

MEMORANDUM

TO: Mayor and Council

FROM: Howard Lazarus, City Administrator

DATE: May 20, 2019

SUBJECT: Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for fiscal year 2020

Attached for your review and action is the proposed FY 2020 City Budget that totals \$465 million in revenue and \$433 million in expenditures and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 15, 2019.

General Fund Activities

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

	<u>FY 2020</u>
Recurring Revenues	\$ 108,675,380
Non-recurring Revenues	<u>3,053,386</u>
Total Revenues	\$ 111,728,766
Recurring Expenditures	\$ 108,579,039
Non-recurring Expenditures	<u>3,149,727</u>
Total Expenditures	\$ 111,728,766

General Fund recurring expenditures increased by \$5,035,538 (+4.9%) compared to FY 2019's adopted budget, and recurring revenues increased by \$5,131,879 (5.0%). Below is a summary of non-recurring expenditures:

<u>General Fund Non-recurring Expenditures</u>	<u>FY 2020</u>
Mayor-Mayoral coin design	\$ 500
Mayor-Sister City anniversary	1,000
Mayor-City University dinner	3,500
Mayor-Copier and badge reader for Council office	11,000
City Attorney-Temporary pay for planned leave of	24,000
City Attorney-Citylaw data conversion	48,000
City Administrator-Intern/Job Corps Program	25,000
City Administrator-Citizen Survey	30,000
City Administrator-Fleet & Facilities-ADA access	25,000
Community Services-Parks & Recreation-Outdoc	40,000
Community Services-Parks & Recreation-Parks I	389,168
Community Services-Planning-Consultant to coor	500,000
Community Services-Planning-AirBnB study	25,000
Finance-Digital scanning of paper Assessing rec	8,320
Finance-Priority based budgeting start-up costs	40,000
Public Services-Systems Planning-Treeline Trail :	40,000
Public Services-Barton Dam hydro hoist repair	6,000
Public Services-Barton Dam supporting technica	16,000
Public Services-Barton Dam stability analysis	20,000
Public Services-Barton Dam funding for survey re	306,000
Public Services-Barton Dam embankment rehabi	125,000
Public Services-Superior Dam technical informat	14,000
Public Services-Superior Dam repair to concrete	35,000
Public Services-Street repairs	700,000
Police - Bullet proof vests	25,000
Police-Tasers	19,700
Police-Microphones for motorcycle helmets	8,910
Police-Vehicle crash forensic mapping system	33,700
Police-Body cameras	21,529
Fire-Tornado siren maintenance and repair	46,400
Non-Departmental-Inclusion contract	59,000
Non-Departmental-Staff training	58,000
Non-Departmental-workforce planning program	100,000
Non-Departmental-Active transportation	170,000
Non-Departmental-Center of the City initiative	175,000
Total General Fund Non-recurring Expenditures	<u>\$ 3,149,727</u>

FTEs

The City's FTEs are proposed to increase from 745, as amended during FY19, to 759 in FY 2020 (excluding transfers between Service Areas and net of incidental changes):

- 1.0 FTE increase in Community Services, Housing Commission (amended during FY 2019)
- 1.0 FTE increase in City Administrator, Police Commission (amended during FY 2019)

- 1.0 FTE increase in City Administrator, Human Resources
- 4.0 FTE increase in Safety Services, Police
- 0.25 FTE increase in Mayor's Office
- 3.0 FTE increase in Community Services, Building
- 1.0 FTE increase in Community Services, Parks & Recreation
- 4.0 FTE increase in Public Services

As part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 758 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 2020 the Headlee rollback multiplier is anticipated to be 0.9912):

	PROPOSED FY 2020	ACTUAL FY 2019	CHANGE
GENERAL OPERATING	5.8884	5.9407	(0.0523)
EMPLOYEE BENEFITS	1.9627	1.9802	(0.0175)
AAATA	1.9627	1.9802	(0.0175)
REFUSE COLLECTION	2.3549	2.3759	(0.0210)
STREET, BRIDGE & SIDEWALK MILLAGE	1.9981	2.0920	(0.0939)
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0903	1.0594	0.0309
OPEN SPACE & PARKLAND PRESERVATION	<u>0.4560</u>	<u>0.4601</u>	<u>(0.0041)</u>
TOTAL	15.7131	15.8885	(0.1754)

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 2020

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2020 for the City of Ann Arbor, which was submitted on April 15, 2019 in accordance with Charter Section 8.2; 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 2020 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 \$250,539,125 are approved; and that \$41,600,875 be appropriated in FY 2020 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 \$636,058 be appropriated without regard to fiscal year;

