very Satisfied" and "Satisfied" results of project "Business Needs" being met.</li> </ul>
Enterprise Systems Support	<ul style="list-style-type: none"> <li>• Project Closure Survey Results - &gt;90% average of the "Very Satisfied" and "Satisfied" results of overall project customer satisfaction.</li> <li>• Project Closure Survey Results - &gt;90% average of the "Very Satisfied" and "Satisfied" results of project "Business Needs" being met.</li> </ul>
Help Desk	<ul style="list-style-type: none"> <li>• Annual Customer Satisfaction Survey Results &gt;90%.</li> </ul>
Infrastructure Services	<ul style="list-style-type: none"> <li>• Server Up-time &gt;96% - 365 days, 24x7 (minus scheduled maintenance).</li> </ul>
Network Services	<ul style="list-style-type: none"> <li>• Network Up-time &gt;95% - 365 days, 24x7 (minus scheduled maintenance).</li> </ul>



# INFORMATION TECHNOLOGY

## (IMPACTS TO ACHIEVE CORE SERVICES)

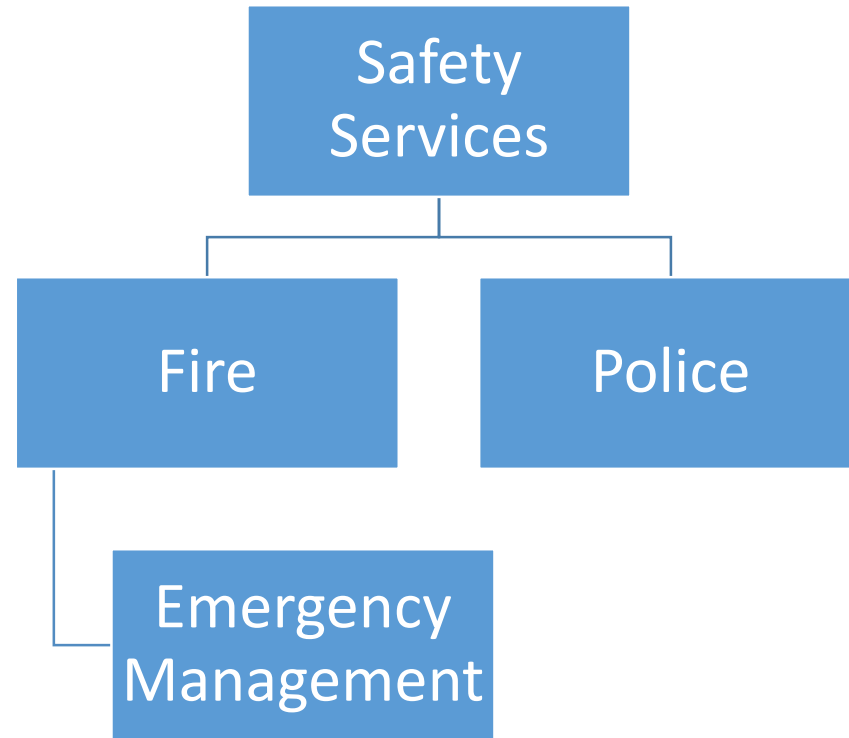
IMPACT/ISSUE	AMOUNT	TYPE
Potential elimination of intern positions	(76,000)	R
Reducing training for IT Staff	(30,000)	R
Eliminate conference room upgrades	(5,000)	R
Potential elimination through layoff or retirement - 2.0 FTEs	(275,354)	R
Reduction of software – Valimail & Office 365 back-ups	(30,000)	R
Reduce wireless project – extend current maintenance agreement until FY24	(20,000)	R
<b><i>Total Information Technology Impacts</i></b>	<b><i>(436,354)</i></b>	

Implications will vary, depending on the number of FTEs and temps eliminated. Potential effects include: delayed PC deployment/replacement, delayed training for staff, and a decreased ability to mitigate email security threats.

R = Recurring Cost O = One-Time Cost

# INFORMATION TECHNOLOGY HORIZON ISSUES

- Cyber security
- Future workplace (Due to COVID-19) – Telecommuting
- Digital transformation culture change
  - Connecting infrastructure, assets, & devices:
    - Remote management & operations
    - Data-driven organization
- Smart Cities



The Safety Services Area is comprised of two service units: Police Services and Fire Services. These service units provide the community with a broad array of support such as City-wide emergency preparedness and education, fire operations and inspections, fire safety, police patrol, traffic enforcement, parking and code compliance, police investigation, and community engagement.

