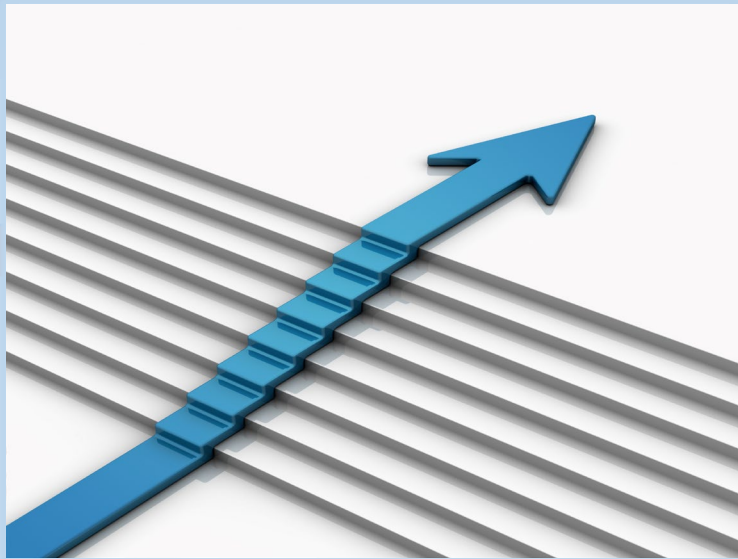


# PERFORMING THROUGH UNCERTAINTY



CITY OF ANN ARBOR  
CITY ADMINISTRATOR'S PROPOSED FY26-27 BUDGET  
MILTON DOHONEY JR., CITY ADMINISTRATOR

# State of the Environment

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Policy Reversals

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Supply Chain Issues

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Escalating Costs

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Potential Funding Loss

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Divided Communities

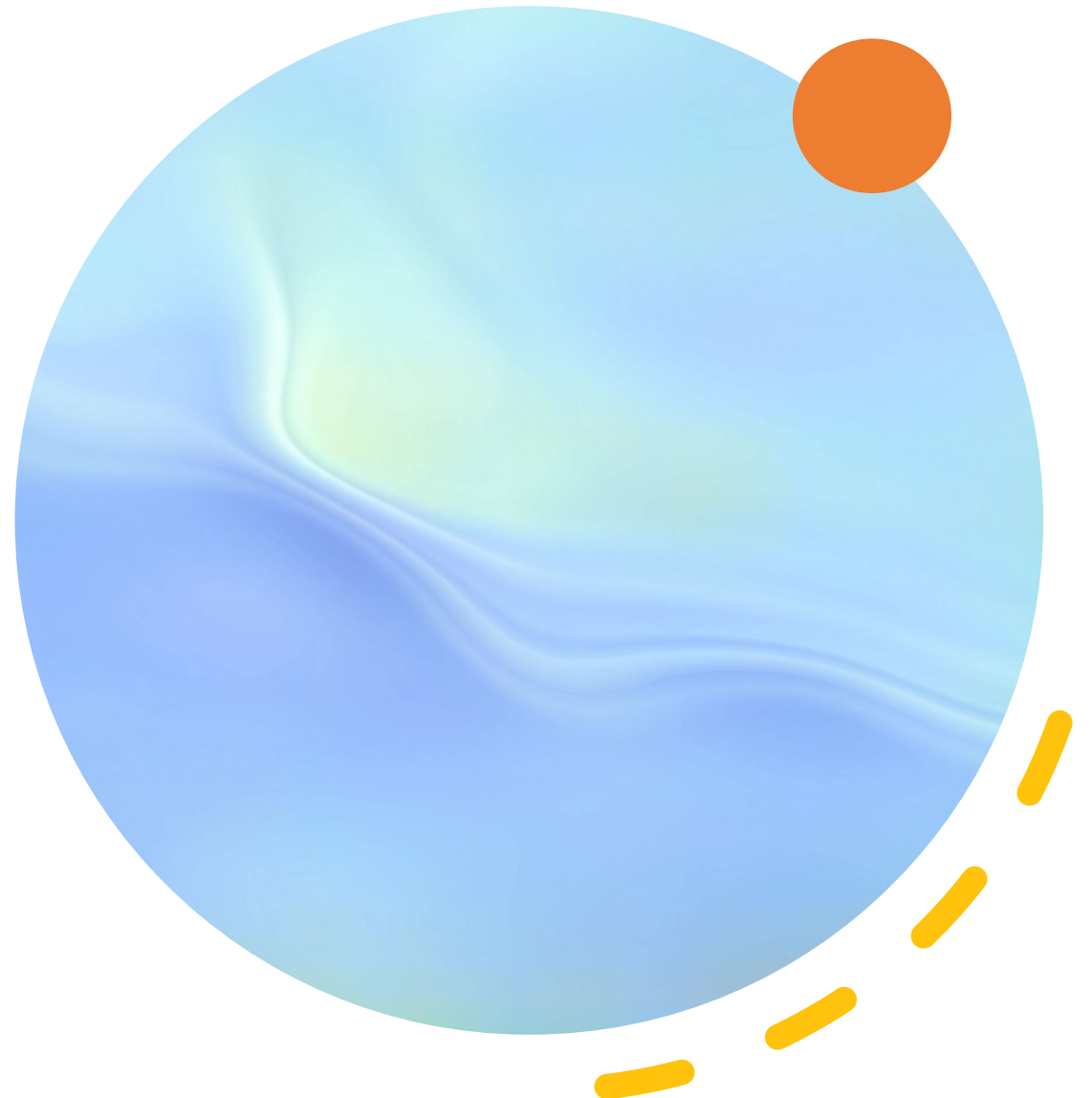
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Struggling to Determine Direction