RESOLVED, That a total 759 full-time equivalent positions be adopted in the FY 2020 budget;

RESOLVED, That as part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 759 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, or from the City Administrator budget within the same fund;

RESOLVED, that any unspent FY19 Sustaining Ann Arbor Together grant program funds in the General Fund Planning budget carry forward to FY20 to transfer to the County millage fund Sustainability FY20 budget to be spent without regard to fiscal year;

RESOLVED, that any unspent FY19 Special Event Funding in the General Fund Building & Rental service unit budget carry forward to FY20;

RESOLVED, that any unspent FY19 Annexation Funding in the General Fund Planning service unit budget carry forward to FY20;

RESOLVED, that the Council waives the Other Postemployment Benefits Funding Policy, Section 1.3, for FY20 in order to rebate excess active healthcare funds back to all participating funds;

RESOLVED, That the City Council approve the proposed FY 2020 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2020 in a dedicated fund containing \$4,894,000 in revenues and \$4,894,000 in expenditures;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2020;

<u>REVENUES</u>	
CITY ATTORNEY	\$ 217,366
CITY ADMINISTRATOR	
Human Resources	297,861
Safety	349,381
Clerk Services	335,053
Fleet & Facilities	1,728,271
Communications	328,000
COMMUNITY SERVICES	
Community Development	2,635,118
Building & Rental Services	1,218,700
Planning	480,010
Parks and Recreation Services	5,160,379
FINANCIAL SERVICES	
Financial and Budget Planning	18,378,420
Treasury	49,410,476
Information Technology	3,761,312
PUBLIC SERVICES	
Engineering	1,987,662
Public Works	30,374
Public Services Administration	86,648
Water Treatment	425,000
SAFETY SERVICES	
Police	3,917,468
Fire	679,680
DISTRICT COURT	1,874,116
NON-DEPARTMENTAL	18,427,471
TOTAL GENERAL FUND REVENUES	\$ 111,728,766

EXPENDITURES

MAYOR AND CITY COUNCIL	\$ 438,005
CITY ATTORNEY	2,470,898
CITY ADMINISTRATOR	
City Administrator	1,124,400
Human Resources	2,170,619
Clerk Services	1,295,559
Police Commission	150,000
Safety	342,533
Sustainability & Innovation	408,924
Fleet & Facilities	3,481,700
Communications Office	444,398
COMMUNITY SERVICES	
Building & Rental Services	1,494,606
Planning	1,867,973
Community Development	4,987,754
Parks and Recreation	9,179,488
FINANCIAL SERVICES	
Accounting	887,072
Assessor	1,193,551
Financial and Budget Planning	1,133,114
Information Technology	3,688,287
Procurement	158,539
Risk Management	121,076
Treasury	965,625
PUBLIC SERVICES	
Public Works	30,238
Engineering	4,221,651
Public Services Administration	1,186,564
Systems Planning	40,000
Water Treatment Services	1,007,970
SAFETY SERVICES	
Police	29,651,582
Fire	16,880,562
DISTRICT COURT	4,881,186
NON-DEPARTMENTAL	15,824,892
TOTAL GENERAL FUND EXPENDITURES	\$ 111,728,766

