Legislation Details (With Text)

File #:	11-0451	**Version:**	2	**Name:**	5/2/11 Resolution to Adopt FY2012 Ann Arbor City Budget
Type:	Resolution			**Status:**	Passed
File created:	5/2/2011			**In control:**	City Council
On agenda:	5/23/2011			**Final action:**	5/31/2011
Enactment date:	5/31/2011			**Enactment #:**	R-11-209

Title: Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for fiscal year 2012 (7 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
5/31/2011	1	City Council		
5/31/2011	1	City Council	Amended	Pass
5/31/2011	1	City Council	Amended	Pass
5/31/2011	1	City Council	Amended	Pass
5/31/2011	1	City Council	Amended	Pass
5/31/2011	1	City Council	Amended	Fail
5/31/2011	1	City Council	Amended	Fail
5/31/2011	1	City Council	Amended	Fail
5/31/2011	2	City Council	Approved as Amended	Pass
5/23/2011	1	City Council	Continued	
5/16/2011	1	City Council	Continued	
5/2/2011	1	City Council	Held and Closed	

Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for fiscal year 2012 **(7 Votes Required)**
Attached for your review and action is the proposed fiscal year FY 2012 City Budget that totals $331 million and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 11, 2011.

General Fund Activities

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

	FY 2012
Recurring Revenues	$ 77,987,857
Use of Fund Balance for Non-recurring items	1,118,088

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Total Revenues	$	79,105,945
Recurring Expenditures	$	78,321,015
Non-recurring Expenditures		784,930
Total Expenditures	$	79,105,945

General Fund recurring expenditures decreased by $(107,762) (0.14%) compared to FY 2011, and recurring revenues decrease by $(2,002,252) (2.5%). Non-recurring expenditures will be funded from use of undesignated fund balance. Below is a summary of non-recurring expenditures:

General Fund Non-recurring Items		FY 2012
Expenditures:		
Golf Operations Subsidy		382,526
Housing Commission Subsidy		154,000
Court Facilities Fund transfer		65,000
Additional Funding for Human Services (Amendment 1)		85,600
Additional Funding for Parks (Amendment 2)		90,804
Additional Funding for City Clerk (Amendment 3)		7,000
Total Non-recurring Expenditures		784,930
Revenues:		
DDA revenue shortfall		333,158
Total General Fund Non-recurring Items	$	**1,118,088**

FTEs
The City's FTEs are proposed to decrease from 736 to 706 in FY 2012:

- 13 FTE decrease in Police Services
- 7 FTE decrease in Fire Services
- 7 FTE decrease in Public Services
- 1 FTE increase in Community Services
- 1 FTE decrease in Fifteenth District Court
- 1 FTE increase in DDA
- 0.5 FTE decrease in Attorney
- 0.5 FTE decrease in City Administrator
- 3 FTE decrease in Financial and Administrative Services

Millage Rates
The following millages are the maximum allowable levy after the Headlee rollback multiplier is applied (for FY 2012 the Headlee rollback multiplier is anticipated to be 1.00):

	PROPOSED FY 2012	**ACTUAL FY 2011**	**DIFFERENCE**
GENERAL OPERATING	6.1682	6.1682	0.0000

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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	0.1496	0.5000	0.3504
TOTAL	16.4660	16.8164	0.3504

Prepared by: Tom Crawford, Chief Financial Officer and Interim City Administrator

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2012 for the City of Ann Arbor; and

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

Whereas, City Council, with the adoption of the FY2009 budget, Council directed staff to implement a five-year plan that provides supplemental funding from the General Fund fund balance to subsidize the golf courses in Fund 0047 while significant operational and capital investments are made to improve operations;

Whereas, City Council adopted a resolution in 2008 for annual supplemental Parks funding from General Fund fund balance in the amount of $287,520;

Whereas, Housing Commission has requested additional funding for FY 2012 and 2013 in the amount of $154,000 for hiring additional staff to develop and implement a property maintenance program;

Whereas, the implementation of Governmental Accounting Standards Board Statement #54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective June 30, 2011, specifies new definitions for what funds are considered separate from the General Fund and some City funds need to be re-designated,

