

# City Administrator's FY2018 Recommended Budget and Two Year Fiscal Plan



April 17, 2017

# Overview



- ▶ Purpose tonight is to present recommended budget for review.
- ▶ By City Charter, Council is required to adopt the budget at the 2<sup>nd</sup> meeting in May.
- ▶ Tonight's presentation, detailed budget documents and subsequent questions from Council and staff responses are available to the public on the City's web site.



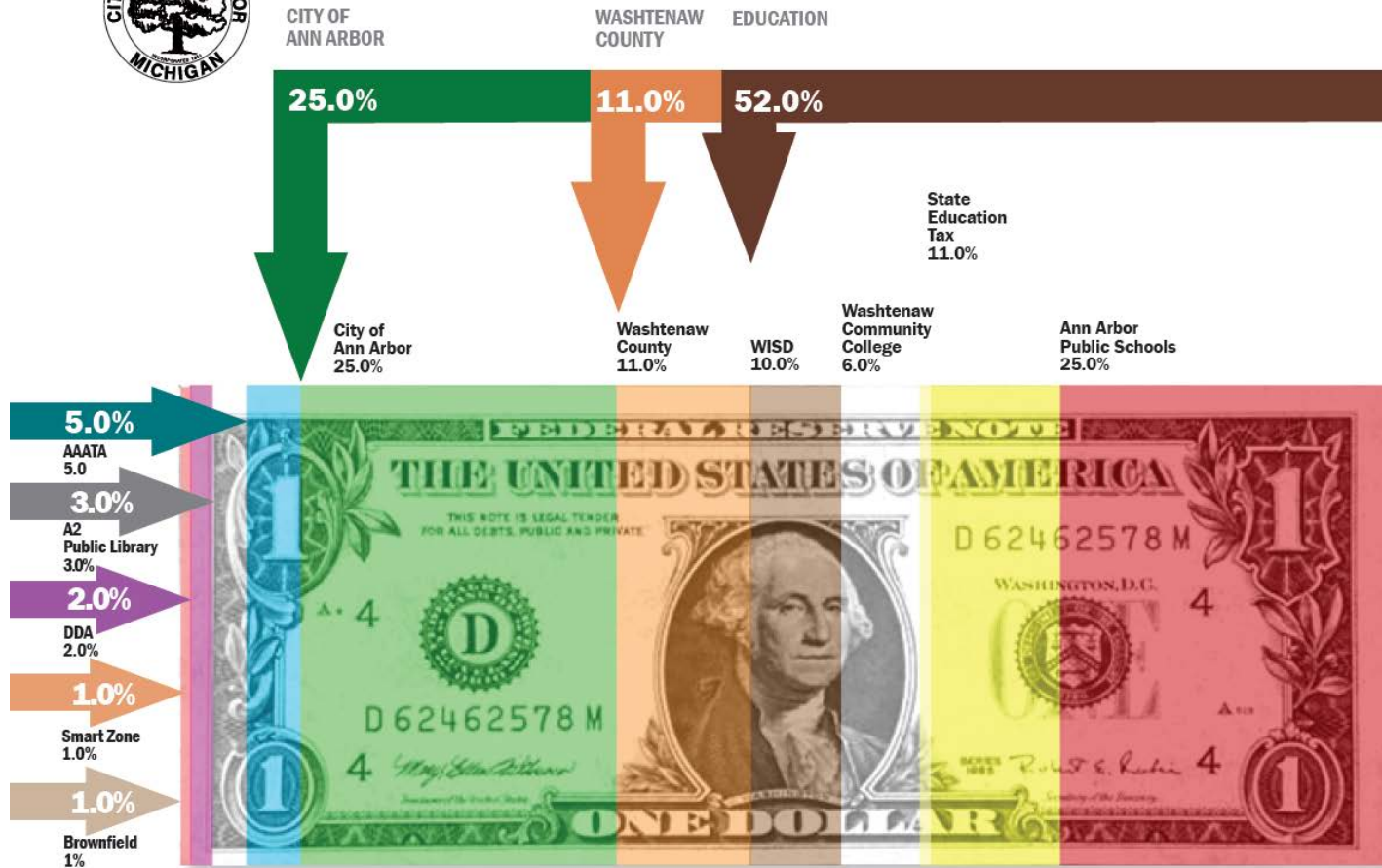
# Overview

- ▶ Total budgeted expenditures are \$379M.
  - \$104M to the General Fund
  - \$68M to Enterprise Funds
  - \$207M for Other Categories
- ▶ Fund balances remain within policy goals.
- ▶ Bond ratings are all AA+ or better (S&P)
- ▶ Typical residential taxpayer impacts:
  - Increase of \$2/month in property taxes
  - Increase of \$11/month in utility costs

# Overview



## YOUR ANN ARBOR PROPERTY TAX DOLLARS AT WORK



# General Fund Fiscal Projections



	FY17 Budget	Fiscal Projection	
		FY18	FY19
<i>Recurring</i>			
Revenues	\$99.7	\$102.7	\$104.5
Expenditures	(99.4)	(102.0)	(104.5)
<b>Net</b>	<b>\$0.3</b>	<b>\$0.7</b>	<b>\$0</b>
<i>Non-Recurring</i>			
Revenues	\$0.1	\$1.4	\$0
Expenditures	(3.8)	(2.3)	(0.9)
<b>Net</b>	<b>(3.7)</b>	<b>(0.9)</b>	<b>(0.9)</b>
<i>Summary</i>			
<b>Change in FB</b>	<b>(\$3.4)</b>	<b>(\$0.2)</b>	<b>(\$0.9)</b>
<b>Unassigned Bal</b>	<b>18%</b>	<b>19%</b>	<b>17%</b>

All values shown in million of dollars.

