File #: 24-0647, **Version:** 2

Resolution to Adopt Ann Arbor City Budget and Related Property Tax Millage Rates for Fiscal Year 2025

Attached for your review and action is the proposed FY 2025 City Budget that totals $608 million in revenue and $565 million in expenditures and is in compliance with the City Charter. This budget resolution reflects the recommended budget delivered to you on April 15, 2024.

General Fund Activities

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

	FY 2025
Recurring Revenues	$136,631,62
Non-recurring Revenues	1,254,05
Use of Fund Balance	3,791,01
	$141,676,69
Recurring Expenditures	$134,505,82
Non-recurring Expenditures	6,395,901
Total Expenditures	$140,901,73

General Fund recurring expenditures increased by $9,615,494 (+7.7%) compared to FY 2024's adopted budget, and recurring revenues increased by $10,395,471 (+8.2%). Below is a summary of non-recurring expenditures:

General Fund Non-recurring Expenditures	FY 2025
City Attorney - Outside counsel	50,000
City Attorney - Construct new office	9,000
City Administrator - Use of opioid funds	30,058
City Administrator - Bicentennial Celebration	200,000
City Administrator - Equity in the Center Training	6,450
City Administrator - National Citizens Survey	10,000
City Administrator - Host Sister City Delegation	40,000
City Administrator - Office Of Organizational Equity - Marketing materials	15,000
City Administrator - Office Of Organizational Equity - Customer Service Training	30,000
City Administrator - Human Resources - Compensation Study	167,700
City Administrator - Clerk - Election Inspector and voting asset management	35,000
City Administrator - Fleet & Facilities - Overhire for upcoming retirement	48,000
Financial & Administrative Services - Assessor - Appraisals for MTT appeals	100,750
Financial & Administrative Services - Budget - MSC Study	25,000
Financial & Administrative Services - Tablets for property appraisers	3,600
Community Services - Planning - Vehicle for site inspections & zoning enforcement	35,526
Community Services - Planning - Professional services for zoning changes	100,000
Community Services - Parks & Rec - Contributed Capital for Vehicles	90,060
Community Services - Ann Arbor Housing Commission - Eviction prevention	250,000
Community Services - Ann Arbor Housing Commission - Low income housing	250,000
Community Services - Ann Arbor Housing Commission - Rising Hope program	500,000
Non-Departmental - Phase II study	1,200,000
Public Services - Systems Planning - Gravel Road Study	250,000
Public Services - Water Treatment Plant - Barton Dam repairs	2,700,000
Public Services - Water Treatment Plant - FERC required work for Superior	22,000
Public Services - Water Treatment Plant - Barton Dam condition assessment	60,000
Public Services - Engineering - Staff time to support Art Fair	25,000
Safety Services - Police - Contributed Capital for Hybrid Vehicle	32,746
Safety Services - Fire - Generator for Fire Station 3	100,000
Mayor & Council - U of M City Dinner	10,000
Total General Fund Non-recurring Expenditures	$ 6,395,900

FTEs

The City's FTEs are proposed to increase from 829, as adopted for FY 2024, to 849 in FY 2025 (excluding transfers between Service Areas and net of incidental changes):

- 1.0 FTE increase in Community Services, Parks & Recreation
- 1.43 FTE increase in Community Services, Planning
- 5.20 FTE increase in Community Services, Building
- 4.5 FTE increase in Community Services, Ann Arbor Housing Commission
- 2.0 FTE increase in City Administrator
- 0.20 FTE increase in City Administrator, Human Resources
- 2.5 FTE increase in City Administrator, Information Technology
- 2.0 FTE increase in Finance
- 0.50 FTE increase in Safety Services, Fire

As part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 849 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 2025 the Headlee rollback multiplier is anticipated to be .9989):

	PROPOSED FY 2025	ACTUAL FY 2024	CHANGE
GENERAL OPERATING	5.7903	5.7967	(0.0064)
EMPLOYEE BENEFITS	1.9299	1.9321	(0.0022)
AATA TRANSPORTATION	1.9299	1.9321	(0.0022)
REFUSE COLLECTION	2.3156	2.3182	(0.0026)
STREET, BRIDGE & SIDEWALK MILLAGE	2.0130	2.0153	(0.0023)
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0720	1.0732	(0.0012)
OPEN SPACE & PARKLAND PRESERVATION	0.4483	0.4488	(0.0005)
SIDEWALK CONSTRUCTION MILLAGE	0.1983	0.1986	(0.0003)
AFFORDABLE HOUSING MILLAGE	0.9922	0.9933	(0.0011)
COMMUNITY CLIMATE ACTION MILLAGE	0.9989	1.0000	(0.0011)
TOTAL	17.6884	17.7083	(0.0199)