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Resident Uneasiness

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# Performing through Uncertainty

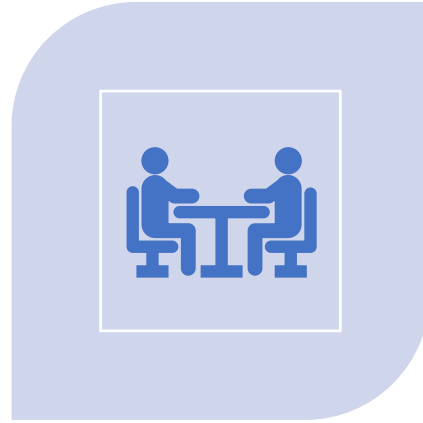




# Performing through Uncertainty



**WHAT DO WE HAVE?**



**WHAT CAN WE DO?**





## Foundations of Decision Making



# Performing through Uncertainty

## Revenue Assumptions

### Real & Personal Property Tax

- FY 26 –5.9% Increase (\$5M)
- FY 27-30 – 3% Increase

### State Shared Revenue

- FY 26 - 1% Increase -Constitutional
- 4% -Increase Statutory

### Parking

- FY 26 - 14% Increase
- FY 27 – 7% Increase

## Expenditure Assumptions

### Personnel Costs

- FY 26 – 6.4% Increase
- FY 27 – 4.8% Increase

### Fleet Costs

- FY 26 – 14.2% Increase
- FY 27 – 1.4% Increase

### IT Costs

- FY 26 – 5.8% Increase
- FY 27 – 2.1% Increase



## Performing through Uncertainty

AAA Bond Rating will be  
Maintained

# Performing through Uncertainty

**Proposed Budget**

```
graph TD; A[Proposed Budget] --> B[Total Funds $637,716,788]; B --> C[General Funds $146,653,671];
```