# FIRE DEPARTMENT (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
City capital assets are well maintained with reserves for replacements	<ul style="list-style-type: none"><li>• By 2025, one new LEED silver or Net-Zero fire station is completed.</li></ul>

# FIRE DEPARTMENT

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
Baseline projections assumed \$1M use of Fire Protection Grant funding to support new fire stations		

R = Recurring Cost O = One-Time Cost

# FIRE DEPARTMENT (CORE SERVICE)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Citywide emergency response: turnout and travel.	<ul style="list-style-type: none"> <li>• &lt; 6 minutes for emergency response, first unit arrival.</li> </ul>
Work on new fire dispatch contract with EHP or other vendor.	<ul style="list-style-type: none"> <li>• Fire dispatch contract to deliver improved fire dispatch services.</li> </ul>
Fire Station #4 - Architectural Plans.	<ul style="list-style-type: none"> <li>• Build plans and construction costs for Fire Station 4.</li> </ul>
City Emergency Response Plan.	<ul style="list-style-type: none"> <li>• Plan updated based on COVID-19 lessons learned.</li> </ul>
Hazard Mitigation Grant renewal.	<ul style="list-style-type: none"> <li>• Vendor selected and plan update in progress.</li> </ul>

# FIRE DEPARTMENT

## (IMPACTS TO ACHIEVE CORE SERVICES)

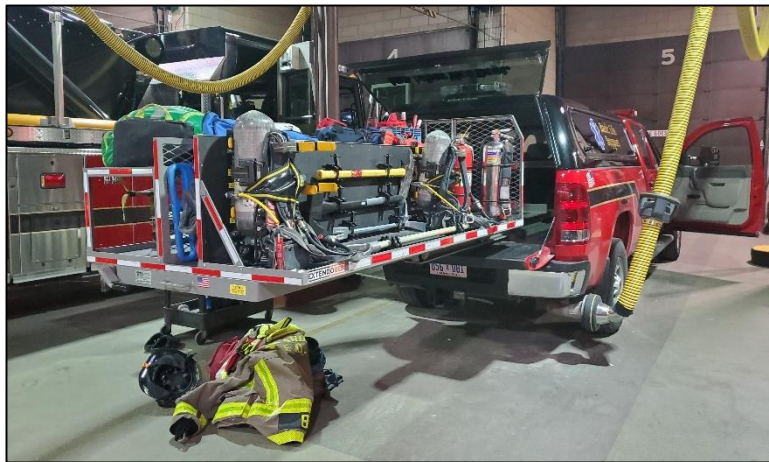
IMPACT/ISSUE	AMOUNT	TYPE
Potential elimination of vacant fire inspector position – 1.0 FTE	(155,796)	R
Potential elimination of fire inspector position due to retirement – 1.0 FTE	(97,738)	R
Potential elimination of vacant fire recruit position & associated expenses – 1.0 FTE	(72,682)	R
Potential elimination of vacant firefighter positions – 2.0 FTEs	(188,626)	R
Repurpose Fire Protection Grant Money to Cover Fire Expenses in lieu of funding Fire Stations	(325,000)	O
Replacement for Rescue 1-1	110,361	O
<b><i>Fire Department Total Impacts</i></b>	<b><i>(729,482)</i></b>	

Implications will vary, depending on the number of FTEs eliminated. Potential effects include: delayed inspections, decreased investigations, impacted diversity efforts, decreased shift staffing, and increased overtime.

R = Recurring Cost O = One-Time Cost

# FIRE DEPARTMENT – HORIZON ISSUES

- FY22 replacement for Rescue 1-1
  - Busiest fire apparatus in the City. It will be a pick-up chassis with utility box, which will allow for better compartmentalization for equipment and turnout gear. Gear and equipment is exposed to rain and snow when pulled out.
  - Total cost is \$140,000.
    - Current budgeted replacement: \$29,369.
    - Need funding: \$110,361.



