



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
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Legislation Text

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Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for Fiscal Year 2011

Attached for your review and action is the proposed fiscal year FY 2011 City Budget that totals \$359.9 million in revenues and \$341.9 in expenditures, and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 5, 2010.

General Fund Activities

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

	<u>FY 2011</u>
Recurring Revenues	\$ 76,345,552
Recurring Expenditures	74,862,375
Non-recurring Revenue	0
Non-recurring Expenditures	<u>3,015,189</u>
 Net Surplus/(Deficit)	 \$ (1,532,012)

General Fund recurring expenditures decreased by \$(6,357,682) (7.8%) compared to FY 2010, and recurring revenues decrease by \$(8,157,310) (9.7%). Below is a summary of non-recurring expenditures:

	<u>FY 2011</u>
<u>General Fund Expenditures</u>	
Non-recurring Items:	
Moving Costs for new building	\$ 185,000
Loan payment for 1st and Washington	150,000
A/V and security costs for new building	975,000
A2D2 personnel costs	43,529
Mortgage foreclosure prevention program	100,000
Golf Operations Subsidy	519,074
Housing Commission-employee compensation	90,000
Planning & Dev. - master plan update	95,000
Planning & Dev. - corridor design standards	90,000
Planning & Dev. - zoning code revision	65,000
Add'l Parks Funding - Parks & Rec	95,766
Add'l Parks Funding - Park Ops	191,820
Hydropower repairs to Barton Dam	210,000
Larcom upper roof replacement	165,000
A2D2 - Professional consulting	<u>40,000</u>
Total General Fund Non-recurring Expenditures	\$ 3,015,189

FTEs

The City's FTEs are proposed to decrease from 766 to 706 in FY 2011:

- 20 FTE's in Police Services
- 20 FTE's in Fire Services
- 10 FTE's in Public Services
- 6 FTE's in Community Services
- 2 FTE's in Fifteenth District Court
- 1 FTE in Attorney
- 1 FTE in Financial and Administrative Services

Millage Rates

The following millages are the maximum allowable levy after the Headlee rollback multiplier is applied (for FY 2011 the Headlee rollback multiplier is anticipated to be 1.00):

	PROPOSED FY 2011	ACTUAL FY 2010	DIFFERENCE
GENERAL OPERATING	6.1682	6.1682	0.0000
EMPLOYEE BENEFITS	2.0560	2.0560	0.0000
REFUSE COLLECTION	2.4670	2.4670	0.0000
AATA	2.0560	2.0560	0.0000
STREET REPAIR	1.9944	1.9944	0.0000
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0969	1.0969	0.0000
OPEN SPACE & PARKLAND PRESERVATION	0.4779	0.4779	0.0000
DEBT SERVICE	<u>0.5000</u>	<u>0.4806</u>	<u>0.0194</u>
TOTAL	16.8164	16.7970	0.0194

Prepared by: Tom Crawford, Chief Financial Officer

Approved by: Roger W. Fraser, City Administrator

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2011 for the City of Ann Arbor;

Whereas, A public hearing and various public meetings have been held to obtain citizen input on the

proposed budget;

Whereas, The Park Maintenance and Capital Improvements Millage is projected to recognize a decrease in annual revenue;

Whereas, The General Fund can no longer support the same level of trimming activity in the Park Systems; and

Whereas, This budget recommendation includes Parks Millage Support of some Parks trimming activity;

RESOLVED, That Council adopts the General Fund Allocations as listed in the FY 2011 Consolidated Plan, to be funded out of the Community Development budget;

RESOLVED, That the unexpended grant entitlement for the Community Development Block Grant and the HOME Funds be re-appropriated at the end of the fiscal year until such time as all grant funds have been expended;

RESOLVED, That any Community Development Program Income be appropriated upon receipt of the funds for the purpose of Community Development Project Activities;

RESOLVED, That any contributions to the Special Assistance Fund and the Housing Trust 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 and the Housing Trust Fund, respectively;

RESOLVED, That the proposed list of Capital Improvement projects in the amount of \$333,616,399 are approved; and that \$63,734,402 be appropriated in FY 2011 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 Art in Public Places Fund budget be appropriated without regard to fiscal year;

RESOLVED, That the Technology Improvement projects in the amount of \$1,114,722 be appropriated without regard to fiscal year;

RESOLVED, That a total 735.67 full-time equivalent positions be adopted in the FY 2011 budget;

RESOLVED, That the City Administrator be authorized to transfer funds between service units within the designated service areas;

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 park memorials without regard to fiscal year;

RESOLVED, That the City Council approve the proposed FY 2011 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in FY 2011 in a dedicated fund containing \$1,444,750 in revenues and \$1,444,750 in expenditures;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2011;