RESOLVED, That Council adopts the General Fund Allocations as listed in the FY 2012 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 $144,344,734 are approved; and that $32,563,745 be appropriated in FY 2012 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 $710,000 be appropriated without regard to fiscal year;

RESOLVED, That a total 706 full-time equivalent positions be adopted in the FY 2012 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 that fund without regard to fiscal year;

RESOLVED, That the City Council approve the proposed FY 2012 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2012 in a dedicated Fund containing $1,708,191 in revenues and $1,708,191 in expenditures;

RESOLVED, That the City Council continue two more years of providing a General fund subsidy to the Golf Courses in FY2012 and FY2013 to fulfill the original five year commitment discussed in 2009;

RESOLVED, That the City Council include the additional annual Parks funding of $287,520 as part of the General Fund ongoing operations rather than a use of fund balance starting in FY2012;

RESOLVED, That the City Council include the additional Housing Commission funding in the amount of $154,000 for FY2012 and FY2013 with the expectation that the Housing Commission will procure separate funding by FY2014;

RESOLVED, That the City Council direct the City Administrator to implement GASB #54 which closes the Economic Development Fund to the General Fund;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2012;

REVENUES

CITY ATTORNEY	$ 118,000
CITY ADMINISTRATOR	
Clerk Services	156,900
COMMUNITY SERVICES	
Planning & Development Services	1,075,950
Planning	167,250
Office of Community Development	300,596

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Parks and Recreation Services	2,384,066
FINANCIAL SERVICES	
Financial and Budget Planning	14,492,068
Treasury	40,109,329
PUBLIC SERVICES	
Field Operations	475,424
Public Services Administration	60,000
Systems Planning	5,200
Water Treatment	325,000
SAFETY SERVICES	
Police	4,155,256
Fire	86,500
DISTRICT COURT	2,090,175
NON-DEPARTMENTAL	13,104,231
TOTAL GENERAL FUND REVENUES	**$79,105,945**

EXPENDITURES

MAYOR AND CITY COUNCIL	$362,496
CITY ATTORNEY	1,864,303
CITY ADMINISTRATOR	
City Administrator	536,037
Human Resources	1,295,999
Clerk Services	896,335
COMMUNITY SERVICES	
Planning & Development Services	1,536,513
Planning	919,413
Office of Community Development	1,943,653
Parks and Recreation	3,586,528
FINANCIAL SERVICES	
Accounting	798,089
Assessor	923,567
Financial and Budget Planning	994,077
Procurement	119,391
Treasury	587,644
PUBLIC SERVICES	
Customer Services	265,206
Field Operations	4,128,390
Fleet & Facilities	1,701,076
Public Services Administration	293,756

Systems Planning	110,349
Water Treatment Services	171,389
SAFETY SERVICES	
Police	25,592,784
Fire	13,381,132
DISTRICT COURT	3,799,926
NON-DEPARTMENTAL	13,297,892
TOTAL GENERAL FUND EXPENDITURES	**$79,105,945**

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY 2012 budget; and

REVENUES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	502,000
0002	ENERGY PROJECTS	158,462
0003	DOWNTOWN DEVELOPMENT AUTHORITY	5,428,185
0009	SMART ZONE LOCAL DEVELOPMENT FINANCING AUTHORITY	1,708,191
0010	GENERAL	79,105,545
0011	CENTRAL STORES	1,571,428
0012	FLEET SERVICES	9,836,355
0014	INFORMATION TECHNOLOGY	6,503,546
0016	COMMUNITY TELEVISION NETWORK	1,843,116
0018	PARKS REHAB & DEVELOPMENT MILLAGE	55,302
0021	MAJOR STREET	6,808,905
0022	LOCAL STREET	1,710,662
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	2,336,586
0025	BANDEMER PROPERTY	5,511
0026	CONSTRUCTION CODE FUND	2,240,353
0027	DRUG ENFORCEMENT	119,673
0028	FEDERAL EQUITABLE SHARING	178,146
0033	DDA PARKING MAINTENANCE	2,016,044
0034	PARKS MEMORIALS & CONTRIBUTIONS	48,861
0035	GENERAL DEBT SERVICE	10,050,538
0036	METRO EXPANSION	360,422
0038	ANN ARBOR ASSISTANCE	8,049
0041	OPEN SPACE ENDOWMENT	1,541
0042	WATER SUPPLY SYSTEM	22,315,038

