



## Legislation Details (With Text)

**File #:** 20-0561      **Version:** 2      **Name:** 5/4/20 Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for fiscal year 2021

**Type:** Resolution      **Status:** Passed

**File created:** 5/4/2020      **In control:** City Council

**On agenda:** 5/18/2020      **Final action:** 5/18/2020

**Enactment date:** 5/18/2020      **Enactment #:** R-20-178

**Title:** Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for Fiscal Year 2021

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution for FY21 Adopted Budget As Amended by City Council.pdf, 2. Resolution for FY21 Proposed Budget.pdf, 3. Budget Amendments for FY21 As Amended and Approved 051820.pdf, 4. Draft Budget Amendments for FY21.pdf

| Date      | Ver. | Action By    | Action              | Result |
|-----------|------|--------------|---------------------|--------|
| 5/18/2020 | 1    | City Council |                     |        |
| 5/18/2020 | 2    | City Council | Amended             | Pass   |
| 5/18/2020 | 2    | City Council | Amended             | Pass   |
| 5/18/2020 | 2    | City Council | Amended             | Pass   |
| 5/18/2020 | 2    | City Council | Amended             |        |
| 5/18/2020 | 2    | City Council | Amended             |        |
| 5/18/2020 | 2    | City Council | Amended             | Pass   |
| 5/18/2020 | 2    | City Council | Approved as Amended | Pass   |
| 5/18/2020 | 2    | City Council | Amended             | Pass   |
| 5/18/2020 | 2    | City Council | Amended             | Pass   |
| 5/18/2020 | 2    | City Council | Amended             | Fail   |
| 5/18/2020 | 2    | City Council | Amended             | Pass   |
| 5/4/2020  | 1    | City Council | Held and Closed     |        |

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   |
| <br>                       |                  |
| Recurring Expenditures     | \$ 112,051,598   |
| Non-recurring Expenditures | <u>726,144</u>   |
| Total Expenditures         | \$ 112,777,732   |

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 | <del>25,000</del>  |
| 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 FY20                  | <del>100,000</del> |
| 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 FY20                    | <del>2307,85</del> |
| Non-Departmental-Workforce planning program  | <u>160,000</u>     |
| 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):

|   | PROPOSE<br>FY 2021 | ACTUAL<br>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 | 1.0808             | 1.0903            | (0.0095)        |
| OPEN SPACE & PARKLAND PRESERVATION      | 0.4519             | 0.4560            | (0.0041)        |
| <b>TOTAL</b>                            | <b>15.6231</b>     | <b>15.7131</b>    | <b>(0.0900)</b> |

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

Approved by: Tom Crawford, Interim City Administrator

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;

**REVENUES**

|                                    |                      |
|------------------------------------|----------------------|
| 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                   | <u>16,370,719</u>    |
| <b>TOTAL GENERAL FUND REVENUES</b> | <b>\$113,847,328</b> |

**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                       | <u>16,377,042</u> |
| <b>TOTAL GENERAL FUND EXPENDITURES</b> | <b>2,777,739</b>  |

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                        | \$ 1,301,50 |
| 0002 | ENERGY PROJECTS                         | 160,44      |
| 0003 | DOWNTOWN DEVELOPMENT AUTHORITY          | 9,915,40    |
| 0009 | SMART ZONE LDFA                         | 6,085,12    |
| 0010 | GENERAL                                 | 113,847,3   |
| 0011 | CENTRAL STORES                          | 1,229,67    |
| 0012 | FLEET SERVICES                          | 8,788,73    |
| 0014 | INFORMATION TECHNOLOGY                  | 9,932,92    |
| 0016 | COMMUNITY TELEVISION NETWORK            | 2,140,49    |
| 0021 | MAJOR STREET                            | 15,169,40   |
| 0022 | LOCAL STREET                            | 3,185,70    |
| 0023 | COURT FACILITIES                        | 225,00      |
| 0024 | OPEN SPACE & PARKLAND PRESERVATION      | 1,014,70    |
| 0025 | BANDEMER PROPERTY                       | 9,215       |
| 0026 | CONSTRUCTION CODE FUND                  | 4,852,93    |
| 0027 | DRUG ENFORCEMENT                        | 49,03       |
| 0028 | FEDERAL EQUITABLE SHARING               | 178,54      |
| 0033 | DDA PARKING MAINTENANCE                 | 10,693,00   |
| 0034 | PARKS MEMORIALS & CONTRIBUTIONS         | 170,78      |
| 0035 | GENERAL DEBT SERVICE                    | 10,006,76   |
| 0036 | METRO EXPANSION                         | 440,98      |
| 0038 | ANN ARBOR ASSISTANCE                    | 5,227       |
| 0041 | OPEN SPACE ENDOWMENT                    | 32,836      |
| 0042 | WATER SUPPLY SYSTEM                     | 31,812,01   |
| 0043 | SEWAGE DISPOSAL SYSTEM                  | 34,745,75   |
| 0048 | AIRPORT                                 | 964,17      |
| 0049 | PROJECT MANAGEMENT                      | 5,522,92    |
| 0052 | VEBA TRUST                              | 14,413,53   |
| 0053 | POLICE AND FIRE RELIEF                  | 66,097      |
| 0054 | CEMETERY PERPETUAL CARE                 | 5,343       |
| 0055 | ELIZABETH R DEAN TRUST                  | 61,274      |
| 0057 | RISK FUND                               | 34,495,95   |
| 0058 | WHEELER CENTER                          | 596,70      |
| 0059 | EMPLOYEES RETIREMENT SYSTEM             | 51,672,53   |
| 0061 | ALTERNATIVE TRANSPORTATION              | 670,59      |
| 0062 | STREET, BRIDGE & SIDEWALK MILLAGE       | 15,613,05   |
| 0063 | DDA PARKING SYSTEM                      | 31,118,40   |
| 0064 | MICHIGAN JUSTICE TRAINING               | 21,298      |
| 0069 | STORMWATER SEWER SYSTEM                 | 13,225,10   |
| 0070 | AFFORDABLE HOUSING                      | 17,298      |
| 0071 | PARK MAINTENANCE & CAPITAL IMPROVEMENTS | 6,055,52    |
| 0072 | SOLID WASTE FUND                        | 18,623,94   |
| 0082 | STORMWATER BOND                         | 5,055,00    |
| 0084 | DEVELOPER OFFSET MITIGATION             | 600,00      |
| 0086 | 2019-A CAPITAL IMPROVEMENT BONDS        | 4,059,20    |
| 0088 | SEWER BOND                              | 16,125,75   |
| 0089 | WATER BOND                              | 18,104,00   |
| 0096 | WATER BOND                              | 574,20      |

