



# CITY OF ANN ARBOR FY24-5 BUDGET OVERVIEW

# INTRODUCTION

This presentation provides an overview of the General Fund and related budget considerations for FY24-5, including the following:

- City Administrator's Overview
- Financial overview and projections going into the FY24-5 budget process
- Presentations on service areas that are primarily resourced through the General Fund.

# OVERVIEW

## **FY 24 Budget Overview**

- Introduction
- Overview of the General Fund for FY2024
- City Administrator, Community Services, Finance, Fire, Police & 15<sup>th</sup> District Court

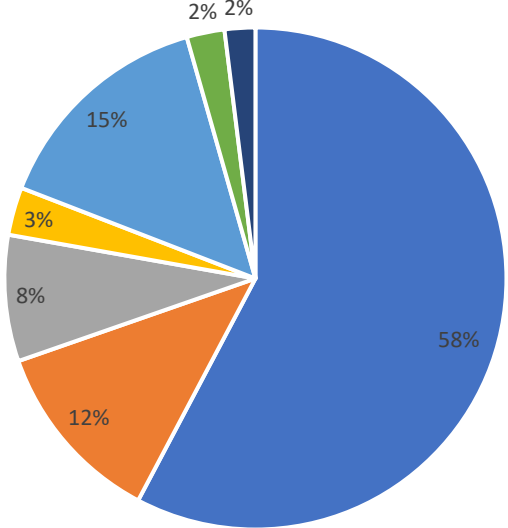
## **Upcoming Budget Presentations/Activities:**

- March 6, 2023 – City Administrator Area, Community Services, Finance, Fire, Police, Fire, & 15<sup>th</sup> District Court
- March 13, 2023 – Ann Arbor Housing Commission
- March 20, 2023 – Public Services, City Attorney’s Office, DDA
- April 17, 2023 – City Administrator Presents the Recommended Budget to Council & Ordinance First Readings
- May 1, 2023 – Public Hearings and Resolutions for Fees & Public Hearings Only for Ordinance Second Readings
- May 15, 2023 – Second Readings on Budget and Fees & City Council Consideration/Adoption of Budget – *Per City Charter must be approved by second meeting in May.*

# GENERAL FUND KEY ASSUMPTIONS

- The overall recurring revenue change is projected to increase by 5.97% in FY24 (without the GASB #68 reimbursement revenue).
  - Property taxes revenue is projected to increase 7.25%.
  - State Shared Revenue is projected to be relatively flat in FY24.
  - Parking revenue (including parking tickets) is also projected to remain flat in in FY24.
- The overall recurring expenditure increase is 4.19% in FY24.
  - Included in the expenditures for FY24:
    - Costs of labor contracts.
    - Pension/VEBA contribution that meet policy levels.
    - Increased forecasted health care costs.
    - Asset replacement costs consistent with policies.
    - \$1M for Fire Station replacement.
    - City Hall armed security.
    - 18% Streetlight Energy Increase.
- The City's General Fund millages are currently 9.66 mills, having been reduced from 12.5 mills due to Headlee since their adoption.

