



City of Ann Arbor

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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 2022

Attached for your review and action is the proposed FY 2022 City Budget that totals \$510 million in revenue and \$470 million in expenditures and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 19, 2021.

General Fund Activities

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

	<u>FY 2022</u>
Recurring Revenues	\$113,606,118
Non-recurring Revenues	<u>4,554,206</u>
Total Revenues	\$118,160,324
Recurring Expenditures	\$115,122,531
Non-recurring Expenditures	<u>3,037,788</u>
Total Expenditures	\$118,160,324

General Fund recurring expenditures increased by \$3,070,938 (+2.7%) compared to FY 2021's adopted budget, and recurring revenues increased by \$1,020,690 (0.9%). Below is a summary of non-recurring expenditures:

General Fund Non-recurring Expenditures	FY 2022
City Administrator - National Citizen Survey	\$ 30,000
City Administrator - Sustainability - Professional Services Reduction	(14,500)
City Administrator - Sustainability - Electrify City fleet vehicles	400,000
City Administrator - Sustainability - Energy concierge	50,000
City Administrator - Sustainability - Software, sensors & 10,000 trees	20,000
City Administrator - Sustainability - Training for building code & green	25,000
City Administrator - Sustainability - Electrification & energy improvement	1,825,000
City Administrator - Clerk - Reduce overtime	(15,000)
City Administrator - Clerk - Reduce telecommunications	(1,000)
City Administrator - Clerk - Reduce contracted services	(7,320)
City Administrator - Fleet & Facilities - Reduce temporary staff	(5,000)
City Administrator - Fleet & Facilities - Reduce contracted services for	(75,000)
City Administrator - Fleet & Facilities - City Hall shell energy improvement	50,000
City Administrator - Fleet & Facilities - Fire Station #1 fire alarm replacement	75,000
City Attorney - Succession planning	75,000
Community Development - Housing Commission - Reduce General Fund	(70,000)
Community Services - Parks & Rec - Parks Fairness Funding	76,600
Community Services - Planning - Matching funds to support Historic Dist	2,500
Community Services - Planning - Professional services for Historic Dist	2,000
Community Services - Planning - Contract for community conversation	100,000
District Court - Reduction in conference, training & travel	(4,000)
District Court - FTE vacancy for 3 months	(37,200)
District Court - Reduce bailiff working hours by 5 hours per pay period	10,700
Public Services - Administration - Reduce resources to support Public	(833)
Public Services - Engineering - Reduce annual streetlight replacement	126,100
Public Services - Engineering - Pedestrian safety communications	60,000
Public Services - Systems Planning - Center of the City	40,000
Public Services - WTP - Superior Dam coating & steel repairs	250,000
Non-Departmental - Marijuana Excise Tax Revenue (expenditure)	276,000
Safety Services - Police - Electric bikes	2,500
Total General Fund Non-recurring Expenditures	<u>\$ 3,037,100</u>

FTEs

The City's FTEs are proposed to increase from 776, as amended during FY 2021, to 785 in FY 2022 (excluding transfers between Service Areas and net of incidental changes):

- 5.0 FTE increase in Community Services, Housing Commission (amended during FY 2021)
- 8.0 FTE increase in Community Services, Housing Commission
- 2.0 FTE increase in Community Services, Building & Rental
- 1.0 FTE increase in City Administrator
- 3.0 FTE increase in City Administrator, Sustainability
- 1.0 FTE increase in City Administrator, Communications
- 1.0 FTE increase in Public Services, Systems Planning
- 1.0 FTE increase in Public Services, Solid Waste
- 0.25 FTE increase in City Attorney
- 7.0 FTE decrease in Safety Services, Police
- 1.0 FTE decrease in Safety Services, Fire

As part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 785 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 2022 the Headlee rollback multiplier is anticipated to be 1.0000):

	PROPOSE FY 2022	ACTUAL FY 2021	CHANGI
GENERAL OPERATING	5.8365	5.8365	-
EMPLOYEE BENEFITS	1.9454	1.9454	-
AAATA	1.9454	1.9454	-
REFUSE COLLECTION	2.3341	2.3341	-
STREET, BRIDGE & SIDEWALK MILLAGE	2.0291	2.0291	-
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0807	1.0807	-
OPEN SPACE & PARKLAND PRESERVATION	0.4519	0.4519	-
SIDEWALK CONSTRUCTION MILLAGE	0.2000	-	0.2000
AFFORDABLE HOUSING MILLAGE	1.0000	-	1.0000
TOTAL	16.8231	15.6231	1.2000

Prepared by: Marti Praschan, Chief Financial Officer
Approved by: Tom Crawford, City Administrator

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2022 for the City of Ann Arbor, which was submitted on April 19, 2021 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 2022 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 City Council approve a temporary waiver of the portions of sections 1.3 and 2.2 of the Other Post-Employment Benefits (OPEB) Funding Policy for FY 2022 that provide for

contributions in excess of (a) the Actuarial Determined Contribution for FY 2022, and (b) funds provided under the City of Ann Arbor Employee Benefits millage, for the purpose of providing relief to the City's operating funds due to the COVID-19 pandemic;