0043	SEWAGE DISPOSAL SYSTEM	21,979,785
0046	MARKET	167,732
0047	GOLF ENTERPRISE	1,686,220
0048	AIRPORT	830,619
0049	PROJECT MANAGEMENT	4,408,764
0052	VEBA TRUST	2,269,524
0053	POLICE AND FIRE RELIEF	10,000
0054	CEMETERY PERPETUAL CARE	1,200
0055	ELIZABETH R DEAN TRUST	85,000
0056	ART IN PUBLIC PLACES	334,660
0057	RISK FUND	27,543,953
0058	WHEELER CENTER	510,460
0059	EMPLOYEES RETIREMENT SYSTEM	41,440,262
0060	GENERAL DEBT /SPECIAL ASSESSMENTS	105,443
0061	ALTERNATIVE TRANSPORTATION	181,861
0062	STREET REPAIR MILLAGE	14,914,060
0063	DDA PARKING SYSTEM	16,481,806
0064	MICHIGAN JUSTICE TRAINING	112,010
0069	STORMWATER SEWER SYSTEM	5,803,497
0070	AFFORDABLE HOUSING	213,617
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	5,386,564
0072	SOLID WASTE FUND	15,187,968
0073	LOCAL FORFEITURE	26,538
0082	STORMWATER BOND	1,925,000
0083	SENIOR CENTER ENDOWMENT	37,500
0088	SEWER BOND	9,733,000
0089	WATER BOND	4,341,000
00MG	MAJOR GRANT PROGRAMS FUND	200,000
		$331,055,902

EXPENDITURES

Fund #	Fund Name	Amount
0001	DDA/HOUSING FUND	502,000
0002	ENERGY PROJECTS	158,462
0003	DOWNTOWN DEVELOPMENT AUTHORITY	5,428,185
0009	SMART ZONE LOCAL DEVELOPMENT FINANCING AUTHORITY	1,708,191
0010	GENERAL	79,105,545
0011	CENTRAL STORES	1,571,428
0012	FLEET SERVICES	9,836,345
0014	INFORMATION TECHNOLOGY	6,184,238
0016	COMMUNITY TELEVISION NETWORK	1,843,116

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0018	PARKS REHAB & DEVELOPMENT MILLAGE	55,302
0021	MAJOR STREET	6,808,905
0022	LOCAL STREET	1,710,662
0023	COURT FACILITIES	225,000
0024	OPEN SPACE & PARKLAND PRESERVATION	2,330,461
0025	BANDEMER PROPERTY	4,200
0026	CONSTRUCTION CODE FUND	2,240,353
0027	DRUG ENFORCEMENT	119,673
0028	FEDERAL EQUITABLE SHARING	178,146
0033	DDA PARKING MAINTENANCE	1,881,900
0034	PARKS MEMORIALS & CONTRIBUTIONS	48,861
0035	GENERAL DEBT SERVICE	10,044,133
0036	METRO EXPANSION	360,422
0038	ANN ARBOR ASSISTANCE	8,000
0042	WATER SUPPLY SYSTEM	19,524,948
0043	SEWAGE DISPOSAL SYSTEM	19,800,885
0046	MARKET	165,118
0047	GOLF ENTERPRISE	1,577,317
0048	AIRPORT	817,900
0049	PROJECT MANAGEMENT	4,408,764
0052	VEBA TRUST	409,022
0055	ELIZABETH R DEAN TRUST	84,715
0056	ART IN PUBLIC PLACES	334,660
0057	RISK FUND	27,543,953
0058	WHEELER CENTER	503,344
0059	EMPLOYEES RETIREMENT SYSTEM	32,135,473
0060	GENERAL DEBT/SPECIAL ASSESSMENTS	105,443
0061	ALTERNATIVE TRANSPORTATION	138,653
0062	STREET REPAIR MILLAGE	14,914,060
0063	DDA PARKING SYSTEM	16,481,806
0064	MICHIGAN JUSTICE TRAINING	112,010
0069	STORMWATER SEWER SYSTEM	5,659,428
0070	AFFORDABLE HOUSING	213,617
0071	PARK MAINTENANCE & CAPITAL IMPROVEMENTS	5,315,169
0072	SOLID WASTE FUND	15,186,914
0073	LOCAL FORFEITURE	26,538
0082	STORMWATER BOND	1,925,000
0083	SENIOR CENTER ENDOWMENT	37,500
0088	SEWER BOND	9,733,000
0089	WATER BOND	4,341,000
00MG	MAJOR GRANT PROGRAMS FUND	178,407
		$314,028,572