**Total Funds \$637,716,788**

**General Funds \$146,653,671**



# Performing through Uncertainty

---

- **Awaiting State Decision Making**
- **Contingency Inserts**



# Performing through Uncertainty

## Pursuing Legislatively Directed Funding

### State

Bollards \$6M

Ballistic Protection Courts \$740K



### Federal

Fire Station \$12M

Barton Security Improvements \$420K

Treeline Schematic Design \$1.3M



# Performing through Uncertainty

## Studies: Across Two Years



N. Main Street \$400K

Hazard Mitigation \$175K

Waste Characterization \$120K

Solid Waste Services \$85K

Raw Water Main Alignment \$300K

# Performing through Uncertainty

## More Studies: Across Two Years



Water Supply Cost of Service \$230K

Stormwater Cost of Service \$230K

Sanitary Sewer Cost of Service \$230K

Gravel Road \$250K

Municipal Service Charge (MSC) \$27K

**\$2M+**



# Performing through Uncertainty

- Fleet Replacement \$8M+
- Affects Multiple Funds





# Performing through Uncertainty

## Throne Continuation

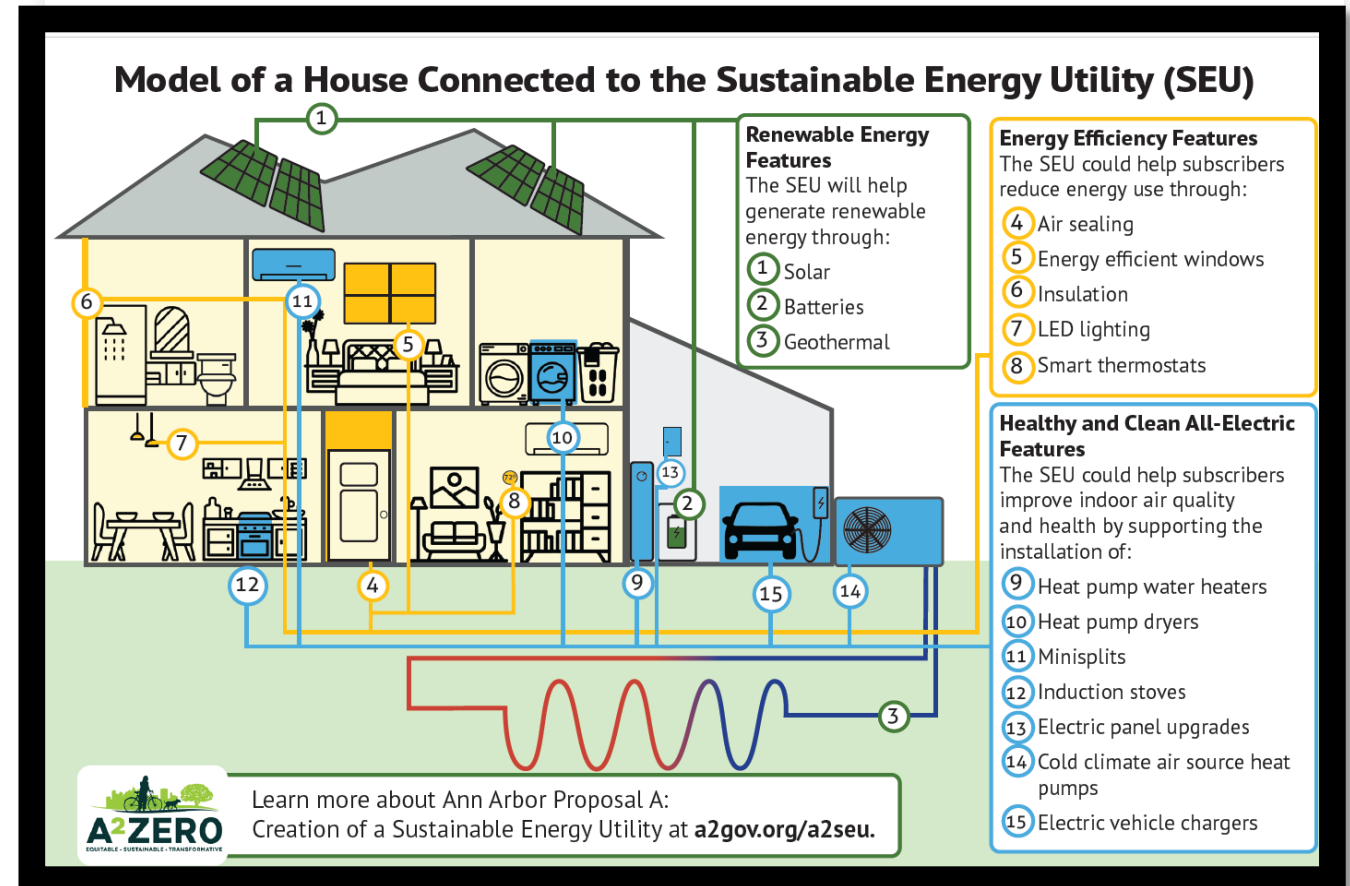
- Cannot Afford Not To
- Partnership with DDA \$500K Annually



# Performing through Uncertainty

## Sustainable Energy Utility (SEU)

- Funding Executive Director hire
- Administration will provide back office support.
- OSI will provide day to day operational support
- Initial charge: Develop ramp up strategy
- Determine first hires
- Develop pricing and billing





A photograph of a community safety event on a city street. In the foreground, a police officer in a dark uniform is kneeling and interacting with a large, brindle-colored dog. A man in a grey sweater is also kneeling, holding a small child's hand. Other children and adults are standing nearby. In the background, there is a black tent with "ANN ARBOR POLICE" written on it, a blue police vehicle with "WASHTENAW" and "POLICE" on its side, and a red fire truck with yellow and red stripes. The scene is set on a city street with traffic lights and buildings in the background.

# Community Safety



# Community Safety

## Winter Operations Plan Continuation

\$2.44M Spent to Date

\$1M Fleet & Equipment Purchase

49% Local Roads (\$500K)

38% Major Roads (\$388K)

9% Sidewalks & Curb Ramps (\$94K)

5% Trunklines (\$49K)

# Community Safety



**Allows for Coordinated Work**

**ANN ARBOR  
MOVING  
TOGETHER**  
TOWARDS VISION ZERO

# Community Safety

## Active Projects with Transportation and Safety Components

Project	Crosswalks	Bike Lanes	Speed Management
Nixon Road Reconstruction	X	X	X
Pauline Resurfacing	X	X	X
State Street Improvements	X	X	X
Miller Ave Rehabilitation	X	X	X
Packard Resurfacing			X
Maple Road Resurfacing	X	X	X
2025 Street Resurfacing	X		X
Pittsfield Village Improvements	X		X
2025 Miscellaneous Utilities	X		



\*These are examples; not a comprehensive list.



