File #: 21-0754, **Version:** 1

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.

	FY 2022
Recurring Revenues	$113,533,15
Non-recurring Revenues	4,560,974
Total Revenues	$118,094,12
Recurring Expenditures	$115,308,02
Non-recurring Expendit	2,786,098
Total Expenditures	$118,094,12

General Fund recurring expenditures increased by $3,256,434 (+2.9%) compared to FY 2021's adopted budget, and recurring revenues increased by $947,725 (0.8%). 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 application	70,000
City Administrator - Sustainability - Training for building code & green rental efficiency	25,000
City Administrator - Sustainability - Electrification & energy improvements, EV charging infrastructure, etc.	1,825,000
City Administrator - Clerk - Reduce overtime	(15,000)
City Administrator - Clerk - Reduce telecommunications	(1,000)
City Administrator - Clerk - Reduce contracted services	(7,329)
City Administrator - Fleet & Facilities - Reduce temporary staff	(5,000)
City Administrator - Fleet & Facilities - Reduce contracted services for building improvements	(75,000)
City Administrator - Fleet & Facilities - City Hall shell energy improvement study	50,000
City Administrator - Fleet & Facilities - Fire Station #1 fire alarm replacement	75,000
Community Development - Housing Commission - Reduce General Fund support	(70,000)
Community Services - Planning - Matching funds to support Historic District Study Committee Analysis	2,500
Community Services - Planning - Professional services for Historic District Study Committee Analysis	2,990
Community Services - Planning - Contract for community conversation on zoning land use/pre-Master Plan	100,000
District Court - Reduction in conference, training & travel	(4,000)
District Court - FTE vacancy for 3 months	(37,246)
District Court - Reduce bailiff working hours by 5 hours per pay period	(10,753)
Public Services - WTP - Superior Dam Coating & Steel Repairs	250,000
Public Services - Engineering - Reduce annual streetlight replacement allocation	(126,732)
Public Services - Administration - Reduce resources to support Public Art efforts	(6,332)
Non-Departmental - Marijuana Excise Tax Revenue (expenditure)	276,000
Safety Services - Police - Electric bikes	2,500
Total General Fund Non-recurring Expenditures	$ 2,786,098

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
- 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
- 6.0 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

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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	ACTUA FY 202	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 IMPR	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 $283,135,549 are approved; and that $65,328,549 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	
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	18,420,248
TOTAL GENERAL FUND REVENUES	$118,094,127

EXPENDITURES

MAYOR AND CITY COUNCIL	$ 526,751
CITY ATTORNEY	2,588,918
CITY ADMINISTRATOR	
City Administrator	1,127,564
Human Resources	2,283,989
Clerk Services	1,206,766
Police Commission	155,000
Safety	363,900
Sustainability & Innovation	3,539,745
Fleet & Facilities	3,554,438
Communications Office	667,243
COMMUNITY SERVICES	
Building & Rental Services	1,260,200
Planning	1,685,310
Community Development	5,976,769
Parks and Recreation	8,920,136
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	4,570,127
Public Services Administration	100,038
Systems Planning	122,509
Water Treatment Services	848,300
SAFETY SERVICES	
Police	31,403,402
Fire	17,296,870
DISTRICT COURT	4,961,103
NON-DEPARTMENTAL	16,613,070
TOTAL GENERAL FUND EXPENDITURES	$118,094,127

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	$ 721,30
0002	ENERGY PROJECTS	104,46
0003	DOWNTOWN DEVELOPMENT AUTHORITY	12,285,9
0009	SMART ZONE LDFA	7,809,3
0010	GENERAL	118,094,1
0011	CENTRAL STORES	1,316,0
0012	FLEET SERVICES	10,015,8
0014	INFORMATION TECHNOLOGY	10,575,7
0016	COMMUNITY TELEVISION NETWORK	2,003,6
0021	MAJOR STREET	12,239,9
0022	LOCAL STREET	3,394,0
0023	COURT FACILITIES	225,00
0024	OPEN SPACE & PARKLAND PRESERVATION	2,958,7
0025	BANDEMER PROPERTY	8,42
0026	CONSTRUCTION CODE FUND	5,221,3
0027	DRUG ENFORCEMENT	3,86
0028	FEDERAL EQUITABLE SHARING	55,29
0033	DDA PARKING MAINTENANCE	2,613,0
0034	PARKS MEMORIALS & CONTRIBUTIONS	221,02
0035	GENERAL DEBT SERVICE	10,015,3
0036	METRO EXPANSION	499,17
0038	ANN ARBOR ASSISTANCE	15,14
0041	OPEN SPACE ENDOWMENT	23,36
0042	WATER SUPPLY SYSTEM	31,340,1
0043	SEWAGE DISPOSAL SYSTEM	34,483,1
0048	AIRPORT	1,645,6
0049	PROJECT MANAGEMENT	5,937,4
0052	VEBA TRUST	13,235,7
0053	POLICE AND FIRE RELIEF	50,02
0054	CEMETERY PERPETUAL CARE	4,03
0055	ELIZABETH R DEAN TRUST	61,40
0057	RISK FUND	35,607,1
0058	WHEELER CENTER	679,42
0059	EMPLOYEES RETIREMENT SYSTEM	53,684,4
0061	ALTERNATIVE TRANSPORTATION	657,15
0062	STREET, BRIDGE & SIDEWALK MILLAGE	15,878,0
0063	DDA PARKING SYSTEM	17,599,9
0064	MICHIGAN JUSTICE TRAINING	33,11
0069	STORMWATER SEWER SYSTEM	13,742,0
0070	AFFORDABLE HOUSING	7,75
0071	PARK MAINTENANCE & CAPITAL IMPROVEMEN	7,255,3
0072	SOLID WASTE FUND	19,695,9
0082	STORMWATER BOND	9,205,0
0084	DEVELOPER OFFSET MITIGATION	1,018,0
0088	SEWER BOND	18,274,0
0089	WATER BOND	14,516,0
0100	COUNTY MENTAL HEALTH MILLAGE	2,742,8
0101	CAPITAL SINKING FUND	403,04
00CP	GENERAL CAPITAL FUND	4,280,0
00MG	MAJOR GRANTS PROGRAMS	7,00
0102	SIDEWALK CONSTRUCTION MILLAGE	2,183,0