Prepared by: Marti Praschan, Chief Financial Officer
Approved by: Milton Dohoney Jr., City Administrator
Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2025 for the City of Ann Arbor, which was submitted on April 15, 2024 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 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 any contributions from the Downtown Development Authority (DDA) to the General Capital Fund for the purpose of the Streetlight Replacement and Painting Project, in excess of the budgeted amount, shall be appropriated at the time of receipt, without regard to fiscal year;

RESOLVED, That any funds contributed to General Fund from the National Opioid Settlement in excess of the budgeted amount shall be appropriated at the time of receipt without regard to fiscal year;

RESOLVED, That the proposed list of Capital Improvement projects in the amount of $317,959,945 are approved; and that $93,261,945 be appropriated in FY 2025 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 $946,500 be appropriated without regard to fiscal year;

RESOLVED, That a total 849 full-time equivalent positions be adopted in the FY 2025 budget;

RESOLVED, That as part of the workforce planning initiative, Council is authorizing staff to exceed the authorized 849 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 2024 Annexation Funding in the General Fund Planning service unit budget carry forward to FY 2025;

RESOLVED, That any unspent FY 2024 Public Works Apprenticeship Program Funding in the General Fund Public Works service unit budget carry forward to FY 2025;

RESOLVED, That any unspent FY 2024 City Administrator Contingency funding in the General Fund City Administrator service unit budget carry forward to FY 2025;

RESOLVED, That any unspent FY 2024 funding remaining in the FY 2024 Affordable Housing Millage fund carry forward to FY 2025 without regard to fiscal year;

RESOLVED, That any unspent DDA Grants included in the FY 2024 budget and approved by the DDA Board may be carried forward without regard to fiscal year;

RESOLVED, That any unspent DDA capital funds included in the FY 2024 budget and approved by the DDA Board may be carried forward without regard to fiscal year;

RESOLVED, That any unspent National Opioid Settlement funding in the General Fund City Administrator service unit budget carry forward to FY 2025;

RESOLVED, That any unspent Bicentennial Celebration funding in the General Fund City Administrator service unit budget carry forward to FY 2025;

RESOLVED, That any unspent Gravel Roads Study funding in the General Fund Systems Planning service unit budget carry forward to FY 2025;

RESOLVED, That the City Council approve the proposed FY 2025 Ann Arbor-Ypsilanti SmartZone LDFA budget, as a component unit of the City of Ann Arbor in Fiscal Year 2025 in a dedicated fund containing $5,745,809 in revenues and $5,745,809 in expenditures;

RESOLVED, That the following appropriations constitute the General Fund budget for FY 2025;

REVENUES	
CITY ATTORNEY	$ 291,519
CITY ADMINISTRATOR	
City Administrator	-
Human Resources	511,121
Safety	418,039
Clerk Services	356,378
Fleet & Facilities	2,029,006
Communications	207,751
Information Technology	4,713,442
COMMUNITY SERVICES	
Community Development	-
Ann Arbor Housing Commission	5,464,231
Building & Rental Services	1,977,760
Planning	466,149
Parks and Recreation Services	5,466,785
FINANCIAL SERVICES	
Financial and Budget Planning	23,493,481
Treasury	62,467,401
Assessing	816
PUBLIC SERVICES	
Engineering	2,778,854
Public Works	69,940
Public Services Administration	125,000
Water Treatment	3,075,000
SAFETY SERVICES	
Police	3,616,680
Fire	539,360
DISTRICT COURT	1,204,953
NON-DEPARTMENTAL	22,403,031
TOTAL GENERAL FUND REVENUES	$141,676,697