# Community Safety

## Multiple Calls for More Enforcement

- Parks
- Downtown Parking
- Bike Lanes
- Winter Operations
- Weekend Support
- **Simply Not Enough Staff**

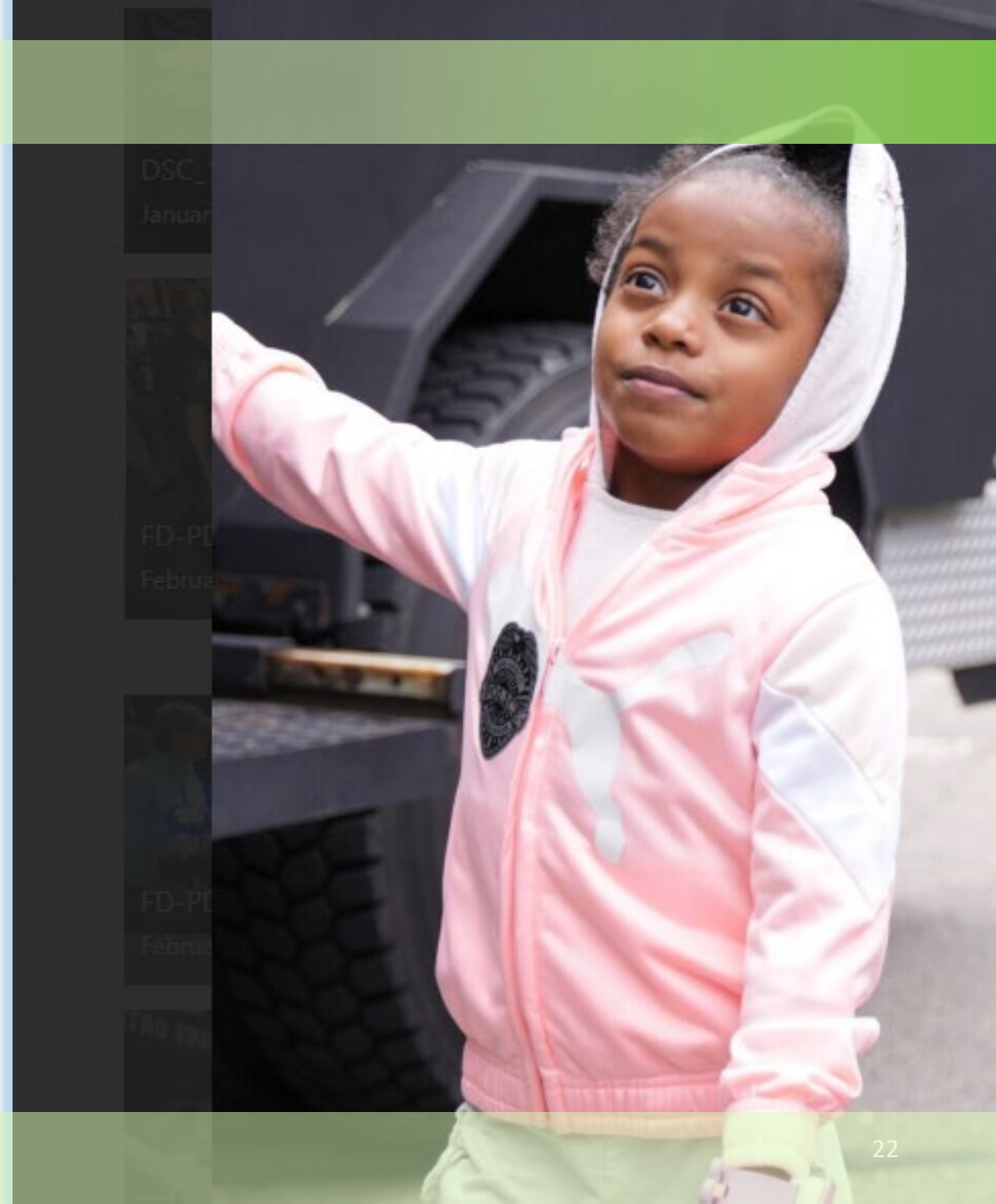




# Community Safety

## Adding 1 Community Standards Officer

- \*Contingency Insert
- Adds 1 Additional



---

# Catching Up With Demand





# Catching Up with Demand: Ann Arbor Housing Commission

Adding Properties = More Staff (millage)

Budget Financial Supervisor

Facilities Maintenance Manager

Occupancy Specialist

Events Manager

Office Manager

Waitlist Manager

Residency Affordable Manager

## Across Two Years



# Catching Up with Demand: Administration Additions

Zoning Coordinator  $\frac{1}{2}$  -  $\frac{3}{4}$  Time

Parks Coordinator

Planning Coordinator Parks

Water Utility Supervisor

Zoning Coordinator

Solid Waste Supervisor

Payroll Backup

Compost Coordinator

Several Funds Used

## Across Two Years





# Strengthening the Organization





# Strengthening the Organization

\*With Council Support Parking Equity Leveled at \$30

\*With Council Support Compensation Study

Recruitment & Retention

Overcoming Credibility Issue

Inserted \$\$ to Begin to Address

# Strengthening the Organization

Where is the Market?