Old vehicle with pull out tray



New vehicle with utility box



# FIRE DEPARTMENT – HORIZON ISSUES

- FY23 replacement for two reserve fire engines
  - Twin, reserve fire engines are 16 years old with +100,000 miles.
  - Reserve engines are moved into frontline service weekly.
  - Current replacement in FY27.
  - No increase to number of fleet vehicles.
  - Total cost is \$927,960.
    - Pull ahead funding to FY23: \$251,899



# POLICE DEPARTMENT (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Constituents feel safe both in their neighborhood and the broader community	<ul style="list-style-type: none"><li>• By 2022, the bi-annual resident survey on Overall Feeling of Safety is 93%.</li></ul>

# POLICE DEPARTMENT

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
Investment in Community Policing	TBD	R
Pilot mental health response model	TBD	O

R = Recurring Cost O = One-Time Cost

# POLICE DEPARTMENT (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Community Engagement	<ul style="list-style-type: none"> <li>• Increase positive interactions with diverse segments of Ann Arbor Community</li> </ul>
Administration	<ul style="list-style-type: none"> <li>• Review and enhance data systems to increase transparency and communication</li> </ul>
Patrol	<ul style="list-style-type: none"> <li>• Increase visibility and address emerging crime through community centered operational plans</li> </ul>
Patrol	<ul style="list-style-type: none"> <li>• Respond to all public safety calls</li> </ul>
Criminal Investigations	<ul style="list-style-type: none"> <li>• Reduce violent crime</li> </ul>

# POLICE DEPARTMENT

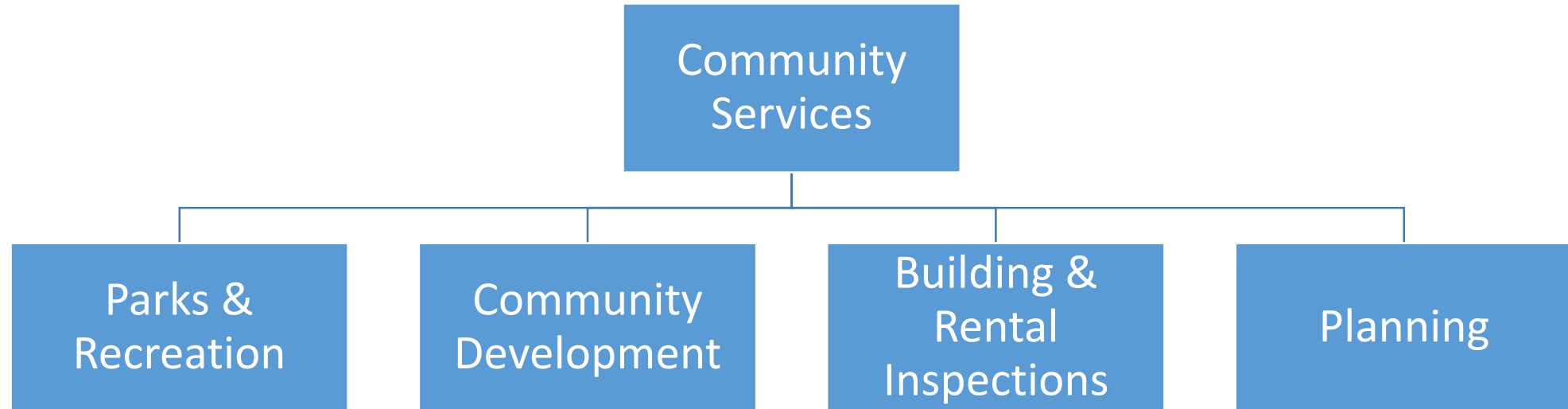
## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
Retirement Savings	(283,474)	R
Overtime reduction – keep the same as FY21 level	(43,402)	R
Reduction for unused portion of budget for transcription services & bank service fees	(9,000)	R
Fleet rate adjustments & eliminate Detective Bureau vehicles	(10,372)	R
Potential elimination of vacant sworn police officer positions – 11.0 FTEs	(1,175,394)	R
Potential elimination of vacant PSS position – 1.0 FTE	(84,161)	R
Bomb dog & vehicle	55,000	O
Electric bikes for bike patrol	2,500	O
Taser Replacement	70,000	R
Chief Strategy Executive to monitor and execute strategic community policing plan – 1.0 FTE	158,458	R
<b><i>Police Department Total Impacts</i></b>	<b><i>(1,319,845)</i></b>	

