

MEMORANDUM

TO: Mayor and Council
FROM: Tom Crawford, Interim City Administrator
DATE: May 18, 2020
SUBJECT: Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for fiscal year 2021

Attached for your review and action is the proposed FY 2021 City Budget that totals \$513 million in revenue and \$466 million in expenditures and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 20, 2020.

General Fund Activities

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

	<u>FY 2021</u>
Recurring Revenues	\$ 112,585,428
Non-recurring Revenues	<u>1,261,900</u>
Total Revenues	\$ 113,847,328
Recurring Expenditures	\$ 112,051,595
Non-recurring Expenditures	<u>726,144</u>
Total Expenditures	\$ 112,777,739

General Fund recurring expenditures increased by \$3,472,556 (+3.2%) compared to FY 2020's adopted budget, and recurring revenues increased by \$3,910,048 (3.6%). Below is a summary of non-recurring expenditures:

<u>General Fund Non-recurring Expenditures</u>	<u>FY 2021</u>
City Administrator-Intern/Job Corps Program	80,000
City Administrator-Clerks Office-Creation of Satellite Office for Voter Registration	25,000
City Administrator-Clerk's Office-High Speed Tabulator	50,000
City Administrator-926 Mary Street Building Analysis	10,000
City Administrator-ADA accessibility improvements	25,000
City Administrator-Sustainability Office-Lead for America Fellow	47,500
Community Services-Building-Deer Management Funding-Reduce for FY21	(100,000)
Community Services-Planning-Internship	25,000
Public Services-Systems Planning-Treeline Trail	40,000
Public Services-Systems Planning-Center of the City	20,000
Public Services-Resident Driven Sidewalk Gap Program	100,000
Public Services-Superior Dam gate painting project	50,000
Police - Command staff professional development training	25,000
Police-Bicycles & protective gear	12,500
Police-Bicycle racks	2,400
Fire-Imagetrend software account services	12,600
Fire-RFP for architectural plans for Station 4	200,000
Fire-Tornado siren repairs	16,000
Fire-Renovations to Fire Station #1	136,000
Non-Departmental-Inclusion training	97,000
Non-Departmental-Reduce for Capital Sinking Fund Transfer in FY21	(307,856)
Non-Departmental-Workforce planning program	160,000
Total General Fund Non-recurring Expenditures	<u>\$ 726,144</u>

FTEs

The City's FTEs are proposed to increase from 762, as amended during FY20, to 771 in FY 2021 (excluding transfers between Service Areas and net of incidental changes):

- 1.0 FTE increase in Community Services, Housing Commission (amended during FY 2020)
- 1.0 FTE increase in Safety Services, Police (amended during FY 2020)
- 1.0 FTE increase in City Administrator, Sustainability (amended during FY 2020)
- 2.0 FTE increase in Public Services, Engineering
- 1.0 FTE increase in Community Services, Housing Commission
- 0.15 FTE increase in Community Services, Planning
- 0.75 FTE increase in City Attorney
- 2.0 FTE increase in Financial Services, Information Technology
- 1.0 FTE increase in Safety Services, Police
- 3.0 FTE increase in City Administrator, Sustainability
- 0.175 FTE increase in City Administrator, Human Resources
- 1.0 FTE decrease in City Administrator, Communications

As part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 771 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 2021 the Headlee rollback multiplier is anticipated to be 0.9912):

	PROPOSED FY 2021	ACTUAL FY 2020	CHANGE
GENERAL OPERATING	5.8365	5.8884	(0.0519)
EMPLOYEE BENEFITS	1.9454	1.9627	(0.0173)
AAATA	1.9454	1.9627	(0.0173)
REFUSE COLLECTION	2.3341	2.3549	(0.0208)
STREET, BRIDGE & SIDEWALK MILLAGE	2.0291	1.9981	0.0310
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0807	1.0903	(0.0096)
OPEN SPACE & PARKLAND PRESERVATION	<u>0.4519</u>	<u>0.4560</u>	<u>(0.0041)</u>
TOTAL	15.6231	15.7131	(0.0900)

Prepared by: Matthew V. Horning, Interim Chief Financial Officer

Approved by: Tom Crawford, Interim City Administrator

RESOLUTION TO ADOPT ANN ARBOR CITY BUDGET
AND RELATED PROPERTY TAX MILLAGE RATES
FOR FISCAL YEAR 2021

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2021 for the City of Ann Arbor, which was submitted on April 20, 2020 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 2021 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 \$253,948,050 are approved; and that \$60,676,050 be appropriated in FY 2021 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 \$1,640,268 be appropriated without regard to fiscal year;