Where are We?

Where Should We Be?

# Strengthening the Organization

## Enter With Dignity



Create Mental Health Spaces in Various City Facilities



Expressing Room Accommodations



Space to Decompress



# Strengthening the Organization



New Fire Station 4

Solar

Geothermal

Gender Inclusive

# Strengthening the Organization



Mindy Kerr

Hired: July 21, 1980

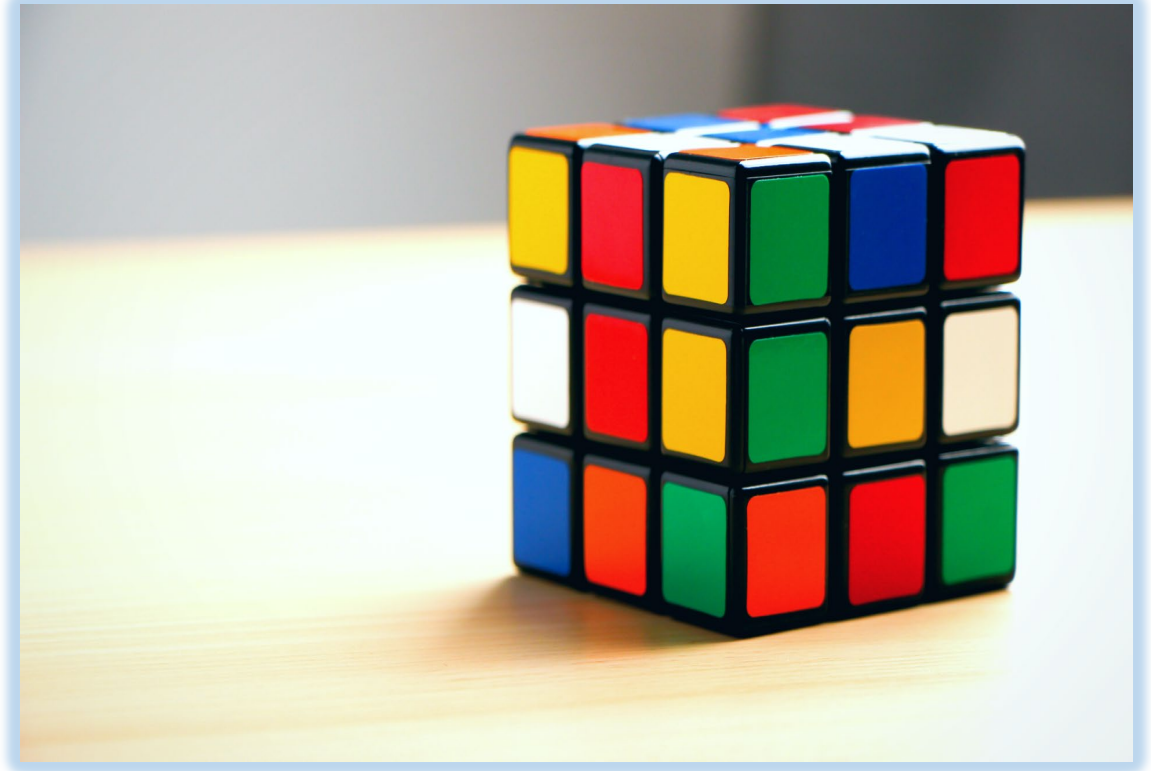
Retired: September 8, 2005

Propose: Naming New  
Fire Station 4 in honor

# Strengthening the Organization

## Must Solve

- Human Resources  
Performance Management
- Police Records  
Management System
- Unarmed Response





# Strengthening the Organization: Human Resources Performance Management <sup>33</sup>

## Human Resources Performance Management



What is the product for us?



What is the up front cost?



What is the ongoing cost?

# Strengthening the Organization: Police RMS

34

## Police Records Management System (RMS)



What is the product for us?



What is the up front cost?



What is the ongoing cost?