REVENUES	
CITY ATTORNEY	\$ 118,000
CITY ADMINISTRATOR	
Clerk Services	142,650
COMMUNITY SERVICES	
Planning & Development Services	1,130,150
Office of Community Development	309,430
Parks and Recreation Services	2,413,588
FINANCIAL SERVICES	
Financial and Budget Planning	15,361,568
Procurement	40,000
Treasury	40,406,127
PUBLIC SERVICES	
Field Operations	362,600
Public Services Administration	65,427
Systems Planning	5,200
Water Treatment	325,000
SAFETY SERVICES	
Police	4,524,417
Fire	123,600
DISTRICT COURT	2,075,000
NON-DEPARTMENTAL	14,047,209
TOTAL GENERAL FUND REVENUES	\$81,449,966

EXPENDITURES	
MAYOR AND CITY COUNCIL	\$ 354,818
CITY ATTORNEY	1,811,479
CITY ADMINISTRATOR	
City Administrator	533,996
Human Resources	1,296,487
Clerk Services	987,299
COMMUNITY SERVICES	
Planning & Development Services	2,742,602
Office of Community Development	2,092,831
Parks and Recreation	3,641,585
FINANCIAL SERVICES	
Accounting	737,431
Assessor	932,364
Financial and Budget Planning	999,183
Procurement	354,067

Treasury	603,934
PUBLIC SERVICES	
Customer Services	249,423
Field Operations	5,179,341
Fleet & Facilities	1,466,105
Public Services Administration	313,752
Systems Planning	114,106
Water Treatment Services	433,370
SAFETY SERVICES	
Police	26,066,215
Fire	13,786,925
DISTRICT COURT	3,776,080
NON-DEPARTMENTAL	12,976,573
TOTAL GENERAL FUND EXPENDITURES	\$81,449,966

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2011 budget; and

REVENUES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0042	WATER SUPPLY & S	22,271,893
0043	SEWAGE DISPOS	22,205,502
0048	AIRPORT	808,140
0069	STORMWATER SE	5,623,989
0011	CENTRAL STORE	1,607,715
0012	FLEET SERVICES	8,065,536
0014	INFORMATION TE	6,376,902
0056	ART IN PUBLIC PL	451,213
0049	PROJECT MANAG	3,676,238
0057	RISK	27,303,683
0058	WHEELER CENTE	525,584
0055	ELIZABETH R DEA	95,063
0071	PARKS MAINT. & C	5,206,991
0006	PARKS REPAIR AI	83,803
0017	HOMELAND SECU	500
0021	MAJOR STREET	6,904,884
0022	LOCAL STREET	1,751,741
0036	METRO EXPANSIC	635,000
0054	CEMETERY PERP	6,200
0062	STREET REPAIR M	13,798,281
0072	SOLID WASTE FUI	15,491,887
0002	ENERGY PROJEC	620,614
0070	AFFORDABLE HOI	200,811

0024	OPEN SPACE & P	2,434,267
0025	BANDEMER PROF	22,500
0026	CONSTRUCTION (2,170,977
0029	OPEN SPACE ANE	264,873
0041	OPEN SPACE ENL	2,932
0046	MARKET	172,923
0038	ANN ARBOR ASSI	8,000
0045	ECONOMIC DEVE	750,000
0047	GOLF ENTERPRIS	1,685,037
0016	COMMUNITY TELE	1,607,051
0018	PARKS REHAB & I	64,086
0034	PARKS MEMORIAL	41,400
0083	SENIOR CENTER	45,245
0027	DRUG ENFORCEM	61,200
0028	FEDERAL EQUITA	106,000
0053	POLICE AND FIRE	25,000
0064	MICHIGAN JUSTIC	53,000
0073	LOCAL FORFEITU	21,200
0023	COURT FACILITIE	302,800
0035	GENERAL DEBT S	10,393,592
0060	GENERAL DEBT /S	140,685
0061	ALTERNATIVE TR	616,173
0082	STORMWATER BC	4,506,299
0088	SEWER BOND	38,334,103
0089	WATER BOND	5,223,000
0091	SIDEWALK IMPRC	22,225
00MG	MAJOR GRANTS F	292,372
0052	VEBA TRUST	4,760,778
0059	EMPLOYEES RETI	34,760,858
0009	SMARTZONE LDF	1,444,750
0001	DDA/HOUSING FU	212,000
0003	DOWNTOWN DEV	5,262,610
0033	DDA PARKING MA	2,666,180
0063	DDA PARKING SY	19,842,549
	TOTAL ALL OTHEI \$	282,028,835
	GENERAL (PAGE	81,449,966
	TOTAL ALL FUNDS \$	363,478,801