# What's New in the Budget



- ▶ Initial steps to integrate Organizational Strategic Plan and core service performance measures.
- ▶ Increase of 11 FTE's (net) to improve levels of services.
- ▶ Council Initiatives in the following areas:
  - Community
  - Resource Management
  - Land Use and Access
  - Climate and Energy

# Community



Item	Amount (\$K)
<b><i>Engaged Community</i></b>	
Boards & Commissions Manager	\$ 97
Neighborhood Partner Program	\$100
Independent Review of AAPD Community Engagement	FY17
<b><i>Affordable Housing</i></b>	
Non-Recurring Support of RAD Conversions	\$105
Non-Recurring Independent Audit of Voucher Program	\$ 40
Direct Operating Support	\$ 68
Information Technology Support	\$200
Recurring Support to Meet Demonstrated Needs	\$160

# Safe Community – Pedestrian



Item	Amount (\$K)	Funding Source(s)
School zone pavement markings	\$200	Major & Local Street Funds
Sidewalk maintenance and repair programs	1,050	Street/Bridge/Sidewalk Millage
Major mid-block crossings*	200	County Millage Funds
Tier 2 school safety improvements	500	County Millage Funds
Stone School Road sidewalks	200	Street/Bridge/Sidewalk Millage Special Assessment/STPU
Miller/Maple sidewalk gaps	207	Street/Bridge/Sidewalk Millage Special Assessment/STPU
Jackson Avenue midblock crosswalk	260	County/Private/MDOT Funds
Ellsworth @ Research Park Drive	120	County/AAATA
Hiscock Street sidewalk gap	120	County/Special Assessment
<b>TOTAL</b>	<b>\$2,857</b>	

\*Includes RRFB installations, plus Tier 2 School Safety Improvements.



# Safe Community – Pedestrian



Project	Program	Funding Source(s)
ADA Accessible Sidewalk Ramps	Street Resurfacing	Street, Bridge & Sidewalk Millage
Green Road Asphalt Sidewalks	Street Resurfacing	Street, Bridge & Sidewalk Millage
Liberty Street Bump-Outs	Capital Improvement	Street, Bridge & Sidewalk Millage
Stadium Boulevard Sidewalk	Capital Improvement	Street, Bridge & Sidewalk Millage; Special Assessment; STPU
Scio Church Road New Sidewalks	Part of CIP Project	Ann Arbor Public Schools
Fifth and Detroit Improvements	Part of CIP Project	Street, bridge, & Sidewalk Millage DDA
Allen Creek Berm Opening Project	Part of CIP Project	Alternative Transportation Fund; Possible TAP Grant; FEMA

# Resource Management



## Item

### *Clean Air & Clean Water*

Water rate increase – 2.7%

Wastewater rate increase – 5.2%

Stormwater rate increase – 16.5%

(Above residential changes are less than total revenue requirement changes adopted by Council.)

### *Healthy Ecosystems*

Long term approach to recycling/resource recovery

Deer management program – \$260K

### *Responsible Financial Management*

Study impacts of local income tax

Develop long term asset management approach

Pursue opportunities for partnerships

Continue workforce planning (overhire) program – \$475k

Street light maintenance – \$300K

# Land Use & Access



Item

## *Governance Documents*

Update planning documents – \$250K

## *Transportation Options*

Review utilization of parking assets with DDA  
Finalize Train Station EA  
Complete Allen Creek Urban Trail Plan

## *Integrated Land Use*

Review planning, permitting, and inspection procedures  
Provide coordinated approach to development of City properties

# Climate and Energy



Item	Amount (\$K)
<b><i>Sustainable Energy</i></b>	
Barton/Superior dams turbine/security	\$525
<b><i>Energy Conservation</i></b>	
Weatherization and energy efficiency	\$165
<b><i>Sustainable Buildings</i></b>	
Larcom primary chiller replacement	\$280
<b>TOTAL</b>	<b>\$970</b>

# New/Recurring GF Actions



- ▶ New Probation Officer: \$100k (1 FTE)
- ▶ Telecommunications Manager: \$77k (1 FTE)
- ▶ Temporary/Seasonal Hiring Specialist: \$72k (1 FTE)
- ▶ Asst. City Admin./Chief of Staff: \$87k for FY18/\$175k for FY19 (1 FTE)
- ▶ Boards & Commissions Manager: \$97k (1 FTE)

# Non-Recurring – Highlights



- ▶ Revisit Barton & Superior dam capital improvement funding policy
- ▶ Workforce planning (carryover): \$475k
- ▶ Update Governance Plans: \$250k

# Other Funds – Highlights



- ▶ Housing Commission – 2 FTEs (self funded)
- ▶ DDA – 2 FTEs (self funded)
- ▶ Transportation Engineer for pedestrian/bicycle/urban trail assets (1 FTE)
- ▶ Systems Planning – 1 FTE
- ▶ IT Network Engineer – 1 FTE



# Next Steps

- ▶ May 1, 2017 Council meeting – Public Hearing on fee changes/budget
- ▶ May 15, 2017 Council meeting – Council considers City Administrator’s Proposed budget
- ▶ Please submit any budget amendment resolution requests to Tom Crawford and Karen Lancaster by Wednesday, May 10
- ▶ Please submit any budget questions to Sara Higgins, copying Tom Crawford and Karen Lancaster