# Strengthening the Organization: Police RMS

## CURRENT

CLEMIS – one of many users, we don't control

We can't customize reports

We are limited on what data we can collect

We have thousands of pieces of evidence dating 20 years on microfiche

Places undue burden on single employee





# Strengthening the Organization: Police RMS

## DESIRED

Customize reporting templates

Streamline administrative functions

Better property records tracking

Building police trust

# Strengthening the Organization: Unarmed Response



Same goal: Do it right vs Do it fast



This budget continues to set aside \$250K from Marijuana Excise Tax



On the ground: Albuquerque, Atlanta, Denver, Durham

# Strengthening the Organization: Lessons

Visiting cities in person is what they all recommend

Best used for very narrow range of situations

24/7 is not attainable

Starting with a pilot is the best way forward

Having a system to track all data is a must

Having zero contact with police does not work

Very expensive

Multiple funding sources

Person in charge is not a clinician



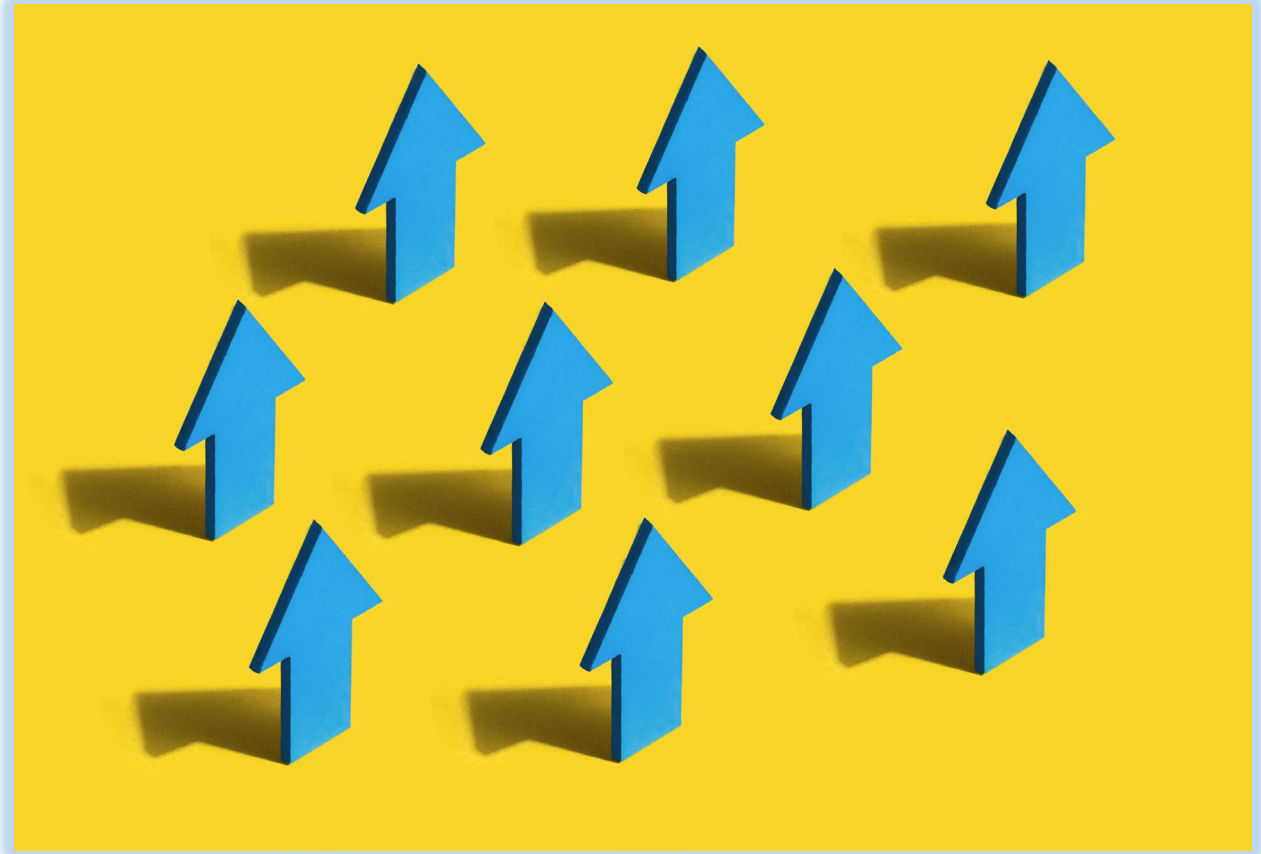


An aerial photograph of a city campus. A prominent white, multi-story tower with a green roof stands out among other buildings. The area is filled with trees showing vibrant autumn foliage in shades of yellow, orange, and red. A blue banner with white text is overlaid in the center.