# POLICE DEPARTMENT – HORIZON ISSUES

- Taser replacement – incorporate into AXON contract (5 year commitment)
- Impact of senior staff retirements including Command Staff (replacement of staff and loss of institutional knowledge)
- Community policing personnel needs – TBD
- Cost of electric vehicle transition
- COVID/Civil unrest related overtime expenses due to student return to campus
- Records management software needs – transparency, data collection
- Ability to recruit diverse candidates
- Criminal justice reform – unknown requirements
- Increase of police sworn staff – number TBD
- Officer wellness checkups
- Emerging crime trends

# COMMUNITY SERVICES



The Community Services Area is comprised of four services units: Building & Rental Services, the Office of Community Development (through Washtenaw County), Planning, and Parks & Recreation. These service units provide the organization with a broad array of services, including parks planning, parks maintenance, recreation programs, volunteerism, natural area preservation, open space and parkland preservation, master planning, zoning, rental housing and building inspections, construction permitting, and low-income housing (via the Ann Arbor Housing Commission) and human services support (through Washtenaw County).

# PARKS & REC

## (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Residents feel there are quality recreational and fitness opportunities	<ul style="list-style-type: none"><li>• The bi-annual resident survey maintains a positive rating of 94% on the Overall Quality of Parks &amp; Recreational opportunities.</li></ul>
City capital assets are well maintained with reserves for replacements	<ul style="list-style-type: none"><li>• By 2023, establish an asset management baseline for all Parks related facilities, which emphasizes preventative maintenance.</li></ul>



# PARKS & REC

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
Professional services to develop and adopt capital replacement plan	250,000	O
<b><i>Parks &amp; Rec Total Impacts</i></b>	<b><i>250,000</i></b>	

R = Recurring Cost O = One-Time Cost

# PARKS & REC (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Offer community supported recreational programs across 15 recreation facilities.	Percentage satisfied (4 out of 5 rating average) per parks satisfaction program survey
Protect and restore Ann Arbor's natural areas through activities such as prescribed burns, plant and animal inventories, and engaging volunteers.	Percentage of 6.5 tons of invasive species removed annually
Provide volunteer opportunities across approximately 112 parks and recreation facilities to enhance programming, maintenance, and beautification.	Percentage capacity of the equivalent of 3 FTE's captured through volunteer hours
Park planning and improvements, policy development, administration.	>90% satisfied with City parks as reported on National Citizen Survey

# PARKS & REC

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
Fleet rate adjustments	(5,730)	R
Reduction of printed marketing	(8,000)	R
Reallocate a portion of the Recreation Supervisors to Fund 0071	(103,078)	R
Eliminate additional weekly mowing of Rec & Ed field space	(19,840)	R
Maintenance facility transfer	635	R
Seasonal staffing model changes	6,697	R
Increase Community Action Network contract amount	4,635	R
Increase in materials & supplies for golf facilities	12,000	R
<b><i>Parks &amp; Rec Total Expenditure Impacts</i></b>	<b><i>(112,681)</i></b>	

R = Recurring Cost O = One-Time Cost

# PARKS & REC - continued

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
Farmer's Market – increase stall rental fees	(15,154)	R
Argo & Gallup Liveries – increase boat rental fees	(99,000)	R
Gallup Livery – increase meeting room rental fees	(6,000)	R
Increase Swimming Pool fees for Master's program, daily admissions, swim lessons & seasonal pass rate	(89,390)	R
Senior Center – increase in private rental fees	(5,351)	R
Ice Rinks – increase public skate fees and skating lesson fees	(37,934)	R
Golf Courses – increase Weekend 18 fees & adjust revenue projection to reflect increased demand	(63,787)	R
Athletic Fields – increase hourly rental fee	(10,000)	R
Cobblestone Farm – increase rental fee and restructure operations	(15,000)	R
Online store for merchandise	(5,000)	R
<b><i>Parks &amp; Rec Total Revenue Impacts</i></b>	<b><i>(346,616)</i></b>	

# PARKS – HORIZON ISSUES

- Adjusting programming and offerings in response to COVID-19
- Aging infrastructure and funding needs
- DEI objectives – developing a Parks plan

# BUILDING & RENTAL (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Overall residents highly recommend living in Ann Arbor to others	<ul style="list-style-type: none"><li>• By 2022, the bi-annual resident survey for residents recommending to others to live in Ann Arbor is 90% or higher.</li></ul>

