

**BUDGET AMENDMENTS AS APPROVED BY ANN ARBOR CITY COUNCIL ON
MAY 20, 2019**

Amendment 1 – Approved on a Voice Vote

Amendment to Increase FY20 Expenditures for Street Resurfacing, Repair and Capital Preventative Maintenance by \$3 million with Funding Provided by the Local Street Fund (\$2 million) and the Major Street Fund (\$1 million)

Whereas, The poor condition of Ann Arbor streets is a continuing source of concern for Ann Arbor residents and “fixing the roads” is a priority frequently and passionately expressed by residents;

Whereas, The Budget Priority Survey conducted in October and November 2018 asked residents if the city should spend more, less or the same in 57 budget categories and, of the categories residents indicated the City should spend more, the “fixing the roads” categories rated #1, #2, and #4;

Whereas, Respondents to the March 2019 County Millage Usage survey rated “additional funding for street resurfacing/repair” as the 2nd highest usage category slightly behind mental health services;

Whereas, The City has adopted the Pavement Surface Evaluation & Rating (PASER) scale to measure street condition and the City’s goal is that 80% of streets are rated at 7 (good) or higher by 2025;

Whereas, The State of Michigan classifies streets as either “Major Streets” or “Local Streets” and roughly 2/3’s of the Ann Arbor street system are Local Streets;

Whereas, In April of 2014 and again in June 2017, a consultant was engaged to rate all city streets; and over the three-year period from 2014 to June 2017, the ratings for Major Streets were essentially the same, but the ratings for Local Streets deteriorated;

Whereas, For Local Streets, 43% were rated “failed, very poor or poor” in 2017 compared with 30% in 2014, and just 29% of Local Streets were achieving the target level of a 7 rating or higher;

Whereas, For Major Streets, the ratings are higher than for Local Streets, but just half (49%) are at the target level of 7 or higher;

Whereas, The City’s current policy regarding fund balance for Local and Major Street funds is that “a one year’s collection of the weight and gas tax revenues are held in fund balance”,

Whereas, In an April 26th response to a budget question, Public Services staff indicated that the projected FY20 budget as proposed by the City Administrator “forecast approximately \$3 million (\$1M Major Streets; \$2M Local Streets) in excess of fund balance policy requirements; and

Whereas, City Council believes “fixing the roads” and achieving the City’s Goal remain

top City priorities and that the full amount of available funding in FY20 should be allocated for that purpose;

RESOLVED, That City Council re-affirms its commitment to achieving the goal of having 80% of city streets rated at 7 (good) or higher by 2025;

RESOLVED, That the FY20 Major Street Fund (fund code 0021) expenditure budget be increased by \$1.0 million for road improvements (capital preventative maintenance, repair, or re-surfacing) funded by a corresponding use of the Major Street Fund fund balance which is consistent with the current policy on end of year fund balance equal to one year of revenue; and

RESOLVED, That the FY20 Local Street Fund (fund code 0022) expenditure budget be increased by \$2.0 million for road improvements (capital maintenance, repair, or re-surfacing) funded by a corresponding use of the Local Street Fund fund balance which is consistent with the current policy on end of year fund balance equal to one year of revenue.

Sponsors: Councilmembers Lumm, Eaton, Hayner, Ackerman, Ramlawi, Grand, Griswold, Bannister and Mayor Taylor

Amendment 2 – Approved as Amended on a Voice Vote

Amendment to Accelerate the Nixon Corridor Improvement Projects in the CIP and to Include \$2,020,000.00 for the Phase 1 Improvements (Huron Parkway to Bluett - Project ID TR-SC-20-14) in the FY21 Capital Budget

Whereas, City Council approved the Nixon Farms (North and South) residential development in December 2015 adding approximately 475 new residential units to the Nixon Corridor and in September 2016, City Council approved the Woodbury Club residential development adding an additional 275 units;

Whereas, These 750 new residential units will exacerbate the already problematic traffic flow and congestion conditions along the Nixon Corridor and the Nixon Farms traffic study projected that future turning movements at several locations along Nixon will operate at an unacceptable Level of Service (LOS) E and F during both AM and PM peak hours;

Whereas, During discussions of the residential developments, City Council acknowledged that traffic flow improvements along the corridor were necessary and the Mayor stated “This is an area that will need to be fixed” and that the new tax revenues from the development will help pay for those fixes;