powered by Legistar™

EXPENDITURES	
MAYOR AND CITY COUNCIL	$ 759,099
CITY ATTORNEY	3,325,077
CITY ADMINISTRATOR	
City Administrator	3,015,351
Human Resources	2,923,853
Clerk Services	2,279,444
Police Commission	170,045
Safety	409,804
Sustainability & Innovation	1,333,548
Fleet & Facilities	3,805,474
Communications Office	575,723
Information Technology	4,780,079
COMMUNITY SERVICES	
Building & Rental Services	1,507,676
Planning	2,011,814
Community Development	1,943,836
Ann Arbor Housing Commission	7,081,815
Parks and Recreation	11,197,902
FINANCIAL SERVICES	
Accounting	1,141,546
Assessor	1,424,060
Financial and Budget Planning	1,472,070
Procurement	184,224
Risk Management	73,239
Treasury	1,084,638
PUBLIC SERVICES	
Public Works	69,665
Engineering	5,823,450
Public Services Administration	124,033
Systems Planning	273,978
Water Treatment Services	3,415,593
SAFETY SERVICES	
Police	33,545,957
Fire	19,152,381
DISTRICT COURT	5,440,028
NON-DEPARTMENTAL	20,556,328
TOTAL GENERAL FUND EXPENDITURES	$ 140,901,730

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for

FY 2025 budget; and

REVENUES

Fund #	Fund Name	Amoun
0001	DDA/HOUSING FUND	$ 403,6
0002	ENERGY PROJECTS	12,9
0003	DOWNTOWN DEVELOPMENT AUTHORITY	9,288,1
0009	SMART ZONE LDFA	5,745,8
0010	GENERAL	141,676,
0011	CENTRAL STORES	1,585,5
0012	FLEET SERVICES	13,405,
0014	INFORMATION TECHNOLOGY	12,366,
0016	COMMUNITY TELEVISION NETWORK	934,4
0021	MAJOR STREET	20,299,
0022	LOCAL STREET	4,464,2
0023	COURT FACILITIES	225,0
0024	OPEN SPACE & PARKLAND PRESERVA	2,7
0025	BANDEMER PROPERTY	11,5(
0026	CONSTRUCTION CODE FUND	6,890,2
0027	DRUG ENFORCEMENT	26,5
0028	FEDERAL EQUITABLE SHARING	268,8
0033	DDA PARKING MAINTENANCE	4,116,(
0034	PARKS MEMORIALS & CONTRIBUTIONS	206,3
0035	GENERAL DEBT SERVICE	12,080,
0036	METRO EXPANSION	604,9
0038	ANN ARBOR ASSISTANCE	20,6
0041	OPEN SPACE ENDOWMENT	105,4
0042	WATER SUPPLY SYSTEM	36,680,
0043	SEWAGE DISPOSAL SYSTEM	34,837,
0048	AIRPORT	1,109,5
0049	PROJECT MANAGEMENT	6,669,3
0052	VEBA TRUST	12,775,
0053	POLICE AND FIRE RELIEF	50,0
0054	CEMETERY PERPETUAL CARE	6,82
0055	ELIZABETH R DEAN TRUST	71,4
0057	RISK FUND	39,182,
0058	WHEELER CENTER	951,5
0059	EMPLOYEES RETIREMENT SYSTEM	52,226,
0061	ALTERNATIVE TRANSPORTATION	818,1
0062	STREET, BRIDGE & SIDEWALK MILLAGE	14,054,
0063	DDA PARKING SYSTEM	24,305,
0064	MICHIGAN JUSTICE TRAINING	14,3
0069	STORMWATER SEWER SYSTEM	15,910,
0070	AFFORDABLE HOUSING	5,40
0071	PARK MAINTENANCE & CAPITAL IMPRO	8,018,0
0072	SOLID WASTE FUND	19,382,
0082	STORMWATER BOND	12,357,
0084	DEVELOPER OFFSET MITIGATION	1,525,8
0088	SEWER BOND	16,993,
0089	WATER BOND	28,659,
0096	WATER PENDING BOND SERIES	2,700,(
0100	COUNTY MENTAL HEALTH MILLAGE	2,911,(
0101	CAPITAL SINKING FUND	472,4
00CP	GENERAL CAPITAL FUND	4,391,2
00MG	MAJOR GRANTS PROGRAMS	50(
0102	SIDEWALK CONSTRUCTION MILLAGE	2,413,7
0103	AFFORDABLE HOUSING MILLAGE	7,594,9
0108	TECHNOLOGY FIBER	787,5
0109	CLIMATE ACTION MILLAGE	7,476,2
0111	SECTION 401(A) DUAL HYBRID PLAN	2,400,(
0112	SECTION 457(B) PLAN	47,5(
0113	SECTION 401(A) EXECUTIVE PLAN	2,00
		$608,243