EXPENDITURES

Fund	Fund Name	Amount
0042	WATER SUPPLY SYSTE \$	19,752,622
0043	SEWAGE DISPOSAL SY:	19,297,651
0048	AIRPORT	797,196
0069	STORMWATER SEWER	5,246,785

0011	CENTRAL STORES	1,607,225
0012	FLEET SERVICES	8,061,805
0014	INFORMATION TECHNO	6,299,188
0056	ART IN PUBLIC PLACES	451,213
0049	PROJECT MANAGEMEN	3,643,786
0057	RISK	27,142,951
0058	WHEELER CENTER	525,584
0055	ELIZABETH R DEAN TRU	95,033
0071	PARKS MAINT. & CAPIT	5,173,604
0006	PARKS REPAIR AND RE	83,803
0021	MAJOR STREET	6,891,127
0022	LOCAL STREET	1,751,596
0036	METRO EXPANSION	635,000
0054	CEMETERY PERPETUAL	5,000
0062	STREET REPAIR MILLAC	13,798,281
0072	SOLID WASTE FUND	15,442,219
0002	ENERGY PROJECTS	180,614
0070	AFFORDABLE HOUSING	190,000
0024	OPEN SPACE & PARKLA	2,148,312
0025	BANDEMER PROPERTY	22,500
0026	CONSTRUCTION CODE	2,169,140
0046	MARKET	154,355
0038	ANN ARBOR ASSISTANC	8,000
0045	ECONOMIC DEVELOPM	750,000
0047	GOLF ENTERPRISE	1,662,855
0016	COMMUNITY TELEVISIC	1,607,051
0018	PARKS REHAB & DEVEL	56,806
0034	PARKS MEMORIALS & C	36,864
0083	SENIOR CENTER ENDO	37,500
0027	DRUG ENFORCEMENT	60,000
0028	FEDERAL EQUITABLE S	100,000
0064	MICHIGAN JUSTICE TR/	50,000
0073	LOCAL FORFEITURE	20,000
0023	COURT FACILITIES	292,960
0035	GENERAL DEBT SERVIC	10,335,901
0060	GENERAL DEBT /SPECI	140,685
0061	ALTERNATIVE TRANSP	616,173
0082	STORMWATER BOND	4,506,299
0088	SEWER BOND	38,334,103
0089	WATER BOND	5,223,000
0091	SIDEWALK IMPROVEME	19,666
00MG	MAJOR GRANT PROGR	292,372
0052	VEBA TRUST	212,533
0059	EMPLOYEES RETIREME	28,641,438
0009	SMARTZONE LDFA	1,444,750
0001	DDA/HOUSING FUND	212,000

0003	DOWNTOWN DEVELOPI	5,262,610
0033	DDA PARKING MAINTEN	2,666,180
0063	DDA PARKING SYSTEM	19,842,549
	TOTAL ALL OTHER FUN \$	263,998,885
0010	GENERAL (PAGE 5)	81,449,966
	TOTAL ALL FUNDS' EXP \$	345,448,851

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2011:

	PROPOSED
GENERAL OPERATING	6.1682
EMPLOYEE BENEFITS	2.0560
REFUSE COLLECTION	2.4670
AATA	2.0560
STREET REPAIR	1.9944
PARKS MAINTENANCE & CAPITAL IMPROVEMENTS	1.0969
OPEN SPACE & PARKLAND PRESERVATION	0.4779
DEBT SERVICE	<u>0.5000</u>
TOTAL	16.8164

Approved Amendments by City Council on May 17, 2010

Amendment 1 -

Increase the General Fund Revenue Budget and Expenditure Budgets for Police and Fire, and reauthorize 15 Police and 15 Fire FTEs.

Whereas, The DDA Board has authorized a transfer of \$2,000,000 to the City's General Fund for FY 2011 with the understanding a more definitive agreement on the allocation of parking activities will be completed with the City to be effective July 1, 2011; and

Whereas, The Michigan State Treasurer presently projects State Shared Revenue for municipalities will remain at existing levels, which is \$952,000 greater than what the City Administrator's recommended budget has included; and

Whereas, City Council has approved changes in parking fine rates, which is estimated to generate an additional \$625,000 in FY 2011; and

Whereas, Fire Services has revised its capital equipment plan, which would generate an annual savings of \$62,000; and

Whereas, The City Administrator's recommended budget included a reduction in Police Services of 15 FTEs totaling \$1,585,783 that Council desires not to reduce; and

Whereas, The City Administrator's recommended budget included a reduction of 20 FTEs in Fire Services totaling \$1,946,815, and Council desires 15 of those FTEs totaling \$1,509,620 be authorized; and

Whereas, The above changes would result in a net recurring surplus of \$543,597.