Whereas, The Nixon Corridor Traffic Study was completed in early 2017 and \$1.2M was included in the FY18 budget to complete the design phase of the Nixon Corridor Improvement Project;

Whereas, The design phase of the project is ongoing including a public engagement component (neighborhood meetings; surveys) and design completion is expected later this Summer;

Whereas, The City's FY20-FY25 Capital Improvements Plan (CIP) reflects the following schedule and costs for construction of the Nixon Corridor Improvements Project:

- FY2025 – \$2,020,000.00 for Phase 1 (Huron Parkway to Bluett)
- FY2026 (or later) - \$3,494,000.00 for Phase 2 (Bluett to DhuVarren)
- FY2026 (or later) - \$2,000,000.00 for Phase 3 (Dhu Varren to M14)

Whereas, The Nixon Corridor Improvement Project ranked highly in the CIP's Prioritization Model rankings of street construction projects (#12 of 39) and it is City Council's intention to proceed with Nixon Corridor improvements and Council's desire that the improvements commence as soon as possible and practical;

Whereas, It is not expected that finalizing a consensus design and the pre-construction bidding process can be completed in time to enable construction in FY20, but there is adequate time for construction to begin in FY21;

RESOLVED, That it is City Council's expectation that Phase 1 of the Nixon Corridor Improvement Project (Plymouth to Bluett) will be included in the FY21 Capital Budget; and

RESOLVED, That City Council directs the City Administrator to present to Council a report on the status of the project including the final design for Phase 1, updated cost estimates, and a recommendation on the specific funding source by February 29, 2020 and the start of the FY21 budget process; and

RESOLVED, That City Council requests that city staff and the Planning Commission consider accelerating Phase 2 (Bluett to Dhu Varren) and Phase 3 (DhuVarren to M14) of the Nixon Corridor Improvement Project in the review and adoption of the FY21-FY26 Capital Improvements Plan (CIP).

Sponsor: Councilmember Lumm

Amendment 3 – DEFEATED ON ROLL CALL 3-8

Amendment to Restore Fall Leaf and Holiday Tree Pickup Services

Amendment 4 – Approved as Amended on Roll Call 9-2

Amendment to Increase Police Staffing in the FY20 Budget by Two Officers with Consideration to Enhance Unassigned Proactive Patrolling (Free Patrol) in Neighborhoods

Whereas, Public safety is a core, essential city service and 93% of respondents to the Budget Priority Survey conducted in October-November 2018 indicated that "being a safe community" was essential or very important to community quality; and

Whereas, Over the last fifteen years, the number of sworn officers in the AAPD has been reduced by 47 officers, or 27%, from 171 in FY03 to 124 in FY20;

Whereas, The Community Policing Unit had 23 FTE at its peak (lieutenant, sergeant, 14

officers, and community service assistants) and currently the Community Engagement Unit consists of 3 FTE;

Whereas, Over the last five years, the number of hours of unassigned proactive patrolling (free patrol) decreased 34% from 42,434 hours in 2013 to 27,941 hours in 2018 and over the same five-year period, the percentage of time spent on unassigned proactive patrolling has fallen from 38% to 27%;

Whereas, The Hillard Heintz study commissioned by the City made two primary recommendations in November 2017 to improve police-community relationships/build trust (1) establish a community policing (oversight) committee and (2) re-invigorate the City's community policing effort and operationalize a community policing strategy;

Whereas, The City has established the Independent Community Police Oversight Commission (ICPOC) and has included funding in the FY20 budget to support the Commission, but the FY20 budget proposal does not include resources to meaningfully re-invigorate the community policing effort;

Whereas, The FY20 budget proposal for the Police Department adds two police cadet positions and their addition will free-up some time for existing officers, but additional staffing is necessary for Ann Arbor to make real, substantive progress in community policing and proactive patrolling;

Whereas, Increased proactive patrolling and enhanced traffic enforcement likely would improve real and perceived neighborhood safety as well as pedestrian safety at schools,, both of which are priorities shared by many residents and neighborhoods;

Whereas, Ann Arbor voters supported the Washtenaw County "Mental Health and Public Safety Millage in November 2017, and it is reasonable to conclude many of those voters believed the millage would result in improved public safety in Ann Arbor;