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2020 budget; and

REVENUES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	\$ 720,880
0002	ENERGY PROJECTS	312,071
0003	DOWNTOWN DEVELOPMENT AUTHORITY	8,836,572
0009	SMART ZONE LDFA	4,894,000
0010	GENERAL	111,728,766
0011	CENTRAL STORES	1,237,789
0012	FLEET SERVICES	10,392,385
0014	INFORMATION TECHNOLOGY	8,877,583
0016	COMMUNITY TELEVISION NETWORK	2,199,958
0021	MAJOR STREET	13,045,242
0022	LOCAL STREET	5,595,839
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	2,870,994
0025	BANDEMER PROPERTY	9,056
0026	CONSTRUCTION CODE FUND	4,844,328
0027	DRUG ENFORCEMENT	25,839
0028	FEDERAL EQUITABLE SHARING	77,396
0033	DDA PARKING MAINTENANCE	3,575,000
0034	PARKS MEMORIALS & CONTRIBUTIONS	218,952
0035	GENERAL DEBT SERVICE	10,603,827
0036	METRO EXPANSION	439,382
0038	ANN ARBOR ASSISTANCE	16,204
0041	OPEN SPACE ENDOWMENT	31,026
0042	WATER SUPPLY SYSTEM	30,625,949
0043	SEWAGE DISPOSAL SYSTEM	30,985,531
0048	AIRPORT	979,534
0049	PROJECT MANAGEMENT	5,092,213
0052	VEBA TRUST	12,909,555
0053	POLICE AND FIRE RELIEF	14,464
0054	CEMETERY PERPETUAL CARE	5,106
0055	ELIZABETH R DEAN TRUST	28,620
0056	ART IN PUBLIC PLACES	130,000
0057	RISK FUND	37,368,988
0058	WHEELER CENTER	607,214
0059	EMPLOYEES RETIREMENT SYSTEM	49,362,507
0061	ALTERNATIVE TRANSPORTATION	948,179
0062	STREET, BRIDGE & SIDEWALK MILLAGE	15,811,185
0063	DDA PARKING SYSTEM	23,387,772
0064	MICHIGAN JUSTICE TRAINING	21,268
0069	STORMWATER SEWER SYSTEM	12,703,444
0070	AFFORDABLE HOUSING	675,543
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	6,677,743
0072	SOLID WASTE FUND	18,103,464
0082	STORMWATER BOND	3,709,135
0088	SEWER BOND	7,882,600
0089	WATER BOND	12,375,140
0100	COUNTY MENTAL HEALTH MILLAGE	2,200,000
0101	CAPITAL SINKING FUND	700,000
0260	INDIGENT DEFENSE FUND	197,123
00CP	GENERAL CAPITAL FUND	1,576,000
		<u><u>\$ 465,856,366</u></u>

EXPENDITURES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	\$ 720,880
0002	ENERGY PROJECTS	312,071
0003	DOWNTOWN DEVELOPMENT AUTHORITY	8,836,572
0009	SMART ZONE LDFA	4,894,000
0010	GENERAL	111,728,766
0011	CENTRAL STORES	1,225,154
0012	FLEET SERVICES	10,392,385
0014	INFORMATION TECHNOLOGY	8,214,723
0016	COMMUNITY TELEVISION NETWORK	2,127,793
0021	MAJOR STREET	13,045,242
0022	LOCAL STREET	5,595,839
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	1,427,219
0025	BANDEMER PROPERTY	6,131
0026	CONSTRUCTION CODE FUND	4,844,328
0027	DRUG ENFORCEMENT	24,225
0028	FEDERAL EQUITABLE SHARING	75,003
0033	DDA PARKING MAINTENANCE	3,267,536
0034	PARKS MEMORIALS & CONTRIBUTIONS	148,931
0035	GENERAL DEBT SERVICE	10,603,827
0036	METRO EXPANSION	436,495
0038	ANN ARBOR ASSISTANCE	16,000
0041	OPEN SPACE ENDOWMENT	15,000
0042	WATER SUPPLY SYSTEM	24,287,195
0043	SEWAGE DISPOSAL SYSTEM	25,840,864
0048	AIRPORT	783,170
0049	PROJECT MANAGEMENT	5,092,213
0052	VEBA TRUST	699,819
0055	ELIZABETH R DEAN TRUST	28,620
0056	ART IN PUBLIC PLACES	130,000
0057	RISK FUND	36,600,918
0058	WHEELER CENTER	564,224
0059	EMPLOYEES RETIREMENT SYSTEM	48,994,430
0061	ALTERNATIVE TRANSPORTATION	948,179
0062	STREET, BRIDGE & SIDEWALK MILLAGE	14,286,356
0063	DDA PARKING SYSTEM	23,387,772
0064	MICHIGAN JUSTICE TRAINING	21,000
0069	STORMWATER SEWER SYSTEM	9,931,351
0070	AFFORDABLE HOUSING	660,000
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	6,592,771
0072	SOLID WASTE FUND	18,103,464
0082	STORMWATER BOND	3,709,135
0088	SEWER BOND	7,882,600
0089	WATER BOND	12,375,140
0100	COUNTY MENTAL HEALTH MILLAGE	2,200,000
0101	CAPITAL SINKING FUND	700,000
0260	INDIGENT DEFENSE FUND	197,123
00CP	GENERAL CAPITAL FUND	1,576,000
		<u>\$ 433,775,464</u>

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2020:

	PROPOSED
GENERAL OPERATING	5.8884
EMPLOYEE BENEFITS	1.9627
AAATA	1.9627
REFUSE COLLECTION	2.3549
STREET, BRIDGE & SIDEWALK MILLAGE	1.9981
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0903
OPEN SPACE & PARKLAND PRESERVATION	<u>0.4560</u>
TOTAL	15.7131

Prepared by: Tom Crawford, Chief Financial Office

Approved by: Howard Lazarus, City Administrator

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