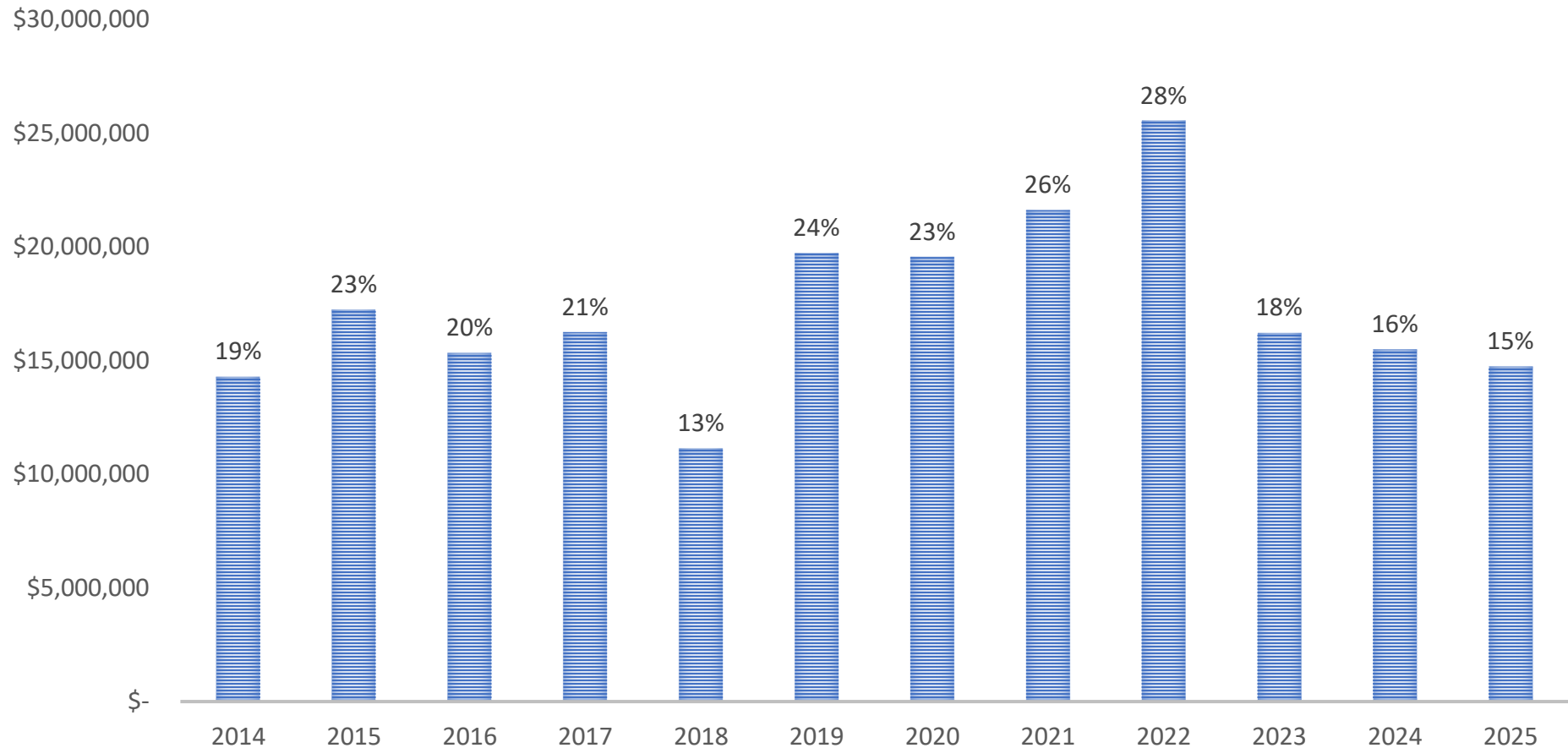
# FY24 FORECASTED REVENUE General Fund



- Taxes
- Intergovernmental Revenues
- Charges for Services
- Fines & Forfeits
- Intra-Governmental Sales
- Contributions, Investment Income, Miscellaneous, Operating Transfers
- Licenses, Permits and Registration

# FUND BALANCE SUMMARY

## % OF EXPENDITURES TO UNASSIGNED FUND BALANCE



# CITY ADMINISTRATOR

## Major Focus Areas and Initiatives

Highlights/Focus Areas	Description	Outcome
<ul style="list-style-type: none"> <li>• <b>Bicentennial</b></li> <li>• <b>Evolving Supportive Connections</b></li> <li>• <b>Growing DEI</b></li> <li>• <b>Work on Restrooms in Downtown</b></li> <li>• <b>Infrastructure Agenda</b></li> <li>• <b>Devising Way to Enhance Customer Service</b></li> <li>• <b>Compensation Committee</b></li> </ul>		

# CITY ADMINISTRATOR'S OFFICE

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Diversity, Equity & Inclusion (DEI) Organizational Training	\$45,000	R
ADA Coordinator FTE	TBD	R
Repurposing a Position for DEI Support	TBD	R
<b><i>City Administrator's Office Total:</i></b>		

R = Recurring Cost O = One-Time Cost



# CITY ADMINISTRATOR'S OFFICE:

- **Major Grants we are pursuing:**
  1. Water Treatment Plant and other Infrastructure
  2. Searching for support to address train station needs.
- **Partnership Projects:**
  1. Bicentennial
  2. Public Restrooms
- **Public Engagement – how are we engaging the public in our major initiatives:**
  1. Ongoing Communication
  2. Individual & Group Engagement