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0103 AFFORDABLE HOUSING MILLAGE	~~6,305,25~~ **$510,950,6**

EXPENDITURES

Fund	Fund Name	Amount
0001	DDA/HOUSING FUND	$ 721,30
0002	ENERGY PROJECTS	104,46
0003	DOWNTOWN DEVELOPMENT AUTHORITY	12,285,91
0009	SMART ZONE LDFA	7,809,30
0010	GENERAL	118,094,1
0011	CENTRAL STORES	1,316,07
0012	FLEET SERVICES	10,015,82
0014	INFORMATION TECHNOLOGY	10,382,88
0016	COMMUNITY TELEVISION NETWORK	1,981,29
0021	MAJOR STREET	12,239,98
0022	LOCAL STREET	3,394,08
0023	COURT FACILITIES	225,00
0024	OPEN SPACE & PARKLAND PRESERVATION	1,428,34
0025	BANDEMER PROPERTY	7,000
0026	CONSTRUCTION CODE FUND	5,221,37
0027	DRUG ENFORCEMENT	3,417
0028	FEDERAL EQUITABLE SHARING	53,082
0033	DDA PARKING MAINTENANCE	2,613,00
0034	PARKS MEMORIALS & CONTRIBUTIONS	150,00
0035	GENERAL DEBT SERVICE	10,015,38
0036	METRO EXPANSION	499,17
0038	ANN ARBOR ASSISTANCE	15,000
0041	OPEN SPACE ENDOWMENT	15,000
0042	WATER SUPPLY SYSTEM	23,963,11
0043	SEWAGE DISPOSAL SYSTEM	29,021,92
0048	AIRPORT	1,645,62
0049	PROJECT MANAGEMENT	5,887,86
0052	VEBA TRUST	1,021,85
0053	POLICE & FIRE RELIEF	50,000
0055	ELIZABETH R DEAN TRUST	61,403
0057	RISK FUND	35,607,17
0058	WHEELER CENTER	489,57
0059	EMPLOYEES RETIREMENT SYSTEM	46,448,63
0061	ALTERNATIVE TRANSPORTATION	510,37
0062	STREET, BRIDGE & SIDEWALK MILLAGE	14,455,24
0063	DDA PARKING SYSTEM	17,599,93
0064	MICHIGAN JUSTICE TRAINING	33,000
0069	STORMWATER SEWER SYSTEM	9,708,89
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENT	7,142,71
0072	SOLID WASTE FUND	19,695,95
0082	STORMWATER BOND	9,205,00
0088	SEWER BOND	18,274,00
0089	WATER BOND	14,516,00
0100	COUNTY MENTAL HEALTH MILLAGE	2,738,65
0101	CAPITAL SINKING FUND	400,00
00CP	GENERAL CAPITAL FUND	4,280,00
00MG	MAJOR GRANTS PROGRAMS	7,000
0102	SIDEWALK CONSTRUCTION MILLAGE	1,993,00

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0102 SIDEWALK CONSTRUCTION MILLAGE	1,993,00
0103 AFFORDABLE HOUSING MILLAGE	6,305,25
	$ 469,652,7

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	1.0807
OPEN SPACE & PARKLAND PRESERVATION	0.4519
SIDEWALK CONSTRUCTION MILLAGE	0.2000
AFFORDABLE HOUSING MILLAGE	1.0000
TOTAL	16.8231

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