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TO: Mayor and Council

FROM: Jennifer Hall, Executive Director, Ann Arbor Housing Commission

CC: Tom Crawford, Interim City Administrator  
Matt Horning, Interim CFO  
Karen Lancaster, Finance Director

SUBJECT: Ann Arbor Housing Commission

DATE: March 18, 2016

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**Question #13:** What are the undedicated reserves for FY16 and 17? (Councilmember Lumm)

**Response:** The Ann Arbor Housing Commission's (AAHC) FY15 audit showed an unrestricted fund balance of \$589,637. Best practices for a non-profit is to hold 4 months operating expenses in reserve. A four months operating reserve for the AAHC in FY16 is \$837,000 for its administrative (\$313,000), public housing (\$112,000) and voucher programs (\$412,000). The AAHC does not need to hold 4 months operating reserves for its affordable housing projects (RAD converted) because each affordable project has an operating reserve (required and restricted) which will be reflected in separate audits for each affordable housing project. Consequently, the unrestricted fund balance is currently underfunded and represents slightly less than 3 months reserves. Projecting fund balance for FY16 and FY17 year-end is difficult given the timing and magnitude of projects; however, it would be fair to say the AAHC is not anticipating unrestricted reserves to increase.



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TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator  
Matt Horning, Interim CFO  
Karen Lancaster, Finance Director

SUBJECT: City's Fund Balance Policy

DATE: March 18, 2016

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**Question #37:** Last year, Council approved staff's recommendation to adjust the City's Fund Balance policy. Are there any significant new financial policy recommendations like that for this year or any major accounting rule/GASB changes coming we should be aware of? (Councilmember Lumm)

**Response:** There are currently no recommended policy changes or major accounting pronouncements proposed for FY17. In FY18, GASB plans to require implementation of new accounting standards related to retiree healthcare. The impacts would be similar to GASB 68 for the pension. Additional information on this will be available during the FY18 budget preparation time.



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TO: Mayor and Council

FROM: Jackie Beaudry, City Clerk

CC: Tom Crawford, Interim City Administrator  
Matt Horning, Interim CFO  
Karen Lancaster, Finance Director

SUBJECT: Elections

DATE: March 18, 2016

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**Question #12:** How would the need for an elections official be affected if Council elections were moved to even year only? (Councilmember Warpehoski)

**Response:** Current demands over the last few years have required nearly full-time work from the current employee in this position. We don't foresee that demand changing as elections and election technology have become more and more complex, but if the number of elections were substantially reduced in a calendar year (or every other year), we would re-evaluate our need at that time. The full-time FTE could be reassigned to other work in the Clerk's Office or reduced if necessary at that time.