# CITY ADMINISTRATOR'S OFFICE: Clerk's Office

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Implementation of new 9 days of early voting for each federal election	\$105,000	R
Increased equipment and personnel for satellite offices of Election Day	\$40,000	R
Additional Ballot Boxes to Comply with new requirements of "Promote the Vote 2"	\$15,000	O
Additional Postage to Implement permanent AV ballot list	\$40,000	O
Expenses for State-Funded Presidential Primary	\$200,000	O
<b><i>Clerk's Office Total</i></b>	<b>\$400,000</b>	

# CITY ADMINISTRATOR'S OFFICE: Clerk's Office

- **Major Grants we are pursuing:**
  1. Proposition 20-2 State-Funding
- **Partnership Projects:**
  1. University of Michigan – Satellite Offices for 2024
- **Public Engagement – how are we engaging the public in our major initiatives:**
  1. Direct mailings to registered voters regarding changes as result of passage of Proposal 22-2.

# CITY ADMINISTRATOR'S OFFICE: Communications

- **Partnership Projects:**
  - 1. A2Gov Website Redesign: IT/Communications team
  - 2. Ann Arbor Water student/new resident outreach: MEG Consulting Club UM Ross School of Business
- **Public Engagement – how are we engaging the public in our major initiatives:**
  - 1. Leverage the city's stakeholder worksheet to ensure broad outreach is achieved, especially to diverse audiences
  - 2. Promote initiatives via city's website, social media channels, email notifications, monthly online newsletters, media releases and Community Television Network

# CITY ADMINISTRATOR’S OFFICE: Fleet & Facilities

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
926 Mary St. Polling Location – Determine future use of the building and initiate repairs or plans for demolition of the deteriorating structure.	\$100,000	O
Oversee capital maintenance projects on aging City facilities utilizing Capital Maintenance funding	TBD	R
Coordinate the operation, maintenance and management of new City solar installations with the Office of Sustainability and Innovation	OSI Budget	R
Replacement of multiple City fire stations as these buildings are in the poorest condition of any core use City facilities	CIP Budget	O
<b><i>Fleet &amp; Facilities Total:</i></b>		

R = Recurring Cost O = One-Time Cost

# CITY ADMINISTRATOR'S OFFICE: Fleet & Facilities

- **Major Grants we are pursuing:**
  - 1. Supporting Office of Sustainability and Innovation on renewable energy and energy efficiency grants.
- **Partnership Projects:**
  - 1. Energy Manager position with the Office of Sustainability and Innovation.
- **Public Engagement – how are we engaging the public in our major initiatives:**
  - 1. None.

# CITY ADMINISTRATOR'S OFFICE: Human Resources

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
<b>Compensation Study</b> (Analysis of City's Positions, Salaries, Grades, Ranges, and Market Competitiveness)	\$150,000	O
HR Department Staffing	\$162,552	R
<b>Human Resources Total:</b>	<b>\$312,552</b>	

R = Recurring Cost O = One-Time Cost

# CITY ADMINISTRATOR'S OFFICE: Human Resources

- **Partnership Projects:**

- 1. Compensation Study (with DOE, and Comp Committee)

- **Public Engagement**

- **How are we engaging the public in our major initiatives:**

- 1. Part of an effort to launch a Management Fellows Programs with Eastern Michigan University
- 2. Community partnership initiatives such as Neutral Zone's ***Future Corp Program*** (in conjunction with MI Work's Job Program) providing at-risk youth, ages 18-24, with work experience and job opportunities with the City of Ann Arbor



# CITY ADMINISTRATOR'S OFFICE: Information Technology

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Reimbursement from IT Fund for 1.0 FTE	\$182,028	R
<b><i>Information Technology Total:</i></b>	<b><i>\$182,028</i></b>	<b><i>R</i></b>

R = Recurring Cost O = One-Time Cost

# **CITY ADMINISTRATOR'S OFFICE:** Information Technology

- **Major Grants we are pursuing:**
  - (In-progress) Obtained an \$2.4M EDA grant to build fiber from Ann Arbor to Ypsilanti.
- **Partnership Projects:**
  - SPARK/City of Ypsilanti/City of Ann Arbor – Fiber optic broadband project.
  - Public Wi-Fi – Downtown Development Authority.
- **Public Engagement – how are we engaging the public in our major initiatives:**
  - A2 Community dark fiber optic marketing. (SPARK)