# Facilitating Growth

**Can growth occur equally in  
all parts of the city?**

---



# Facilitating Growth: Sanitary Sewer Comprehensive Plan



- **Sanitary Sewer Comp Plan Underway**
- **\$490K FY26**
- **Capacity Analysis**



# Facilitating Growth: Sanitary Sewer Comprehensive Plan



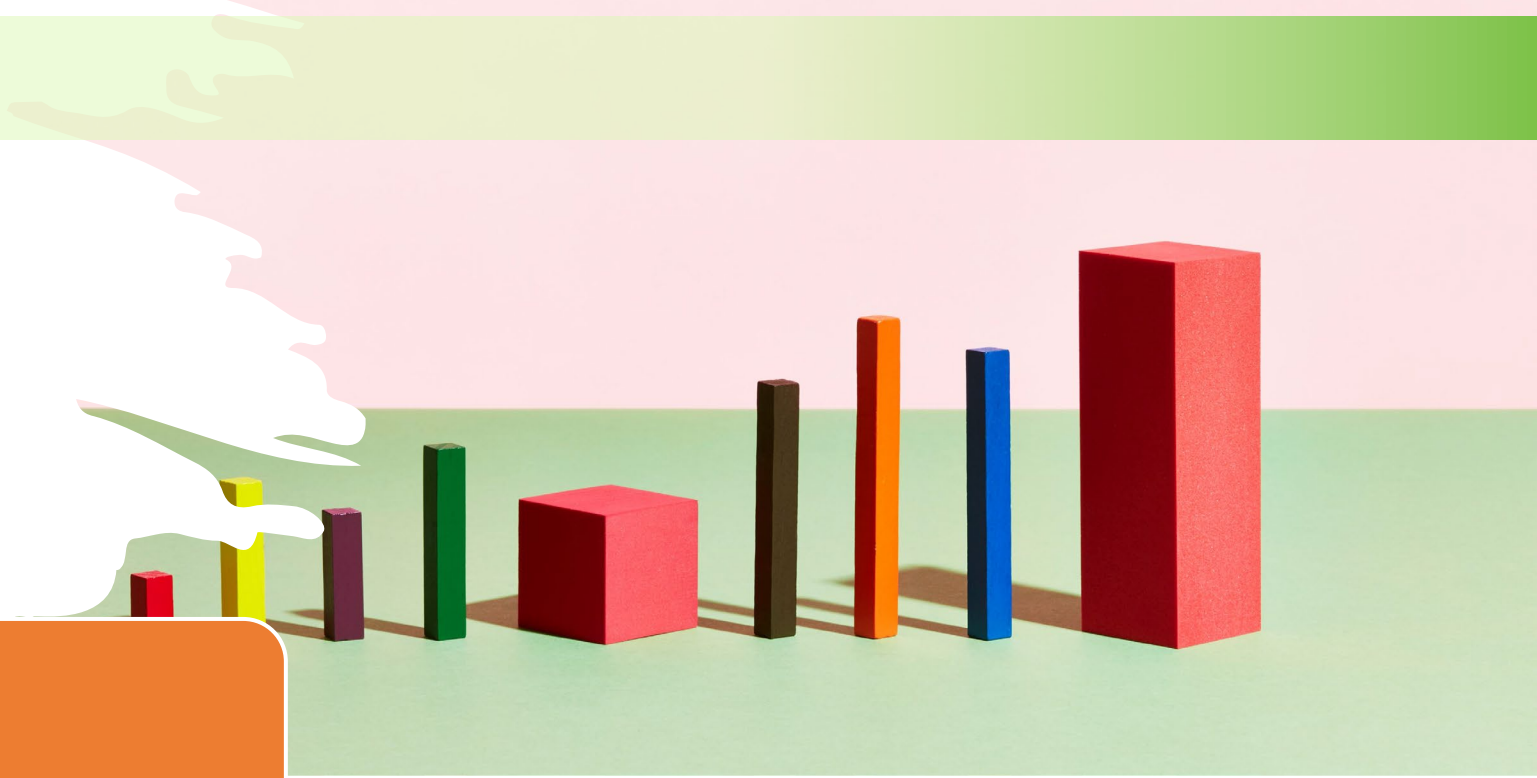
- **Sanitary Capacity = Work Product of Study**
- **Transparency = Outward Facing**
- **Strategic Decision-Making Follows**

# Facilitating Growth: Drinking Water Distribution Plan



- **Drinking Water Distribution Plan Underway**
- **\$150K FY26**
- **Less Capacity Constrained than Sanitary**

