



Legislation Text

File #: 19-0395, **Version:** 2

Resolution Regarding the City of Ann Arbor's Spending of Proceeds from the 2017 Washtenaw County Mental Health and Public Safety Millage

Whereas, On November 7, 2017, Washtenaw County voters approved an eight-year Mental Health & Public Safety Millage that will provide the City of Ann Arbor with \$2.2M annually in unrestricted revenue beginning in FY19;

Whereas, After reflecting normal taxable value growth, the total unrestricted revenue to the City over the eight-year period will be approximately \$20 million;

Whereas, On September 18, 2017, City Council adopted a resolution stating it was Council's intent to utilize the Mental Health & Public Safety Millage proceeds for the duration of the eight-year millage 40% for affordable housing, 40% for climate action programs, and 20% for pedestrian safety;

Whereas, The actual millage ballot language did not contain any reference to Council's proposed allocations and the extent to which voters were aware of the proposed allocations is not clear;

Whereas, The City's receipt of an incremental and unrestricted revenue stream of this magnitude is unprecedented and given the lack of clarity on resident preferences, City Council determined it would be both appropriate and informative to seek input from taxpayers on their preferences regarding how the new revenue should be utilized;

Whereas, On November 19, 2018, City Council adopted resolution #18-1909 "*Resolution to Conduct a Survey of Ann Arbor Residents to Assess Community Preferences Regarding the City's Spending of County Mental Health & Public Safety Millage Proceeds*";

Whereas, On December 17, 2018, City Council re-affirmed its desire to conduct the millage proceeds survey by adopting resolution #18-2118 "*Resolution Providing Council Guidance on the Citizen Survey to Obtain Community Input on the Utilization of County Mental Health & Public Safety Millage Proceeds*";

Whereas, The millage proceeds survey is a closed survey currently in process and responses will be accepted through March 25, 2019;

Whereas, At the February 11, 2019 Budget Work Session, it was indicated the 40/40/20 allocation of millage proceeds would be reflected in the FY20 budget proposed by the City Administrator regardless of the survey results because it was the Council "policy" in effect on the matter;

Whereas, One of the most important responsibilities of City Council is to establish the City spending budget each year. Resolutions earmarking funds adopted by a previous Council limits the current Council's freedom/authority to fulfill that responsibility and for that reason, it has been longstanding City policy/practice that a council is not permitted to make budget decisions that are binding on future

councils;

Whereas, The current City Council has not established its policy direction regarding spending of the \$2.2M in county millage proceeds and is awaiting the results of the survey to help inform that policy;

Whereas, Once the survey results are known, City Council will consider and discuss alternatives and establish a policy recommendation for FY20;

Whereas, The City Administrator is authorized (and required) to make his FY20 budget recommendation to City Council for consideration and the presentation of the proposal is scheduled for April 15, 2019; and

Whereas, City Council believes that if a Council policy is to be used as the basis the Administrator employs in developing a specific budget spending recommendation, it should be policy direction from the current Council which is informed by the community survey, and Council believes that it would be both inappropriate and dismissive of community preferences expressed in the survey for the Administrator to reflect the allocation adopted by the previous council;

RESOLVED, That City Council nullifies the policy direction established by resolution September 18, 2017 regarding the spending of county millage proceeds, effectively creating a blank sheet for allocation of the funds; and

RESOLVED, That City Council commits to taking action on or before April 1, 2019 with regard to policy direction on spending of the millage proceeds assuming the survey results are known by March 25th; and

RESOLVED, That City Council encourages the Administrator to reflect in his FY20 budget proposal the policy direction to be adopted by Council, and in the absence of a new policy direction on spending the millage proceeds, to consider the community preferences expressed in the survey in his proposal.

Sponsored by: Councilmember Lumm