# BUILDING & RENTAL

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
No incremental resources requested		

R = Recurring Cost O = One-Time Cost

# BUILDING & RENTAL (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Average wait time for a Building/Trade inspection.	<ul style="list-style-type: none"> <li>The goal for this metric is 24-48 hours for an inspection to be completed from the time of request. This is a customer service measure captured to ensure we are meeting the expectations of the public to deliver timely project services.</li> </ul>
Percentage of permit applications processed and issued within 24-48 hours of receipt.	<ul style="list-style-type: none"> <li>With the transition to digital permit application submission, the goal for processing and issuing same day permits has been extended to a 24-48 hour maximum process time.</li> </ul>
Percentage of rental properties passing on the initial inspection.	<ul style="list-style-type: none"> <li>With the implementation of a new housing fee structure July 1, 2018 our metrics changed to capture the effectiveness of the first time pass initiative incorporated. First time passes, are granted an additional year to promote the practice of pre-inspections to ensure the property has a successful inspection. The increase of fist time passes will also allow for more initial inspections and new registrations.</li> </ul>



# BUILDING & RENTAL

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
Employee allocation adjustments between the Construction Fund & General Fund	(25,652)	R
Ticket Administration Fee revenue	(7,500)	R
Short-term rental registration fee revenue	(100,000)	R
Reduce contracted services for barricades	(78,000)	R
<b><i>Building &amp; Rental Total Impacts</i></b>	<b><i>(211,152)</i></b>	

R = Recurring Cost O = One-Time Cost

# BUILDING & RENTAL – HORIZON ISSUES

- Implementation and introduction of new permitting software in fourth quarter of FY21.
- Improving remote service for inspections, permit issuance and plan review.
- Adoption of the International Property Maintenance Code v2015 to replace the current Rental Housing, Chapter 105 Ordinance.

# PLANNING (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Compact pattern of diverse development that maintains our unique sense of place, preserves our natural systems, and strengthens our neighborhoods, corridors, and downtown	<ul style="list-style-type: none"><li>• By 2025, the City has updated our land-use master plan.</li></ul>

# PLANNING

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
Facilitation of community conversation regarding single family zoning	100,000	O
<b><i>Planning Total Impacts</i></b>	<b><i>100,000</i></b>	

R = Recurring Cost O = One-Time Cost

# PLANNING (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Development Review – Work to reduce time of Development Review process	Measure days between application submittal and approval: 60 Days for Planning Commission Approval; 100 Days for City Council Approval
Historic Preservation Permit Review – Efficient and timely review of Work Permits	Measure days between application and administrative approval: Goal of 90% of all permit review completed in 7 days or less
City Ordinance Update – Ordinance Amendments to reflect City goals and priorities	Present 5 amendments to City Council by 6/30/22
City Master Plan Update – Update City Master Plan to reflect current goals and priorities of City	Present 2 amendments to Master Plan to City Council by 6/30/22

# PLANNING

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
Increase revenue for application fees	(39,735)	R
Increase Brownfield Plan Review revenue	(17,800)	R
Reclassify City Planner positions to newly created Associate Planner Positions – 2.0 FTEs	(83,662)	R
Increase in temporary pay	3,000	R
Matching funds for grant application & professional services to support Historic District Study committee analysis of proposed Historic District – Hayden House	5,490	O
Professional services for Brownfield Plan Review & consultant for assistance on planning/zoning initiatives	49,094	R
<b><i>Planning Total Impacts</i></b>	<b><i>(83,613)</i></b>	

R = Recurring Cost O = One-Time Cost

# PLANNING – HORIZON ISSUES

- Master Planning – Comprehensive Update to City Master Plan
- Zoning/Land Use/Racial Equity – Community conversation to understand history of public policy and racial inequity
- Affordability – Evaluation of development review process and impacts on affordability
- Sustainability – Opportunities/Limitations to advance sustainability goals through land use policy
- Restructuring – Unflatten organization; develop succession planning and more specialized staffing structure

# COMMUNITY DEVELOPMENT (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Increase opportunities for all to live in Ann Arbor	<ul style="list-style-type: none"><li>• By 2023, develop a plan to increase the diversity of city residents.</li></ul>