RESOLVED, That the proposed list of Capital Improvement projects in the amount of \$283,043,817 are approved; and that \$65,236,817 be appropriated in FY 2022 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 \$1,183,370 be appropriated without regard to fiscal year;

RESOLVED, That a total 785 full-time equivalent positions be adopted in the FY 2022 budget;

RESOLVED, That as part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 785 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 2021 Workforce Planning Program funding the General Fund Non-Departmental budget carry forward to FY 2022;

RESOLVED, That any unspent FY 2021 Annexation Funding in the General Fund Planning service unit budget carry forward to FY 2022;

RESOLVED, That any unspent FY 2021 Residential Sidewalk Gap funding in the General Fund Engineering service unit budget carry forward to FY 2022 and that these funds are then transferred to the FY 2022 Sidewalk Construction Millage fund budget and that the amount transferred is appropriated in the revenue and expenditure budget of the FY 2022 Sidewalk Construction Millage fund;

RESOLVED, That any unspent DDA Grants included in the FY 2021 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 2022 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2022 in a dedicated fund containing \$7,809,308 in revenues and \$7,809,308 in expenditures;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2022;

REVENUES

CITY ATTORNEY	\$ 274,598
CITY ADMINISTRATOR	
City Administrator	72,965
Human Resources	420,931
Safety	371,103
Clerk Services	331,014
Fleet & Facilities	1,733,120
Communications	357,927
COMMUNITY SERVICES	
Community Development	3,972,353
Building & Rental Services	1,476,200
Planning	491,184
Parks and Recreation Services	5,014,505
FINANCIAL SERVICES	
Financial and Budget Planning	19,670,722
Treasury	52,932,503
Information Technology	4,150,192
PUBLIC SERVICES	
Engineering	2,282,800
Public Works	63,816
Public Services Administration	100,225
Water Treatment	425,000
SAFETY SERVICES	
Police	3,415,000
Fire	682,405
DISTRICT COURT	1,508,281
NON-DEPARTMENTAL	<u>18,413,480</u>
TOTAL GENERAL FUND REVENUES	\$118,160,324

<u>EXPENDITURES</u>	
MAYOR AND CITY COUNCIL	\$ 526,751
CITY ATTORNEY	2,663,918
CITY ADMINISTRATOR	
City Administrator	1,273,493
Human Resources	2,283,989
Clerk Services	1,206,766
Police Commission	155,000
Safety	363,900
Sustainability & Innovation	3,486,781
Fleet & Facilities	3,554,438
Communications Office	667,243
COMMUNITY SERVICES	
Building & Rental Services	1,140,200
Planning	1,685,310
Community Development	5,976,769
Parks and Recreation	8,996,823
FINANCIAL SERVICES	
Accounting	884,945
Assessor	1,144,660
Financial and Budget Planning	997,290
Information Technology	4,070,931
Procurement	156,584
Risk Management	120,840
Treasury	886,278
PUBLIC SERVICES	
Public Works	60,451
Engineering	4,630,127
Public Services Administration	100,038
Systems Planning	162,509
Water Treatment Services	848,300
SAFETY SERVICES	
Police	31,244,944
Fire	17,296,870
DISTRICT COURT	4,961,103
NON-DEPARTMENTAL	<u>16,613,070</u>
TOTAL GENERAL FUND EXPENDITURES	8,160,327