# CITY ADMINISTRATOR’S OFFICE: Safety

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Learning Management System Cost Increase (Safety Training)	\$2,000	R
Medical Surveillance Services Cost Increase	\$5,000	R
Safety Consulting Services Cost Increase	\$5,000	R
Incident Management System Services Cost Increase	\$2,000	R
<b>Safety Total:</b>	<b>\$14,000</b>	<b>R</b>

R = Recurring Cost O = One-Time Cost

# CITY ADMINISTRATOR'S OFFICE:

## Sustainability & Innovations

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Begin movement of existing staff into General Fund and out of 0100 (public safety rebate)	\$290,240	R
Reduction in professional services, contracted services, and dues and licenses, conference training and travel, software maintenance, and governmental services (expenses moved to new Community Climate Action Millage)	\$413,733	R
<b><i>Sustainability &amp; Innovations Total:</i></b>	<b><i>\$703,973</i></b>	<b><i>R</i></b>

R = Recurring Cost O = One-Time Cost

# CITY ADMINISTRATOR'S OFFICE: Sustainability & Innovations

- **Major Grants we are pursuing:**
  - U.S. DOE Grid Resilience and Innovation Partnership (\$20,000,000)
  - U.S. EPA Environmental Justice grant (\$100k-\$200k)
  - BuildingUP prize (\$200,000)
  - Michigan Diesel Emissions Reduction Act (\$50,000-\$75,000)
  - Michigan Community Energy Management grant (\$25,000)
  - Partners for Places – Aging in Place Efficiently (\$200,000)
  - Energy Efficiency and Conservation Block Grant (\$182,000)
  - Michigan Brownfield Redevelopment Grant (\$8,000,000 - \$15,000,000)
  - EPA SWIFR (\$2,000,000)
  - SEMCOG Carbon Reduction Fund (\$1,500,000)
  - AmeriCorps (\$230,000)

# CITY ADMINISTRATOR'S OFFICE: Sustainability & Innovations

- **Partnership Projects:**

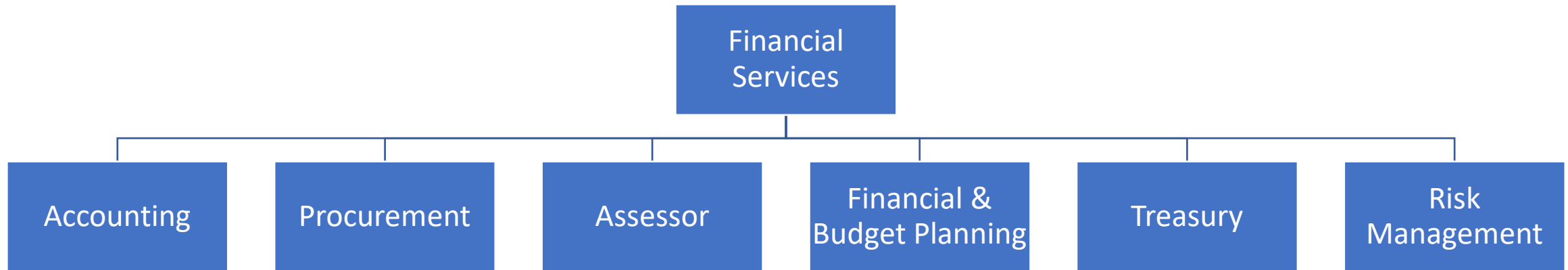
- Resilience Hub exploration with Community Action Network, Ann Arbor Housing Commission, and Peace Neighborhood Center
- Enhancement of A<sup>2</sup>ZERO Collaborators network
- Joint fundraising with community groups such as UM, CAN, Elevate, Schneider Electric, Meals on Wheels, Michigan Saves, Housing Bureau for Seniors, Live Zero Waste, and DTE
- Bryant neighborhood project
- Continued and expanded internal coordination with Transportation, Public Works, AAHC, Building, Planning, and Emergency Management (among others)

# CITY ADMINISTRATOR'S OFFICE: Sustainability & Innovations

- **Public Engagement:**

- At least monthly public events
- New dashboards to display progress
- Leveraging trusted community groups to center engagement around underrepresented voices
- A<sup>2</sup>ZERO week
- New channels, including exploring a regular piece on CTN and possibly other media outlets to keep people abreast of opportunities and activities in the Office
- Monthly newsletter
- Annual progress report

# FINANCIAL & ADMINISTRATIVE SERVICES



The Financial Services Area is comprised of seven services units: Accounting, Procurement, Assessor, Financial & Budget Planning, Information Technology, Treasury, and Risk Management.