powered by Legistar™

EXPENDITURES

Fund	Fund Name	Amount
0001	DDA/HOUSING FUND	$ 400,4
0002	ENERGY PROJECTS	12,9
0003	DOWNTOWN DEVELOPMENT AUTH	9,93
0009	SMART ZONE LDFA	5,745,8
0010	GENERAL	140,901,
0011	CENTRAL STORES	1,544,1
0012	FLEET SERVICES	13,405,8
0014	INFORMATION TECHNOLOGY	12,366,2
0016	COMMUNITY TELEVISION NETWORK	1,934,4
0021	MAJOR STREET	20,299,9
0022	LOCAL STREET	4,464,2
0023	COURT FACILITIES	225,0
0024	OPEN SPACE & PARKLAND PRESERV	2,228,6
0025	BANDEMER PROPERTY	8,43
0026	CONSTRUCTION CODE FUND	6,872,3
0027	DRUG ENFORCEMENT	25,94
0028	FEDERAL EQUITABLE SHARING	267,6
0033	DDA PARKING MAINTENANCE	4,116,0
0034	PARKS MEMORIALS & CONTRIBUTIONS	76,0
0035	GENERAL DEBT SERVICE	12,080,
0036	METRO EXPANSION	604,9
0038	ANN ARBOR ASSISTANCE	20,05
0041	OPEN SPACE ENDOWMENT	75,50
0042	WATER SUPPLY SYSTEM	30,763,9
0043	SEWAGE DISPOSAL SYSTEM	27,566,1
0048	AIRPORT	1,105,7
0049	PROJECT MANAGEMENT	6,669,5
0052	VEBA TRUST	1,691,3
0053	POLICE & FIRE RELIEF	50,00
0055	ELIZABETH R DEAN TRUST	71,41
0057	RISK FUND	39,182,4
0058	WHEELER CENTER	706,50
0059	EMPLOYEES RETIREMENT SYSTEM	11,350,0
0061	ALTERNATIVE TRANSPORTATION	714,49
0062	STREET, BRIDGE & SIDEWALK MIL	24,054,
0063	DDA PARKING SYSTEM	24,305,1
0064	MICHIGAN JUSTICE TRAINING	14,00
0069	STORMWATER SEWER SYSTEM	12,336,9
0071	PARK MAINTENANCE & CAPITAL IM	8,318,2
0072	SOLID WASTE FUND	18,223,8
0082	STORMWATER BOND	11,338,0
0088	SEWER BOND	14,437,0
0089	WATER BOND	28,659,0
0100	COUNTY MENTAL HEALTH MILLAGE	2,875,1
0101	CAPITAL SINKING FUND	450,0
00CP	GENERAL CAPITAL FUND	4,230,0
00MG	MAJOR GRANTS PROGRAMS	500
0102	SIDEWALK CONSTRUCTION MILLAGE	2,527,0
0103	AFFORDABLE HOUSING MILLAGE	7,594,9
0108	TECHNOLOGY FIBER	413,5
0109	CLIMATE ACTION MILLAGE	7,476,3
0111	SECTION 401(A) DUAL HYBRID PLAN	215,8
0112	SECTION 457(B) PLAN	47,50
0113	SECTION 401(A) EXECUTIVE PLAN	2,00
		$ 564,804,

powered by Legistar™

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY 2025:

	PROPOSED
GENERAL OPERATING	5.7903
EMPLOYEE BENEFITS	1.9299
AATA TRANSPORTATION	1.9299
REFUSE COLLECTION	2.3156
STREET, BRIDGE & SIDEWALK MILLAGE	2.0130
PARK MAINTENANCE & CAPITAL IMPROVEMENTS	1.0720
OPEN SPACE & PARKLAND PRESERVATION	0.4483
SIDEWALK CONSTRUCTION MILLAGE	0.1983
AFFORDABLE HOUSING MILLAGE	0.9922
COMMUNITY CLIMATE ACTION MILLAGE	0.9989
TOTAL	17.6884

As Amended and Approved on May 20, 2024