Whereas, When asked how they would allocate the new funding, respondents to the March 2019 County Millage Usage survey allocated more dollars to "additional public safety funding" than to climate action programs and pedestrian safety improvements, but allocated \$50,000.00 less than to affordable housing;

Whereas, The proposed FY20 budget includes new funding of \$880,000.00 for climate action programs, \$880,000.00 for affordable housing, \$750,000.00 for pedestrian safety, but only \$445,000.00 (\$220,000.00 recurring) of additional police funding which is inconsistent with the community preferences indicated in the survey;

Whereas, The annual cost of two additional officers is \$191,144.00 (including salaries and benefits) which represents 9% of the \$2.2 million in new city revenue generated from the millage;

Whereas, In previous year discussions regarding adding to AAPD staffing, the challenges of hiring new officers and the timing for on-boarding, coupled with the large number of AAPD officers eligible for retirement (currently 45), have been cited as reasons for not increasing budgeted staffing levels; and

Whereas, The City's enhanced recruitment efforts and new Cadet Program are intended

to help address these challenges, and other cities have adopted programs such as Deferred Retirement Option Plans (DROP) which, by allowing an employee to “retire” from the Pension Plan, but remain employed, have been effective tools in keeping employees from retiring early and mitigating the challenges of maintaining and/or increasing police officer staffing levels;

RESOLVED, That the recommended FY20 budget be amended to increase the budgeted FTE’s in the Police Department by two (152 FTE to 154 FTE) and that FY20 Police General Fund expenditures be increased by \$191,144 funded with corresponding reductions to the General Fund expenditures in the proposed FY20 budget as follows:

- \$99,000 – eliminate new FTE for Contract Administrator
- \$92,144 – reduce capital sinking fund from \$400K to \$307,856;

RESOLVED, That City Council requests AAPD to consider adding the officers to the Community Engagement Unit and deploying the additional officers and resources in unassigned proactive patrol (free patrol) to improve neighborhood/school safety; and

RESOLVED, That City Council directs the City Administrator to evaluate alternatives and tools (such as the DROP program) and deliver to Council by November 30, 2019 recommendations on programs/tools to improve the City’s hiring, on-boarding, and retention processes for Police Officers.

Sponsors: Councilmembers Lumm and Eaton

Amendment 5 – Approved on a Voice Vote

Amendment to Include \$100,000 in One-Time Funding in FY20 for Potential New Streetlights at Locations other than Crosswalks

Whereas, Neighborhood safety is priority of many community residents and adequate street lighting is a significant contributor to safety and the perception of safety both in our neighborhoods and at or near Ann Arbor schools;

Whereas, In February 2015, City Council lifted the moratorium on new streetlights in place since 2006 and in May 2015, Council adopted a FY16 budget amendment that established a new, dedicated General Fund account/fund for the purpose of funding new streetlights and directed the City Administrator to develop a process to evaluate new streetlight requests;

Whereas, The FY16 though FY19 Budgets have included the following funding amounts for new streetlights:

- FY16 \$100,000.00
- FY17 \$100,000.00
- FY18 \$150,000.00
- FY19 \$115,000.00

Whereas, The March 22nd staff response to a budget question indicated that at June 30, 2019, all previous funding for new streetlights will have been spent or designated for specific locations;

Whereas, The Administrator's proposed FY20 budget includes \$135,000.00 in funding for new streetlights but it was indicated in an April 26th staff response to a budget question that the \$135,000.00 is earmarked for lighting upgrades and additions at crosswalks and that "no funding is proposed for new street light installations that are not associated with crosswalk improvements";

Whereas, The April 26th staff response also indicated that it likely will take 3-4 years to complete the identified lighting upgrades at crosswalks;

Whereas, City Council believes the lighting upgrades/additions at crosswalks must continue unimpeded, but Council also believes the experience over the last four years has demonstrated that there is a need for funding for new streetlights other than at crosswalk locations; and

Whereas, An additional \$65,000.00 in funding for streetlight replacement (not new streetlights) was added to the General Fund in the proposed FY20 budget bringing the General Fund total for streetlight replacement to \$425,000.00;

RESOLVED, That in FY20 only, \$100,000.00 of the \$425,000.00 in the FY20 General Fund recurring expenditure budget for streetlight replacement be allocated to fund new streetlights at locations other than crosswalks;

RESOLVED, That the Administrator may present to Council for consideration other sources of one-time funding to substitute for the source identified above; and

RESOLVED, That by December 31, 2019 and the start of the FY21 budget process, the City Administrator will present to Council recommendations for ongoing, recurring funding (amounts and sources) that would complete the crosswalk lighting upgrades/additions and establish adequate provisions for new streetlights at non-crosswalk locations as well as streetlight replacement.