# Facilitating Growth



## Resolution R-24-108

- Economic Development Director to Hire Consultant
- Funds Inserted

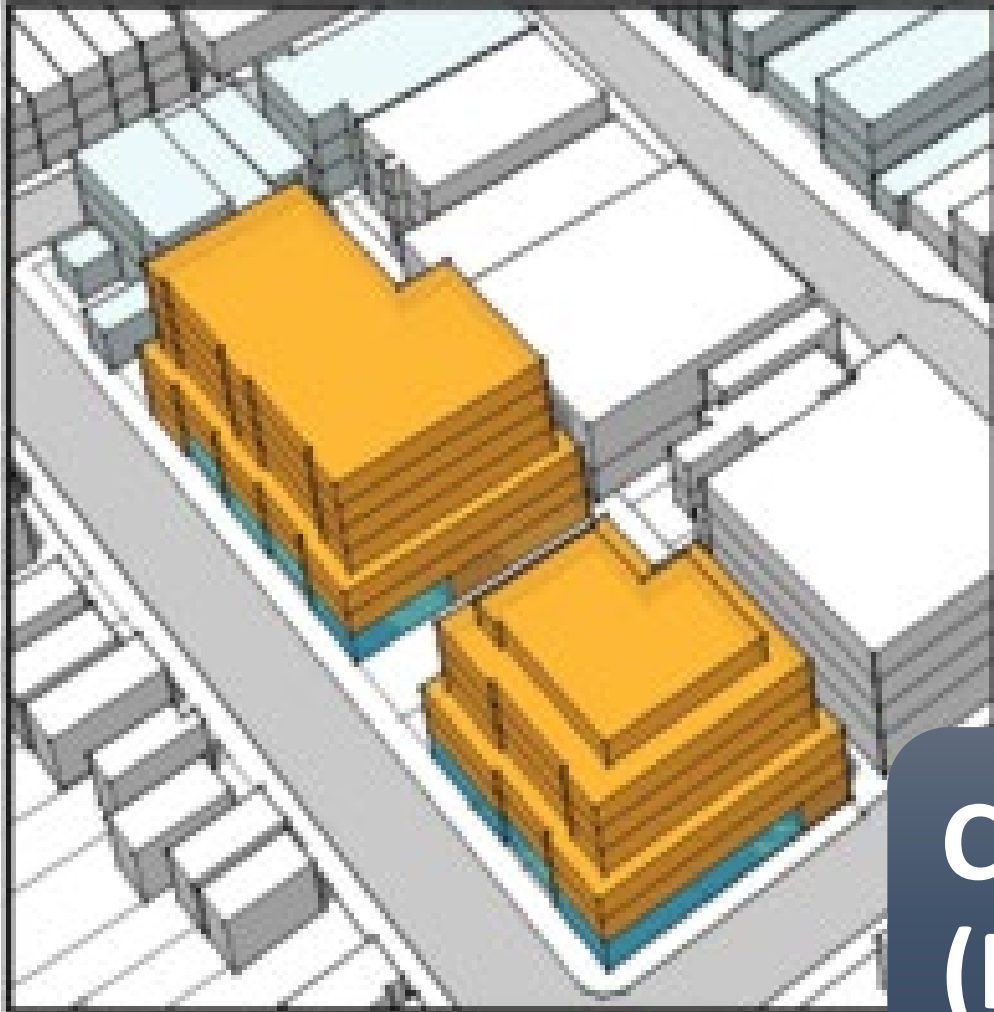


# Facilitating Growth



**Kline's Lot**

# Facilitating Growth



**CBRE Process Underway  
(RFP Used)**

# Facilitating Growth



**Administration will make recommendation on proceeds from sale**



**Early Preview**



**Strategic Acquisition  
Fund \$5M**

# Facilitating Growth

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**Add to the fund over time**

**Seek partners**

---

**Strategic Acquisition Fund Committee**

Economic Development Director – Chair

Deputy City Administrator Co-Chair

CFO

Economic Development Corporation (EDC) Representative

Assistant City Attorney



# Facilitating Growth

## Focus:

- Tax Base Stability
- Housing
- Placemaking
- Leveraging





# Marijuana Excise Tax Remains Relatively Flat

FY25 Budgeted Revenue \$1.4M / FY26 Proposed \$1,455,594

Ongoing Commitments:

Unarmed Response \$250K

Shelter Association \$150K

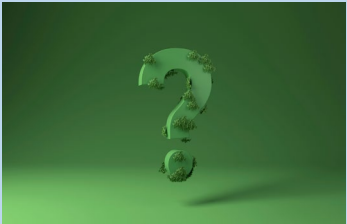
Deflection Program \$657,926

Catherine Street Community Space \$75K

Ambulatory Nursing Care Michigan Medicine \$75K

City Diversion \$137,833

City Expungement \$59,835



New One-Time \$84K:

New Vision Engagement Center via Supportive Connections

Supervised Crisis Intervention

Available for Council Direction \$616K



**Performing through Uncertainty**



# THANK YOU!



Customer Satisfaction Survey



## **Budget Public Process Website:**

<https://www.a2gov.org/finance-and-administrative-services/guide-to-finance-and-budget/budget-public-process/>

Special Thanks to CFO Marti Praschan, Finance Manager Kimberly Buselmeier, Director of Operations Sara Higgins, Executive Team and A2 Staff.

Please send any FY26-27 budget questions through our established process to [shiggins@a2gov.org](mailto:shiggins@a2gov.org), [mdohoney@a2gov.org](mailto:mdohoney@a2gov.org); [mpraschan@a2gov.org](mailto:mpraschan@a2gov.org) & [kbuselmeier@a2gov.org](mailto:kbuselmeier@a2gov.org).