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RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2012:

	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	0.1496
TOTAL	16.4660

Approved Amendments by City Council on May 31, 2011

Amendment 1-
Increase the General Fund Expenditure Budget for Human Services funding.

Whereas, the FY12 General Fund Community Development budget reduced funding for human services;

Whereas, Council desires to provide one-time additional funding in FY12 to give human service recipients an additional year to make operational adjustments with the understanding this funding will not be available in subsequent fiscal years;

Whereas, Council desires to restore funding to levels for human services consistent with the reductions made by other General Fund service units;

RESOLVED, the FY12 General Fund Community Development budget be increased by $85,600 funded by a one-time use of fund balance from the General Fund.

Sponsored by: Briere, Higgins, Teall

Amendment 2-
Increase the General Fund Expenditure Budget for park field mowing and maintenance.

Whereas, the Council has received recommendations from PAC through its budget subcommittee and PAC membership as stewards of the parks;

Whereas, gained efficiencies and changes in the equipment and staffing model within Park Operations has resulted in reduction in activity costs without any effect on the current level of service in the amount of $90,804;
Whereas, Council desires to restore this funding to the General Fund Park Operations budget for

field mowing or maintenance at sites that host programmed and scheduled active recreation;

Whereas, Council desires to fund this through a one-time use of fund balance for FY12 incorporating future funding of this cost into ongoing operations in future years' target development;

RESOLVED, the FY12 General Fund Park Operations budget be increased by $90,804 to fund the field mowing and maintenance at sites that host programmed and scheduled active recreation funded by a one-time use of fund balance from the General Fund.

Sponsored by: Anglin, Taylor

Amendment 3-
Increase the General Fund Expenditure Budget for additional ward for the primary election.

Whereas, the FY12 General Fund City Clerk budget includes funding for two wards in the August, 2011 primary election;

Whereas, the City Clerk has been notified of a third ward that will need a primary election;

RESOLVED, the FY12 General Fund City Clerk budget be increased by $7,000 to fund the additional ward for primary election funded by a one-time use of fund balance from the General Fund.

Sponsored by: Higgins

Amendment 5-
Increase DDA budget for new parking agreement and decrease use of General Fund fund balance related to the parking agreement.

Whereas, the DDA and the City have negotiated a new parking agreement effective for FY12;

Whereas, the DDA voted to amend their budget for this new agreement on May 20, 2011;

Whereas, the DDA budget currently includes $1,010,930 of expenditures related to the DDA/City Parking Agreement for Parking Facility Rent and Street Transfers;

Whereas, the DDA Parking fund budget currently includes an excess of revenues over expenditures in the amount of $1,343,509;

Whereas, the anticipated revenue for FY12 is expected to be $87,452 more than budgeted in the General Fund;

RESOLVED, the City increase the DDA Parking Fund expenditure budget by $1,662,563 funded by a use of fund balance from the DDA Parking Fund of $319,054;

RESOLVED, the City increase the General Fund revenue from the DDA by $87,452 and decrease the amount of use of prior year fund balance.

Sponsored by: Taylor

As Amended by City Council on May 31, 2011 during the continued May 16, 2011 Regular Session.