# COMMUNITY DEVELOPMENT

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

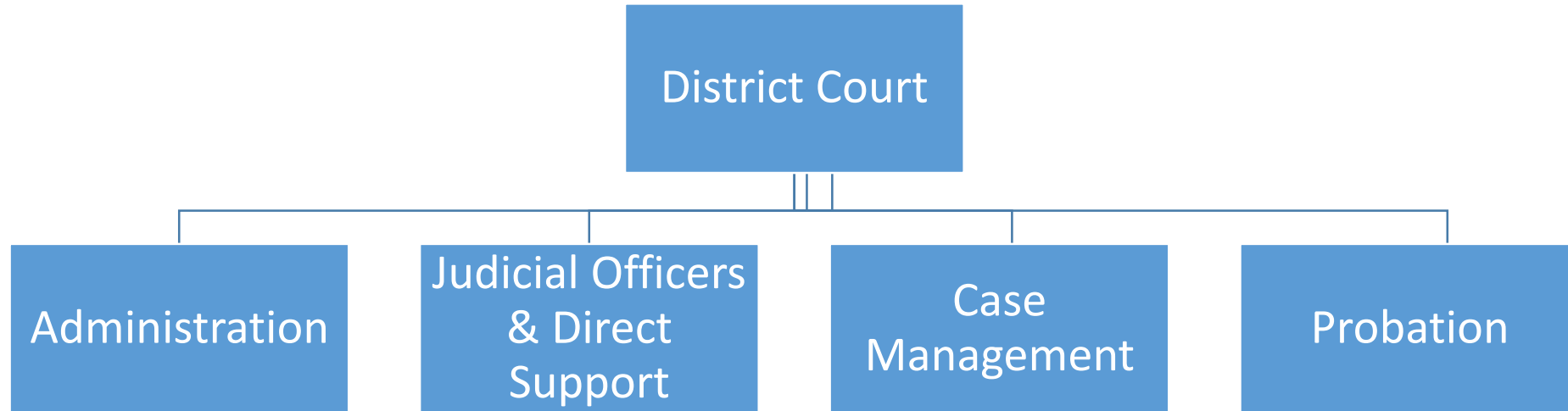
IMPACT/ISSUE	AMOUNT	TYPE
Professional Services to Facilitate Plan Development to Increase Diversity of Ann Arbor Residents	100,000	O
<b><i>Community Development Total Impacts</i></b>	<b><i>100,000</i></b>	

R = Recurring Cost O = One-Time Cost

# COMMUNITY DEVELOPMENT – HORIZON ISSUES

- Discussion of Coordinated Funding

# 15<sup>th</sup> DISTRICT COURT



The Fifteen Judicial District Court provides the community with an impartial, safe and accessible forum for the just resolution of public and private disputes. The Court is comprised of the above divisions. Administration oversees the non-judicial functions of the Court. The judicial officers and their direct support staff are responsible for creating an official record of proceedings, maintaining decorum in the courtrooms, and resolving cases in a timely manner while ensuring rule of law and protection of individual rights. Case Management is the customer service hub of the Court. The office performs essential clerical functions, such as the creation, maintenance and destruction of court files, scheduling court hearings, sending notices to parties, and accepting payments. Probation is responsible for pre-sentence investigations, alcohol assessments, supervising and counseling clients, and referrals to outside agencies for services.

# 15<sup>th</sup> DISTRICT COURT (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Direct, supervise and coordinate the non-judicial functions of the court	<ul style="list-style-type: none"> <li>• 100% compliance with State Court Administrative Office (SCAO) reporting requirements</li> </ul>
Accept payment of fees	<ul style="list-style-type: none"> <li>• Greater than or equal to 97% of payments processed accurately</li> </ul>
Resolution of civil and criminal cases in a fair, timely and consistent manner	<ul style="list-style-type: none"> <li>• Annual public satisfaction survey Q3: Local results greater than or equal to most recent statewide average</li> </ul>
Supervise offenders placed on probation to ensure compliance with court orders	<ul style="list-style-type: none"> <li>• Greater than 75% of clients successfully completing probation</li> </ul>
Supervise offenders placed on probation to ensure compliance with court orders	<ul style="list-style-type: none"> <li>• Sobriety Court graduates only recidivism rate for any new conviction less than or equal to statewide graduates only recidivism rate</li> </ul>