# FINANCE & ADMINISTRATIVE SERVICES

## Major Focus Areas and Initiatives

Highlights/Focus Areas	Description	Outcome
Facilitation of Grant Writing Contract	Manage City-wide contract	Increased funding
Succession Planning	Determine necessary training, redundancy, alignment	Successful City Leadership
Grant Compliance/Reporting	Align required reporting requirements	Maintain audit compliance
Facilitate Funding Options including bond issuances	Manage process city-wide	Support Capital Plan and City Initiatives
350 S. Fifth transaction	Prepare/Support Transaction to sell property	Affordable housing property acquisition/fulfillment of debt obligation

# FINANCIAL & ADMINISTRATIVE SERVICES

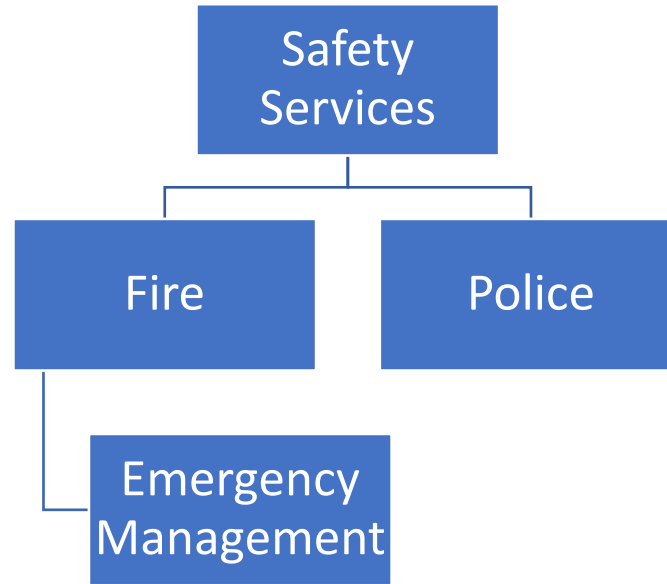
KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Assessor's Office - Appraisals for MTT appeals	\$100,759	R
Budget - MSC Study	\$25,000	O
<b>Finance Total:</b>	<b>\$125,759</b>	

R = Recurring Cost O = One-Time Cost

# FINANCIAL & ADMINISTRATIVE SERVICES

- **Major Grants we are pursuing:**
  - 1. Support City-wide efforts in grant pursuits
- **Partnership Projects:**
  - 1. Development of Climate Action Millage Budget and Reporting mechanism
  - 2. Redesign of Public facing web-site to encourage transparency
- **Public Engagement – how are we engaging the public in our major initiatives:**
  - 1. Development of engagement/input into annual budget and performance metrics.

# SAFETY SERVICES



The Safety Services Area is comprised of two service units: Police Services and Fire Services. These service units provide the community with a broad array of support such as City-wide emergency preparedness and education, fire operations and inspections, fire safety, police patrol, traffic enforcement, parking and code compliance, police investigation, and community engagement.

# FIRE

## Major Focus Areas and Initiatives

Highlights/Focus Areas	Description	Outcome
Ambulance transport	Continue fire-based ambulance transport capability	Increase level of EMS service to City
Fire recruit	Provide opportunities for career in fire service	Workforce reflects City demographics
Hazard Mitigation Plan	Address action items from adopted plan	Meet FEMA requirements