Sponsors: Councilmembers Lumm and Eaton

Amendment 6 – DEFEATED ON ROLL CALL 2-9

Amendment to end Deer Culling operations in FY 2020

Amendment 7- WITHDRAWN

Amendment to Increase Recurring Annual Contributions to Fund the Pension Liability for FY 2020 from all New Sources of Revenue

Amendment 8 – Approved on a Voice Vote

Prioritization of Oakbrook Asphalt Path

Whereas, The multi-modal asphalt paths on West Oakbrook Drive have been in very poor repair for some years and are currently on schedule for repair in 2021; and

Whereas, The multi-unit developments on West Oakbrook such as Cranbrook Towers and Brookhaven Manor include many elderly residents in immediate need of safe, pedestrian access to bus stops and area retail businesses;

Whereas, The multi-unit developments on West Oakbrook will soon grow by 146 units at Balfour, defining an area of high population with relatively few driveways;

Whereas, Multi-modal asphalt paths are the most effective means of maintaining safety for both pedestrians and cyclists in areas like West Oakbrook, with relatively few driveways;

Whereas, The planned FY20 asphalt path project is S. Main and the FY21 project is Oakbrook;

Whereas, The FY20/FY21 City Administrator's recommended budget/fiscal plan includes \$300,000.00 in each year for asphalt path repair in the Streets, Bridges and Sidewalks millage fund; and

Whereas, Both projects could be completed in FY20 if FY21 funding is moved forward into FY20;

RESOLVED, That the Council directs the south side of the Oakbrook asphalt path project be moved from the FY21 plan to the FY20 plan; and

RESOLVED, That the FY20 Streets, Bridges and Sidewalks Millage fund budget be increased by \$300,000.00 funded with a use of fund balance for the purpose of these two projects.

Sponsors: Councilmembers Nelson and Eaton

Amendment 9 – Approved on a Voice Vote

Amendment to Change the Millage Rate for the Streets, Bridges and Sidewalks Millage

Whereas, The voters approved a millage rate of 2.125 mills in November of 2016 for the Streets, Bridges and Sidewalks Millage;

Whereas, The July 2017 levy did not accurately reflect the millage reduction fraction due to Headlee;

Whereas, State law provides for corrective action under MCL 211.34(d)(13) which is to reflect the corrected millage rate for the July 2019 levy;

Whereas, The FY20 revenue reduction to the Streets, Bridges and Sidewalks Millage is approximately \$300,000.00;

Whereas, The FY20 City Administrator recommended budget included \$345,400.00 from the General Fund to address the results of the citizen survey;

RESOLVED, That the Streets, Bridges and Sidewalks Millage be decreased to 1.9981; and

RESOLVED, That the dollar impact of the millage rate reduction is offset by additional revenue expected from the General Fund in the amount of \$300,000.00.

Sponsor: Mayor Taylor

Amendment 10 – Approved as Amended on a Voice Vote

Recognition of Parks Fairness Resolution with Budget Amendments

Whereas, On May 17, 2010, Council passed a resolution (R-10-150) adopting policy guidance for the administration of the Parks Maintenance and Capital Improvements Millage that, among other things, that the General Fund Parks & Recreation budget be increased at the same percentage as the average General Fund overall budget percentage increase;

Whereas, On May 16, 2011, Council passed resolution R-11-186 amending the policy guidance; and

Whereas, On August 9, 2012, Council reaffirmed via resolution R-12-382, their intent to administer the Parks Maintenance and Capital Improvements Millage policy adopted per resolution R-11-186 for the duration of the current millage;

Whereas, The Parks General Fund budget did not increase for budget amendments for FY19 approved by City Council; and

Whereas, The Parks General Fund budget should be increased \$389,168.00 to ensure compliance with the 2010, 2011 and 2012 resolutions;

RESOLVED, That the General Fund Parks FY19 expenditure budget be amended to increase \$389,168.00 to be funded as a one-time expenditure from the General Fund fund balance.

Sponsors: Councilmembers Grand and Hayner

As Amended and Approved by Ann Arbor City Council on May 20, 2019