# 15<sup>th</sup> DISTRICT COURT

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
Potential elimination of budgeted equipment allowance	(2,520)	R
Reduce conference, training and travel	(9,000)	O
Reduce contracted services for contract with Washtenaw County, contingent on SCAO approval	(38,000)	O
Maintain FTE vacancy for 3 months in FY22	(34,603)	O
Potential reduction of bailiff's by 5 hours per week for FY22	(10,500)	O
Potential reduction of in temporary pay	(14,440)	O
Reduce professional services (contingent upon MIDC grant funding)	(36,000)	R
Reduce materials & supplies	(2,000)	R
Reduce overtime	(2,000)	R
Potential elimination of position & associated costs – 1.0 FTE	(109,005)	R
<b><i>15<sup>th</sup> District Court Total Impacts</i></b>	<b><i>(258,068)</i></b>	

R = Recurring Cost O = One-Time Cost

# 15<sup>th</sup> DISTRICT COURT – HORIZON ISSUES

- Changes in Michigan Indigent Defense Standards
- Trial Court Funding
- E-filing
- Impacts of Michigan Criminal Justice Reform Packet of December 2020

# OFFICE OF SUSTAINABILITY & INNOVATIONS

## (STRATEGIC OBJECTIVES)

OBJECTIVE	PERFORMANCE MEASURE
Ensure that community leadership includes meaningful representation by People of Color, members of the LGBTQ+ community, and people of varying abilities	<ul style="list-style-type: none"> <li>By 2022, establish a baseline measure of the diversity of community leadership.</li> </ul>
Apply an equity lens to policies as they are developed and considered for adoption	<ul style="list-style-type: none"> <li>By 2022 develop a set of tools for policymakers to audit policies from an equity perspective.</li> </ul>
All members of the community have access to and are using renewable energy	<ul style="list-style-type: none"> <li>By 2023, 10% of all Ann Arborites are relying upon renewable energy to power their electrical needs.</li> </ul>
The Ann Arbor community has reduced energy consumption, carbon emissions, and our reliance upon fossil fuels	<ul style="list-style-type: none"> <li>By 2023, greenhouse gas emissions in Ann Arbor are 1.5 million metric tons CO2 (carbon dioxide equivalent).</li> <li>By 2025, reduce vehicle miles traveled by 5 million miles per year.</li> </ul>

# OFFICE OF SUSTAINABILITY & INNOVATIONS

## (STRATEGIC OBJECTIVES - Continued)

OBJECTIVE	PERFORMANCE MEASURE
Ann Arbor’s natural and human systems are resilient to climate-related disruptions	<ul style="list-style-type: none"> <li>• By 2023, we have a comprehensive understanding of both the city's as well as the community’s vulnerability to climate-related disruptions.</li> <li>• By 2023, open two resilience hubs in the community – with a priority to serving low-income and underserved neighborhoods.</li> <li>• By 2023, 20% of our community has conducted neighborhood asset mapping, with a priority to starting in low-income neighborhoods.</li> </ul>
Well maintained transportation and utility infrastructure across the city and region	<ul style="list-style-type: none"> <li>• By 2030, 10% of all public and private parking spaces are equipped with level 2 EV chargers and 2% with Direct Current Fast Chargers (DCFCs).</li> </ul>
Constructed and natural infrastructure systems that meet the current and future needs of our community	<ul style="list-style-type: none"> <li>• By 2030, 10,000 new trees are planted on city property and in the right of way and 10,000 new trees are planted on private property.</li> </ul>



# OFFICE OF SUSTAINABILITY & INNOVATIONS

## (STRATEGIC OBJECTIVES - Continued)

OBJECTIVE	PERFORMANCE MEASURE
Sustainable, low or no carbon buildings that serve a vital community role and, when decommissioned, have little to no waste	<ul style="list-style-type: none"> <li>• By 2023, Ann Arbor has passed energy disclosure ordinances and is administering the first round of full disclosure.</li> <li>• By 2023, a detailed strategy exists for how to get every affordable housing, nearly all rentals, and most single-family homes to net zero energy.</li> <li>• Develop the baseline for the rental property energy usage reduction.</li> </ul>
Compact pattern of diverse development that maintains our unique sense of place, preserves our natural systems, and strengthens our neighborhoods, corridors, and downtown	<ul style="list-style-type: none"> <li>• By 2023, 10% of all in-city trips are done by walking or biking.</li> </ul>
Increased use of regional transportation opportunities	<ul style="list-style-type: none"> <li>• By 2023, establish baseline of the percentage of in/out commute trips that are made on mass transit.</li> </ul>
Increased focus on “green” companies	<ul style="list-style-type: none"> <li>• Define “green” industry businesses and establish a goal</li> </ul>