# FIRE

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
FY25 - Full building generator for Fire Station 3 (Vets Park)	\$100,000	O
Horizon – Fund construction for Fire Station 4	\$10,000,000	O
Horizon – Add “high-rise” unit to Fire Station 1 to address challenges of vertical growth. For 24/7/365 coverage would entail 12 FTEs (4 FTEs assigned to 3 shifts).	\$1,100,000	R
Horizon – Apparatus for “high-rise” unit. High-pressure pumper with specialized equipment for high-rise fires.	\$800,000	O
Horizon – Add .5 FTE for 1 dedicated position to emergency management	\$30,000	R
Horizon – Replace current Station 1 ladder truck with tiller truck (rear steer) to accommodate restrictive driving in downtown core.	\$1,700,000	O
<b>Fire Total:</b>	<b>\$13,730,000</b>	

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# FIRE

- **Major Grants we are pursuing:**
  - 1. Fire Station 4: \$10-million estimated build cost
- **Partnership Projects:**
  - 1. Fire Station 5: Determine direction from U-M on partnership
  - 2. Emergency Operations Plan - Work on identifying locations or EOC, revising external notification, and response plans.
- **Public Engagement – how are we engaging the public in our major initiatives:**
  - 1. Young Women Camp: Increase interest in public safety career
  - 2. Work with K-12 schools on emergency preparedness

# POLICE

## Major Focus Areas and Initiatives

Highlights/Focus Areas	Description	Outcome
Training	Mental illness+ customer service	Build public trust and increase level of serv.
Transparency	Provide data consistently to the public	Build public trust
Police & Cadet Recruiting	Replace attrition through retirement	Provide better service and case assignment rates



# POLICE

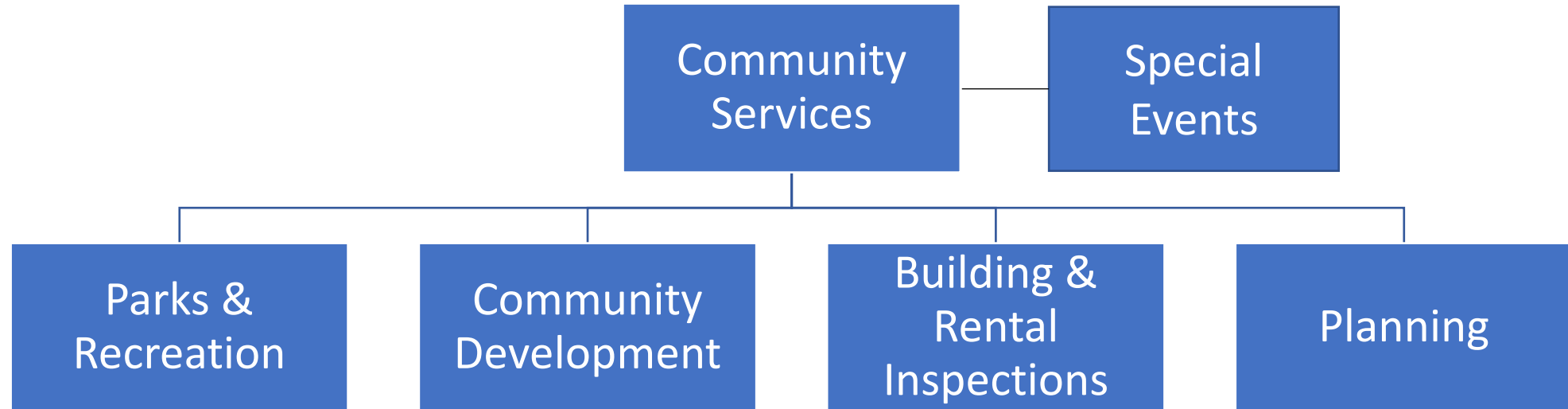
KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Specialized Training to Provide Exceptional Customer Service	\$26,000	O
15 Additional Tasers	\$18,293	R
City Share of Washtenaw Metro SWAT Team supplies and Training	\$105,331	O
<b>Police Total:</b>	<b>\$149,624</b>	<b>\$18,293</b>

R = Recurring Cost O = One-Time Cost

# POLICE

- **Partnership Projects:**
  - 1. Partnering with NAMI to provide extensive mental illness training to all officers
  - 2. Partnering with AAPS to provide CPR/First Aid training to their teaching staff as well as active shooter training
- **Public Engagement – how are we engaging the public in our major initiatives:**
  - 1. Public Transparency Dashboard
  - 2. PIO: Engaging the community through multiple media sources/increasing community events/increasing info sharing with public

# COMMUNITY SERVICES



The Community Services Area is comprised of four services units: Building & Rental Services, the Office of Community Development (through Washtenaw County), Planning, and Parks & Recreation. These service units provide the organization with a broad array of services, including parks planning, parks maintenance, recreation programs, volunteerism, natural area preservation, open space and parkland preservation, master planning, zoning, rental housing and building inspections, construction permitting, and low-income housing (via the Ann Arbor Housing Commission) and human services support (through Washtenaw County).