RESOLVED, That a total 771 full-time equivalent positions be adopted in the FY 2021 budget;

RESOLVED, That as part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 771 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 FY 2020 Special Event Funding in the General Fund Building & Rental service unit budget carry forward to FY 2021;

RESOLVED, that any unspent FY 2020 Annexation Funding in the General Fund Planning service unit budget carry forward to FY 2021;

RESOLVED, that any unspent DDA Grants included in the FY21 budget and approved by the DDA Board may be carried forward without regard to fiscal year;

RESOLVED, That the City Council approve the proposed FY 2021 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2021 in a dedicated fund containing \$6,085,125 in revenues and \$6,085,125 in expenditures;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2021;

<u>REVENUES</u>	
CITY ATTORNEY	\$ 283,366
CITY ADMINISTRATOR	
Human Resources	309,644
Safety	358,839
Clerk Services	245,053
Fleet & Facilities	1,720,490
Communications	334,000
COMMUNITY SERVICES	
Community Development	3,022,955
Building & Rental Services	1,218,700
Planning	480,010
Parks and Recreation Services	4,772,411
FINANCIAL SERVICES	
Financial and Budget Planning	19,743,948
Treasury	51,589,549
Information Technology	4,147,669
PUBLIC SERVICES	
Engineering	2,278,539
Public Works	49,211
Public Services Administration	86,648
Water Treatment	425,000
SAFETY SERVICES	
Police	3,932,368
Fire	679,680
DISTRICT COURT	1,798,529
NON-DEPARTMENTAL	16,370,719
TOTAL GENERAL FUND REVENUES	\$ 113,847,328

EXPENDITURES

MAYOR AND CITY COUNCIL	\$ 492,262
CITY ATTORNEY	2,561,961
CITY ADMINISTRATOR	
City Administrator	1,177,144
Human Resources	2,210,982
Clerk Services	1,609,511
Police Commission	150,000
Safety	351,820
Sustainability & Innovation	549,045
Fleet & Facilities	3,539,066
Communications Office	459,343
COMMUNITY SERVICES	
Building & Rental Services	1,263,597
Planning	1,431,930
Community Development	5,050,508
Parks and Recreation	8,836,952
FINANCIAL SERVICES	
Accounting	862,661
Assessor	1,124,066
Financial and Budget Planning	1,112,166
Information Technology	4,069,330
Procurement	161,023
Risk Management	118,379
Treasury	974,718
PUBLIC SERVICES	
Public Works	49,091
Engineering	4,652,261
Public Services Administration	118,349
Systems Planning	60,000
Water Treatment Services	459,494
SAFETY SERVICES	
Police	30,746,848
Fire	17,232,601
DISTRICT COURT	4,975,589
NON-DEPARTMENTAL	16,377,042
TOTAL GENERAL FUND EXPENDITURES	\$ 112,777,739

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2021 budget; and

REVENUES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	\$ 1,301,500
0002	ENERGY PROJECTS	160,446
0003	DOWNTOWN DEVELOPMENT AUTHORITY	9,915,400
0009	SMART ZONE LDFA	6,085,125
0010	GENERAL	113,847,328
0011	CENTRAL STORES	1,229,675
0012	FLEET SERVICES	8,788,735
0014	INFORMATION TECHNOLOGY	9,932,921
0016	COMMUNITY TELEVISION NETWORK	2,140,499
0021	MAJOR STREET	15,169,405
0022	LOCAL STREET	3,185,708
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	3,014,705
0025	BANDEMER PROPERTY	9,215
0026	CONSTRUCTION CODE FUND	4,852,934
0027	DRUG ENFORCEMENT	49,031
0028	FEDERAL EQUITABLE SHARING	178,542
0033	DDA PARKING MAINTENANCE	10,693,000
0034	PARKS MEMORIALS & CONTRIBUTIONS	170,787
0035	GENERAL DEBT SERVICE	10,006,764
0036	METRO EXPANSION	440,984
0038	ANN ARBOR ASSISTANCE	5,227
0041	OPEN SPACE ENDOWMENT	32,836
0042	WATER SUPPLY SYSTEM	31,812,018
0043	SEWAGE DISPOSAL SYSTEM	34,745,754
0048	AIRPORT	964,174
0049	PROJECT MANAGEMENT	5,522,920
0052	VEBA TRUST	14,413,531
0053	POLICE AND FIRE RELIEF	66,097
0054	CEMETERY PERPETUAL CARE	5,343
0055	ELIZABETH R DEAN TRUST	61,274
0057	RISK FUND	34,495,955
0058	WHEELER CENTER	596,707
0059	EMPLOYEES RETIREMENT SYSTEM	51,672,534
0061	ALTERNATIVE TRANSPORTATION	670,595
0062	STREET, BRIDGE & SIDEWALK MILLAGE	15,613,053
0063	DDA PARKING SYSTEM	31,118,400
0064	MICHIGAN JUSTICE TRAINING	21,298
0069	STORMWATER SEWER SYSTEM	13,225,109
0070	AFFORDABLE HOUSING	17,298
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	6,765,523
0072	SOLID WASTE FUND	18,623,947
0082	STORMWATER BOND	5,055,000
0084	DEVELOPER OFFSET MITIGATION	600,000
0086	2019-A CAPITAL IMPROVEMENT BONDS	4,059,200
0088	SEWER BOND	16,125,750
0089	WATER BOND	18,104,000
0096	WATER BOND	574,200
0100	COUNTY MENTAL HEALTH MILLAGE	3,652,400
0101	CAPITAL SINKING FUND	100,000
00CP	GENERAL CAPITAL FUND	2,556,000
		<u>\$ 512,673,847</u>