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2022 budget; and

REVENUES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	\$ 721,300
0002	ENERGY PROJECTS	104,400
0003	DOWNTOWN DEVELOPMENT AUTHORITY	2,785,000
0009	SMART ZONE LDFA	7,809,300
0010	GENERAL	118,160,000
0011	CENTRAL STORES	1,316,000
0012	FLEET SERVICES	10,015,800
0014	INFORMATION TECHNOLOGY	10,575,700
0016	COMMUNITY TELEVISION NETWORK	2,003,600
0021	MAJOR STREET	12,860,800
0022	LOCAL STREET	3,427,200
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	2,050,000
0025	BANDEMER PROPERTY	8,420
0026	CONSTRUCTION CODE FUND	5,221,300
0027	DRUG ENFORCEMENT	3,860,000
0028	FEDERAL EQUITABLE SHARING	55,290
0033	DDA PARKING MAINTENANCE	2,613,000
0034	PARKS MEMORIALS & CONTRIBUTIONS	21,000
0035	GENERAL DEBT SERVICE	10,015,300
0036	METRO EXPANSION	499,100
0038	ANN ARBOR ASSISTANCE	15,140
0041	OPEN SPACE ENDOWMENT	23,360
0042	WATER SUPPLY SYSTEM	31,414,100
0043	SEWAGE DISPOSAL SYSTEM	34,559,100
0048	AIRPORT	1,645,600
0049	PROJECT MANAGEMENT	5,937,400
0052	VEBA TRUST	13,235,700
0053	POLICE AND FIRE RELIEF	50,020
0054	CEMETERY PERPETUAL CARE	4,030
0055	ELIZABETH R DEAN TRUST	61,400
0057	RISK FUND	35,607,100
0058	WHEELER CENTER	679,420
0059	EMPLOYEES RETIREMENT SYSTEM	53,684,200
0061	ALTERNATIVE TRANSPORTATION	657,100
0062	STREET, BRIDGE & SIDEWALK MILLAGE	16,878,000
0063	DDA PARKING SYSTEM	17,599,000
0064	MICHIGAN JUSTICE TRAINING	33,110
0069	STORMWATER SEWER SYSTEM	13,792,000
0070	AFFORDABLE HOUSING	7,750
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENT	1,050,000
0072	SOLID WASTE FUND	19,695,000
0082	STORMWATER BOND	9,205,000
0084	DEVELOPER OFFSET MITIGATION	1,018,000
0088	SEWER BOND	18,274,000
0089	WATER BOND	14,516,000
0100	COUNTY MENTAL HEALTH MILLAGE	2,742,800
0101	CAPITAL SINKING FUND	403,000
00CP	GENERAL CAPITAL FUND	4,188,200
00MG	MAJOR GRANTS PROGRAMS	7,000
0102	SIDEWALK CONSTRUCTION MILLAGE	2,183,000
0103	AFFORDABLE HOUSING MILLAGE	6,305,200
		<u>\$511,779,000</u>

EXPENDITURES

Func	Fund Name	Amount
0001	DDA/HOUSING FUND	\$ 721,30
0002	ENERGY PROJECTS	104,46
0003	DOWNTOWN DEVELOPMENT AUTHORITY	21,285,9
0009	SMART ZONE LDFA	7,809,3
0010	GENERAL	118,160,3
0011	CENTRAL STORES	1,316,0
0012	FLEET SERVICES	10,015,8
0014	INFORMATION TECHNOLOGY	10,382,8
0016	COMMUNITY TELEVISION NETWORK	1,981,2
0021	MAJOR STREET	12,860,8
0022	LOCAL STREET	3,427,2
0023	COURT FACILITIES	225,00
0024	OPEN SPACE & PARKLAND PRESERVATION	1,128,3
0025	BANEMER PROPERTY	7,000
0026	CONSTRUCTION CODE FUND	5,221,3
0027	DRUG ENFORCEMENT	3,41
0028	FEDERAL EQUITABLE SHARING	53,08
0033	DDA PARKING MAINTENANCE	2,613,0
0034	PARKS MEMORIALS & CONTRIBUTIONS	150,00
0035	GENERAL DEBT SERVICE	10,015,3
0036	METRO EXPANSION	499,17
0038	ANN ARBOR ASSISTANCE	15,00
0041	OPEN SPACE ENDOWMENT	15,00
0042	WATER SUPPLY SYSTEM	24,037,1
0043	SEWAGE DISPOSAL SYSTEM	29,097,9
0048	AIRPORT	1,645,6
0049	PROJECT MANAGEMENT	5,887,8
0052	VEBA TRUST	1,021,8
0053	POLICE & FIRE RELIEF	50,00
0055	ELIZABETH R DEAN TRUST	61,40
0057	RISK FUND	35,607,1
0058	WHEELER CENTER	489,57
0059	EMPLOYEES RETIREMENT SYSTEM	46,448,6
0061	ALTERNATIVE TRANSPORTATION	510,37
0062	STREET, BRIDGE & SIDEWALK MILLAGE	4,455,2
0063	DDA PARKING SYSTEM	17,599,9
0064	MICHIGAN JUSTICE TRAINING	33,00
0069	STORMWATER SEWER SYSTEM	9,758,8
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENT	1,421,1
0072	SOLID WASTE FUND	19,695,9
0082	STORMWATER BOND	9,205,0
0088	SEWER BOND	18,274,0
0089	WATER BOND	14,516,0
0100	COUNTY MENTAL HEALTH MILLAGE	2,738,6
0101	CAPITAL SINKING FUND	400,00
00CG	GENERAL CAPITAL FUND	4,188,2
00MG	MAJOR GRANTS PROGRAMS	7,000
0102	SIDEWALK CONSTRUCTION MILLAGE	1,993,0
0103	AFFORDABLE HOUSING MILLAGE	6,305,2
		<u>\$ 470,481,1</u>

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2022:

	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	0.807
OPEN SPACE & PARKLAND PRESERVATION	0.4519
SIDEWALK CONSTRUCTION MILLAGE	0.2000
AFFORDABLE HOUSING MILLAGE	<u>1.0000</u>
TOTAL	16.8231

Prepared by: Marti Praschan, Chief Financial Officer

Approved by: Tom Crawford, City Administrator

**As Amended and Approved by Ann Arbor City Council on May 17, 2021
See Attached Budget Amendments as Approved by City Council**