# COMMUNITY SERVICES

## Major Focus Areas and Initiatives

Highlights/Focus Areas	Description	Outcome
Parks Capital Funding	Evaluate Parks Future Capital Cost/Identify Need	Implementation Plan for Future Capital Funding
Comprehensive Plan	Complete Review and Development of City's Comprehensive Plan	Revised Comp Plan, Consolidating Support Documents
Building Department Fee Evaluation	Ensure Fees in Line with Best Practices and Service Cost	Revised Fee Schedule

# COMMUNITY SERVICES

## Major Focus Areas and Initiatives

Highlights/Focus Areas	Description	Outcome
415 W. Washington	Pre-entitle Zoning and BRA TIF, RFP Release for Development Partner	Contract With Partner for Development and Remediation of Site
ADA Transition Plan	Approximately 30 Million in Need Identified	Budget 1-2 Million per Year (20-30 Years) to Meet Need
Streamline Process	Reduce time necessary to gain approval and start construction	Predictable, Reliable Process for Those Doing Business With the City

# COMMUNITY SERVICES: Building & Rental Inspections

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
No Significant General Fund Requests		
<b><i>Building &amp; Rental Inspections Total:</i></b>		

R = Recurring Cost O = One-Time Cost

# COMMUNITY SERVICES: Community & Economic Development

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
New Human Services Partnership	\$1,326,329	R
OCED Admin Contract	\$165,000	R
AAHC Staffing	\$150,000	R
<b>Community &amp; Economic Development Total:</b>	<b>\$1,641,329</b>	

R = Recurring Cost O = One-Time Cost

# COMMUNITY SERVICES: Parks & Recreation

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
FTE Recreation Supervisor		
<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> Liveries Manger to support Argo and Gallup, historically operated with one. Use and safety dictate a manager at each facility during operational hours</li> <li>• Will assist with rink operations in winter</li> <li>• Covered by budget adjustments, increased millage and increase in livery and golf fees</li> </ul>	\$89,000	R
<b><i>Parks &amp; Recreation Total:</i></b>	<b><i>\$89,000</i></b>	

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# COMMUNITY SERVICES: Planning

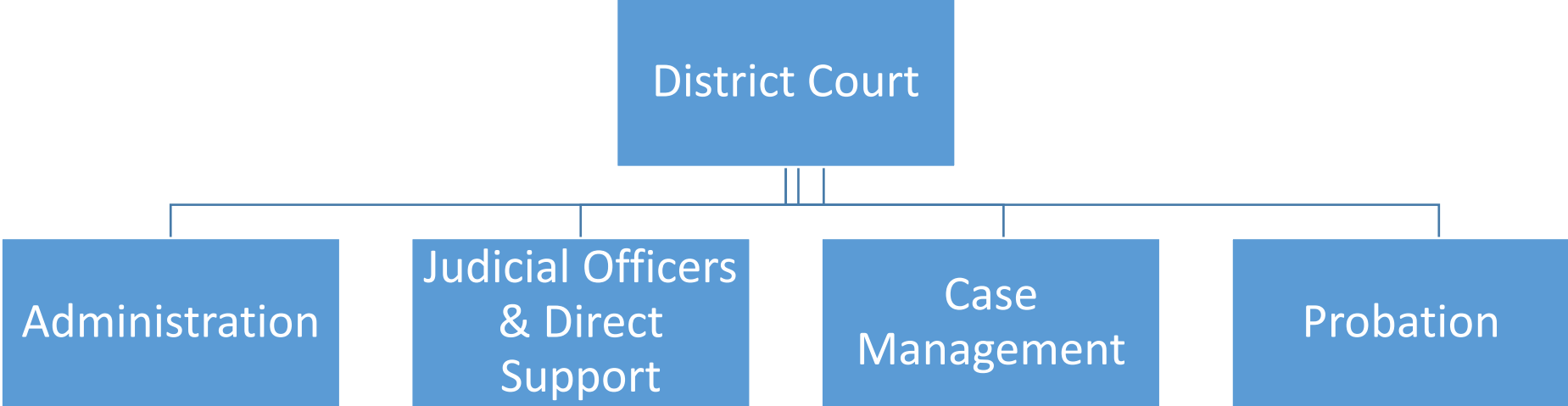
KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Racial Equity and Single-Family Zoning	\$100,000	O
<ul style="list-style-type: none"> <li><i>Partner project with Comp Plan, coordinated with DEI office, (based on CC request)</i></li> </ul>		
<b>Planning Total:</b>	<b>\$100,000</b>	

