



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: Kimberly Buselmeier, Finance Manager
Sarah Mason, Solid Waste Manager
Marti Praschan, CFO
Jordan Roberts, Public Services Area Administrator
Mariah Walton, Deputy City Administrator

SUBJECT: June 15, 2026 Council Agenda Response Memo

DATE: June 11, 2026

CA-11: Resolution to Approve the Eleventh Amended and Restated General Services Agreement Between Recycle Ann Arbor and the City of Ann Arbor for Multi-Family and Commercial Recycling Collection Services for an Extension of Two Years with Annual Increases for Inflation Every July 1st (limited to the percentage change in the Consumer Price Index (CPI) for the previous contract year, or 6%, whichever is less), (not-to-exceed \$1,413,617.16 for FY27 and 1,498,434.24 for FY28; estimated total do-not-exceed cost of \$2,912,051.40 for two years of the Contract)

Question #1: Approximately how many multi-family and commercial units in total are serviced by the current (and future, if approved) contract with Recycle Ann Arbor? (Councilmember Mallek)

Response: The list of customers being serviced under the current agreement and included as Attachment I in the proposed agreement includes 1,080 locations (some customers have multiple locations, i.e. multi-family properties with multiple cart group areas) and 4,015 carts. While the future cannot be predicted, we anticipate as development occurs, we will be adding to the residential count as well as to the multifamily/commercial accounts. Both the RAA residential contract as well as their Multifamily/Commercial contract have provisions for increases in revenue to RAA for those additional services.

Question #2: The staff memo states, “Once the conversion of three thousand (3,000) weekly cart tips to dumpster collection has been completed, the monthly fixed cost shall be reduced by \$10,000.” Can further information be provided on this conversion and what it means, and how it ultimately leads to a decrease in costs? (Councilmember Mallek)

Response: There is an opportunity to right size collection services for some of the existing recycle cart customers under the current agreement. These customers are those that have a number of curb carts that equal the same capacity as a dumpster and have space to host a recycle dumpster. In those instances, collection efficiency can be improved by the conversion of carts to dumpster collection. However, from a practical standpoint the conversion of 3,000 weekly cart tips is unlikely to be achieved, as there are not enough eligible customers to be converted. In Amendment 10 of this same agreement, the language read “conversion of 3,000 monthly cart tips”, which was an achievable target, however, RAA requested that be changed to weekly tips instead of monthly, and staff agreed to this request. Under the proposed agreement for commercial and multi-family curb cart customers, there have been conversions made, and an accounting of those conversions is included in each monthly invoice. The city may add cart tips to the current service, which will debit against the current list of credited conversions, up to the total of the current conversions without an increase to the cost of service.

CA-22: Resolution to Amend Ann Arbor City Budget for Fiscal Year 2026 (8 Votes Required)

Question #1: With these proposed end-of-year budget amendments taken into account, does staff have an estimate for the level of General Fund fund balance for the end of FY26? (Councilmember Mallek)

Response: The current estimate is that the General Fund unassigned fund balance will be approximately 18% of General Fund expenditures at the end of FY26.

Question #2: Could more information be provided on the proposed amendments related to Court Facilities, both from the General Fund (\$571,000) and non-GF Court Facilities Fund (\$58,500)? (Councilmember Mallek)

Response: There is only one amendment related to the Court Facilities Fund. The amendment requests that \$58,500 be transferred from the General Fund to the Court Facilities Fund. The Court Facilities Fund receives \$10 per ticket that qualifies from citations issued by the Ann Arbor Police Department. Due to changes in policing, the amount anticipated from these tickets was less than expected. The \$571,000 listed in the resolution is not related to Court Facilities and has been updated to the amount of \$512,500 which is for retirement severances and comes from assigned fund balance in the General Fund.

Question #3: Why is more than one fund impacted? (Councilmember Mallek)

Response: Two funds are affected for this shortfall – the General Fund and the Court Facilities Fund. We are requesting that the General Fund transfer \$58,500 to cover the revenue that was anticipated to be received by the Court Facilities Fund and was not realized. This is necessary to avoid a deficit in the Court Facilities Fund.

Question #4: The brief reason provided indicates revenues came in lower than expected. Is this anticipated to be a one-time occurrence or a long-term trend? (Councilmember Mallek)

Response: It is treated as a one-time occurrence since we are unable to estimate the number of tickets that qualify as revenue for the Court Facilities Fund due to the constantly evolving police landscape.

Question #5: Are the amended General Fund dollars (\$571,000) for the Court Facilities considered a reimbursement or from the assigned fund balance? (Councilmember Mallek)

Response: \$58,500 is requested to be transferred from the General Fund to the Court Facilities Fund. This will be a use of unassigned fund balance from the General Fund.