RESOLVED, That the DDA budget reflect a transfer of \$2,000,000 to the City's General Fund, and the General Fund increase its revenue budget to include the DDA transfer;

RESOLVED, That the General Fund revenue budget reflect an increase of \$952,000 in State Shared Revenue;

RESOLVED, That the General Fund revenue budget reflect an increase of \$625,000 in parking fines;

RESOLVED, That Fire Services reduce its expenditure budget for capital purchases by \$62,000, in the General Fund;

RESOLVED, That 15 FTEs are added to the City Administrator's recommended budget for Police Services, increasing the General Fund expenditure budget for Police totaling \$1,585,783;

RESOLVED, That 15 FTEs are added to the City Administrator's recommended budget for Fire Services, increasing the General Fund expenditure budget for Fire totaling \$1,509,620;

RESOLVED, That the General Fund's revenue budget line, Use of Fund Balance, be decreased by \$543,597 to balance this amendment, reflecting the recurring surplus created by this amendment.

**Amendment 2 -
Increase the General Fund Expenditure Budget for Human Services funding.**

Whereas, a recurring surplus was approved in Amendment 1; and

Whereas, The City Administrator's recommended budget included a reduction of \$260,000 for Human Services.

RESOLVED, That the \$260,000 for Human Services funding in the General Fund be restored increasing the expenditure budget, with a funding source of Prior Year Fund Balance increasing the revenue budget, and thereby reducing the recurring surplus.

Sponsored by: Mayor Hieftje, Council Members Teall, Rapundalo, Briere and Smith

**Amendment 3 -
Increase the General Fund Expenditure Budget for park mowing and trimming and eliminate football parking at Allmendinger and Frisinger parks.**

Whereas, a recurring surplus was approved in Amendment 1; and

Whereas, The City Administrator's recommended budget included a reduction for park mowing cycle changes and park trimming cycle changes, and the cost of restoring those to the 19 day cycle would be \$138,000 for mowing and \$120,000 for trimming;

Whereas, The City Administrator's recommended budget included revenues of \$25,000 for parking at Allmendinger Park and Frisinger Park during U of M football games.

RESOLVED, That the park mowing and trimming cycles be restored to the 19 day cycle, to be funded by an increase of \$138,000 for mowing and \$120,000 for trimming in the General Fund Public Services Field Operations expenditure budget;

RESOLVED, That the parking at Allmendinger Park and Frisinger Park during U of M football games be eliminated, and reflected in the General Fund budget as a revenue reduction of \$25,000.

RESOLVED, That the General Fund Prior Years Fund Balance revenue budget be increased by \$283,000 to balance this amendment, thereby reducing the recurring surplus.

Sponsored by: Council Members Teall, Higgins, Rapundalo, and Mayor Hieftje

Amendment 4 - (Motion Failed)

Amendment 5 - (Motion Failed)

Amendment 6 - (Motion Failed)

Amendment 7 -

Eliminate Loading Zone Permit Fees and increase Fines for parking in loading zones.

Whereas, The Loading Zone Permit program was established in FY 2010 to restrict the use of loading zones for commercial purposes; and

Whereas, The requirement for permits and permit fees resulted in complaints to the DDA and Council related to permit fees; and

Whereas, The City and DDA have a vested interest in encouraging downtown business activity; and

Whereas, The Council desires to eliminate the Loading Zone Permit requirement and associated fees; and

Whereas, \$20,000 was budgeted for Loading Zone Permit Fees in the General Fund revenue budget; and

Whereas, An approved increase to the fine for parking in a loading zone from \$25 to \$45 would raise an estimated additional revenue of \$25,700; and

Whereas, There is a one-time cost of \$21,000 to remove the existing loading zone permit signs and install replacement signs designating commercial loading zones,

RESOLVED, That Council directs the Administration to pursue the elimination of the Loading Zone Permit requirement, associated fees, and refunding of amounts paid for permits sold in FY2010;

RESOLVED, That the General Fund revenue budget be amended to reflect the elimination of the \$20,000 Loading Zone Permit Fees, and the Parking Fines revenue budget line be increased by the

\$25,700 reflecting the increased parking fines;

RESOVED, That the General Fund Public Services expenditure budget be increased by \$21,000 for the removal of the loading zone permit signs, and the source of funds for this change be an increase in the revenue budget of the General Fund Use of Fund Balance.

Sponsored by: Council Members Smith and Hohnke

Amendment 8 - (Motion Failed)

As Amended and Approved by City Council on May 17, 2010