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# COMMUNITY SERVICES

- **Major Grants we are pursuing:**
  - 1. SPARK Grant, Parks – Up to \$1,000,000
  - 2. MDNR Grant, Parks – Up to \$500,000
  - 3. LWCF Grant, Parks – Up to \$10,000,000
  - 4. Double Up Food Bucks - \$40,000
- **Public Engagement – how are we engaging the public in our major initiatives:**
  - 1. Comprehensive Plan
  - 2. Public Engagement included in all initiatives.

# 15<sup>th</sup> DISTRICT COURT



The Fifteen Judicial District Court provides the community with an impartial, safe and accessible forum for the just resolution of public and private disputes. The Court is comprised of the above divisions. Administration oversees the non-judicial functions of the Court. The judicial officers and their direct support staff are responsible for creating an official record of proceedings, maintaining decorum in the courtrooms, and resolving cases in a timely manner while ensuring rule of law and protection of individual rights. Case Management is the customer service hub of the Court. The office performs essential clerical functions, such as the creation, maintenance and destruction of court files, scheduling court hearings, sending notices to parties, and accepting payments. Probation is responsible for pre-sentence investigations, alcohol assessments, supervising and counseling clients, and referrals to outside agencies for services.

# 15<sup>TH</sup> DISTRICT COURT

## Major Focus Areas and Initiatives

Highlights/Focus Areas	Description	Outcome
Courtroom Recording System Upgrades	Capture video and audio recordings of court proceedings	Integrated recordings, evidence presentation, easier transcript preparation
E-filing for civil cases	Use of a computer to file court papers electronically	Increased accessibility, consistent experience
Electronic Document Management System for civil cases	Use of document imaging and electronic workflow to support the creation and management of records	Ability to search, view, copy, save, store and print documents from any court workstation

# 15<sup>TH</sup> DISTRICT COURT

KEY REQUESTS, NEEDS, AND OPPORTUNITIES (Description)	AMOUNT	TYPE: R/O
Courtroom Recording System Upgrades (4 courtrooms)	\$260,000	O
Weapons Screening Contract Cost Increase	\$40,000	R
E-filing (civil cases)	\$0	
Electronic Document Management System (civil cases)	\$0	
<b>Finance Total:</b>	<b>\$300,000</b>	

R = Recurring Cost O = One-Time Cost

# 15<sup>th</sup> District Court

- **Major Grants we are pursuing:**
  - 1. MSC Mental Health Court Grant - \$115,100
  - 2. MSC Drug Court Grant Program - \$100,000
  - 3. MSC Veterans Treatment Court Grant Program - \$25,000
- **Partnership Projects:**
  - 1. E-filing & Electronic Document Management System
  - 2. Problem-solving Courts
  - 3. County and City Pretrial Diversion Programs
  - 4. Legal assistance for criminal defendants
  - 5. Legal assistance for tenants
  - 6. Expungement

# 15<sup>th</sup> District Court

- **Public Engagement:**
  - 1. Class visits
  - 2. Problem-solving court presentations
  - 3. Press releases, posters, brochures, social media posts, emails and website

# FY24-5 CITY COUNCIL BUDGET QUESTIONS PROCESS

Please send any FY24 budget questions to **Sara Higgins**, copying Milton Dohoney Jr., Marti Praschan, and Kim Buselmeier. Responses will be organized by topic and responded to throughout the budget season.



# THANK YOU!



## **Budget Public Process Website:**

<https://www.a2gov.org/departments/finance-admin-services/financial-reporting/budget-guide/Pages/BudgetPublicProcess.aspx>