EXPENDITURES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	\$ 1,301,500
0002	ENERGY PROJECTS	159,819
0003	DOWNTOWN DEVELOPMENT AUTHORITY	9,915,400
0009	SMART ZONE LDFA	6,085,125
0010	GENERAL	112,777,739
0011	CENTRAL STORES	1,229,675
0012	FLEET SERVICES	8,763,802
0014	INFORMATION TECHNOLOGY	9,521,795
0016	COMMUNITY TELEVISION NETWORK	2,000,422
0021	MAJOR STREET	15,153,357
0022	LOCAL STREET	3,185,708
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	1,425,515
0025	BANDEMER PROPERTY	6,290
0026	CONSTRUCTION CODE FUND	4,852,934
0027	DRUG ENFORCEMENT	47,235
0028	FEDERAL EQUITABLE SHARING	175,879
0033	DDA PARKING MAINTENANCE	10,693,000
0034	PARKS MEMORIALS & CONTRIBUTIONS	100,787
0035	GENERAL DEBT SERVICE	10,006,764
0036	METRO EXPANSION	440,984
0038	ANN ARBOR ASSISTANCE	5,000
0041	OPEN SPACE ENDOWMENT	15,000
0042	WATER SUPPLY SYSTEM	23,452,036
0043	SEWAGE DISPOSAL SYSTEM	25,433,011
0048	AIRPORT	939,160
0049	PROJECT MANAGEMENT	5,522,920
0052	VEBA TRUST	927,519
0053	POLICE & FIRE RELIEF	50,000
0055	ELIZABETH R DEAN TRUST	61,274
0057	RISK FUND	33,752,652
0058	WHEELER CENTER	435,219
0059	EMPLOYEES RETIREMENT SYSTEM	46,290,718
0061	ALTERNATIVE TRANSPORTATION	542,849
0062	STREET, BRIDGE & SIDEWALK MILLAGE	14,279,531
0063	DDA PARKING SYSTEM	31,118,400
0064	MICHIGAN JUSTICE TRAINING	21,000
0069	STORMWATER SEWER SYSTEM	10,143,003
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	6,756,282
0072	SOLID WASTE FUND	18,232,010
0082	STORMWATER BOND	5,055,000
0086	2019-A CAPITAL IMPROVEMENT BONDS	4,059,200
0088	SEWER BOND	16,125,750
0089	WATER BOND	18,104,000
0100	COUNTY MENTAL HEALTH MILLAGE	3,652,400
0101	CAPITAL SINKING FUND	100,000
00CP	GENERAL CAPITAL FUND	2,556,000
		<u>\$ 465,698,664</u>

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2021:

	PROPOSED
GENERAL OPERATING	5.8365
EMPLOYEE BENEFITS	1.9454
AAATA	1.9454
REFUSE COLLECTION	2.3341
STREET, BRIDGE & SIDEWALK MILLAGE	2.0291
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0807
OPEN SPACE & PARKLAND PRESERVATION	0.4519
TOTAL	<u>15.6231</u>

Prepared by: Matthew V. Horning, Interim Chief Financial Office
Approved by: Tom Crawford, Interim City Administrator

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