# OFFICE OF SUSTAINABILITY & INNOVATIONS

## (IMPACTS TO ACHIEVE STRATEGIC OBJECTIVES)

IMPACT/ISSUE	AMOUNT	TYPE
Contracted services to support energy audits and improvements at City facilities	150,000	R
4.0 FTEs – Sustainability focused work	415,731	R
Electrification of City vehicles – heavy vehicles	400,000	O
Energy concierge	50,000	O
Benchmarking & disclosure, equity work, & volunteer coordination & monitoring software	100,000	R/O
Building code & energy training, green rental efficiency training & professional development of staff	55,000	R/O
Materials & supplies for outreach & marketing efforts	37,500	R
Electrification of City facilities, efficiency improvements, lighting upgrades, public EV infrastructure, resilience & non-motorized plan	2,425,000	O
<b>Office of Sustainability &amp; Innovations Total Impacts</b>	<b>3,633,231</b>	

# OFFICE OF SUSTAINABILITY & INNOVATIONS

## (CORE SERVICES)

SCOPE OF SERVICE	PERFORMANCE MEASURE
Advance A <sup>2</sup> ZERO – Carbon Neutrality	<ul style="list-style-type: none"> <li>Community-wide Greenhouse Gas Emissions</li> <li>Methodology for carbon budgeting, calculating embodied carbon, and upstream emissions</li> </ul>
Improve Efficiency of City Operations	<ul style="list-style-type: none"> <li>City Operations Greenhouse Gas Emissions</li> <li>City Energy Spend</li> </ul>
Greening Fleet and Community Vehicles	<ul style="list-style-type: none"> <li>Percent of City vehicles that are electric or zero emissions</li> <li>Number of electric or zero emissions vehicles in the community</li> <li>Number of electric vehicles chargers installed</li> </ul>
Equitable Community Engagement	<ul style="list-style-type: none"> <li>Number of grants issued; and amount leverage</li> <li>Number of public events and attendees</li> <li>Demographics of attendees</li> <li>Composition of OSI boards, commissions, and task forces</li> </ul>
Enhancing Resilience	<ul style="list-style-type: none"> <li>Number of emergency preparedness kits and plans developed</li> <li>Number of trees planted</li> <li>Score in Community Rating System</li> <li>Number of neighborhood asset maps completed</li> </ul>

# OFFICE OF SUSTAINABILITY & INNOVATIONS

## (IMPACTS TO ACHIEVE CORE SERVICES)

IMPACT/ISSUE	AMOUNT	TYPE
Reduction in professional services	(23,750)	O
Reduction in dues & licenses	(8,500)	R
Legal fees	50,000	R
<b><i>Office of Sustainability &amp; Innovations Total Impacts</i></b>	<b><i>17,750</i></b>	

R = Recurring Cost O = One-Time Cost

# OFFICE OF SUSTAINABILITY & INNOVATIONS

## HORIZON ISSUES

### **Financial**

- Funding for initiatives in A<sup>2</sup>ZERO
- Institutionalizing A<sup>2</sup>ZERO into all City processes (e.g., CIP, Master Plan)
- Securing funds to support our residents and businesses with their transitions

### **Capacity**

- Securing, training, managing, and maintaining the human capacity to implement A<sup>2</sup>ZERO, internally and externally

### **Supporting Environment**

- Advancing carbon neutral friendly state legislation
- Federal legislation, policies, and funding supporting
- Utility decision-making
- University of Michigan, AAPS, and AAATA action

# FY22 CITY COUNCIL BUDGET QUESTIONS PROCESS

Please send any FY22/23 budget questions to **Sara Higgins**, copying Tom Crawford, Matt Horning and Kim Buselmeier. Responses will be organized by topic and responded to throughout the budget season.

# QUESTIONS AND DISCUSSION