|                                   |                           |
|-----------------------------------|---------------------------|
| 0100 COUNTY MENTAL HEALTH MILLAGE | 3,652,40                  |
| 0101 CAPITAL SINKING FUND         | 100,00                    |
| 00CPGENERAL CAPITAL FUND          | <u>2,556,00</u>           |
|                                   | <b><u>\$512,673.8</u></b> |

## 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                              | 6,085,120    |
| 0010 | GENERAL                                      | 112,777,730  |
| 0011 | CENTRAL STORES                               | 1,229,670    |
| 0012 | FLEET SERVICES                               | 8,763,800    |
| 0014 | INFORMATION TECHNOLOGY                       | 9,521,790    |
| 0016 | COMMUNITY TELEVISION NETWORK                 | 2,000,420    |
| 0021 | MAJOR STREET                                 | 15,153,350   |
| 0022 | LOCAL STREET                                 | 3,185,700    |
| 0023 | COURT FACILITIES                             | 225,000      |
| 0024 | OPEN SPACE & PARKLAND PRESERVATION           | 1,425,510    |
| 0025 | BANDEMER PROPERTY                            | 6,290        |
| 0026 | CONSTRUCTION CODE FUND                       | 4,852,930    |
| 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                         | 10,006,760   |
| 0036 | METRO EXPANSION                              | 440,984      |
| 0038 | ANN ARBOR ASSISTANCE                         | 5,000        |
| 0041 | OPEN SPACE ENDOWMENT                         | 15,000       |
| 0042 | WATER SUPPLY SYSTEM                          | 23,452,030   |
| 0043 | SEWAGE DISPOSAL SYSTEM                       | 25,433,010   |
| 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                                    | 33,752,650   |
| 0058 | WHEELER CENTER                               | 435,219      |
| 0059 | EMPLOYEES RETIREMENT SYSTEM                  | 46,290,710   |
| 0061 | ALTERNATIVE TRANSPORTATION                   | 542,849      |
| 0062 | STREET, BRIDGE & SIDEWALK MILLAGE            | 14,279,530   |
| 0063 | DDA PARKING SYSTEM                           | 31,118,400   |
| 0064 | MICHIGAN JUSTICE TRAINING                    | 21,000       |
| 0069 | STORMWATER SEWER SYSTEM                      | 10,143,000   |
| 0071 | PARK MAINTENANCE & CAPITAL IMPROVEMENT BONDS | 6,756,280    |
| 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                 | 2,652,400    |

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|                                   |                             |
|-----------------------------------|-----------------------------|
| 0100 COUNTY MENTAL HEALTH MILLAGE | 3,052,400                   |
| 0101 CAPITAL SINKING FUND         | 100,000                     |
| 00CP GENERAL CAPITAL FUND         | <u>2,556,000</u>            |
|                                   | <b><u>\$ 465,698.66</u></b> |

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

|   | <b>PROPOSED</b> |
|---|-----------------|
| 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      | <u>0.4519</u>   |
| TOTAL                                   | 15.6231         |

**See Attached Budget Amendments as Approved by Ann Arbor City Council on May 18, 2020.**

**\*Resolution updated to reflect budget amendment figures.**