

**ANN ARBOR CITY COUNCIL MINUTES
BUDGET WORKING SESSION - APRIL 22, 1998**

The budget working session of the Ann Arbor City Council was called to order at 7:40 p.m. in the City Hall Council Chamber by Mayor Ingrid B. Sheldon.

ROLL CALL OF COUNCIL

PRESENT : Councilmembers Tobi Hanna-Davies, Jane Lumm, David Kwan, Jean Carlberg, Heidi Cowing Herrell, Christopher Kolb, Mayor Ingrid B. Sheldon, 7.

ABSENT : Councilmembers Patricia Vereen-Dixon, Stephen C. Hartwell, Patrick A. Putman, Elisabeth L. Daley, 4.

1998-99 BUDGET REVIEW

The following department/division heads and staff members presented highlights of their proposed budgets for the 1998-99 fiscal year and answered questions from Council. Also available for questions were City Administrator Neal Berlin and Budget Director Alan Burns.

RETIREMENT SYSTEM

Total Recommended Budget: \$2,236,998

Pension Coordinator Robert Hubbs reviewed the budget for the Pension System. He reported that the retirement system has enjoyed extraordinary investment results for the past 15 years and that the actuarial valuation is 127.7% as of July 1, 1997. Mr. Hubbs further reported that for the fiscal year commencing July 1, 1998, the City's contribution requirement of \$2,653,114 will be less than half of the \$5,438,482 actuarially determined employer contribution requirement. Major continuing programs include prefunding of retiree health care (pending direction from Council); retirement counseling sessions and training; processes for monitoring and evaluating the retirement system investments. (A City of Ann Arbor Employees Retirement System Budget Presentation, April 22, 1998" on file in the City Clerk's Office)

HUMAN RESOURCES

Total Recommended Budget: \$1,166,250

Interim Human Resources Director/Labor Negotiator Alex Little reported that the proposed budget is a transition budget until the restructuring plan is implemented. Mr. Little stated that the budget reflects two FTE=s less than last year, due to the transfer of the Labor Relations positions to the Administrator=s budget. Areas of employee training addressed in the proposed budget include diversity, workplace violence and sexual harassment prevention, Family Medical Leave Act, and affirmative action.

CITY CLERK

Total Recommended Budget: \$1,603,464

City Clerk Winifred Northcross, Deputy City Clerk Yvonne Carl and Cable Administrator Harry Haasch reviewed the highlights of the City Clerk/Cable Communications= budget. Ms. Northcross reported that budget changes included an increased elections budget to accommodate the anticipated voter turnout for the gubernatorial election in November, the Public Information Desk staff increase to 1.13 FTE to provide coverage over the noon hour, and salary reduction of the Public Information Officer to reflect the position=s change to part-time status.

Deputy City Clerk Carl reported on the new Qualified Voter File system to be installed this fiscal year, which is part of the state=s program to centralize voter records. Ms. Carl stated that the new system is financed by the state and will not affect the city=s budget.

Cable Administrator Haasch reported that the a significant feature of the cable budget includes a \$50,000 transfer from the fund balance to provide for cable franchise renewal activities.

PARKS AND RECREATION

Total Recommended Budget: \$13,480,181

Parks and Recreation Superintendent Ronald Olson introduced Deputy Superintendent Gerry Clark, Natural Area Preservation Manager David Borneman, Park Planners Amy Kuras and Pamela Stuckman, Recreation Facilities and Services Manager Chris Miller, City Forester Bill Lawrence, Park Planning and Development Manager Thomas Raynes, Customer Service/Marketing Specialist Irene Bushaw, and Parks Operations/ Maintenance Division Manager Gary Fichter.

Mr. Olson reported that continuing department programs include workplace improvement; aggressively seeking local, state and federal grants; recruiting and maintaining a diverse workforce; an improved tracking system for park use permits and program registrations; reorganizing the Recreation Services

Division to increase efficiency; implementing a customer satisfaction guarantee program; and increased customer service training. Mr. Olson reported that the overall general fund increase for the Parks Department, excluding fringe benefits, is 2.4%, and that the budget for all park funds increased only .5%.

Other continuing programs include removal of dangerous limbs and trees within 48 hours of notice, planting 75% more trees than removed, Dean Fund special tree care projects, and gypsy moth control. New programs include: a park landscape tree inventory; developing an ordinance to provide greater flexibility in managing vegetation obstructions near roadways; naturalizing medians and park areas to reduce mowing, completion of Buhr Park recreation facility renovations; developing a plan for the Leslie Science Center; fully implementing the Youth P.O.W.E.R. grant program; developing an evaluation process for all youth programs; improving the bicycle program; implementing the system-wide improvements under the Parks Maintenance and Repair millage; implementing new projects scheduled under the Rehabilitation Millage which includes several neighborhood parks; and completing the 5-year update of the Parks, Recreation and Open Space Plan.

ATTORNEY

Total Recommended Budget: \$945,993

City Attorney Abigail Elias reported that there is minimal financial change in the Attorney's Office budget. She stated that ongoing programs for customer service enhancements include: adding contract forms to the City's computer system and revising current contract forms already on the system; implementing the office document management system; and implementing software to track assignments.

DOWNTOWN DEVELOPMENT AUTHORITY

Total Recommended Budget: \$9,555,562

Downtown Development Authority Executive Director Susan Pollay reported that much of the DDA's activities in 1998/99 will be directed toward completing elements of the parking structure repair/replacement plan. Projects include waterproofing the Ann Ashley and Liberty Square parking structures, repairing all of the parking structure system's elevators, undertaking major concrete repairs at the First & Washington structure, constructing the new Fourth & Washington parking structure, demolishing and constructing the new parking structure on Forest Street, and implementing a comprehensive improvement program on parking structure signage.

Ms. Pollay stated that the DDA will continue to develop productive partnerships with the Ann Arbor Transportation Authority and University of Michigan. Other programs planned for the year include street scape improvements in the State Street/E. Liberty St. and S. Fourth Avenue areas, updating the DDA's housing policy statement in conjunction with the creation of the new housing fund,

helping to develop a master plan for the University, working with the Parks and Recreation Department to improve Liberty Plaza Park, and working with the City to develop a maintenance fund. New programs include investigative work to meet the goal of the Downtown Plan to reopen the Allen Creek and create a green way on the western edge of downtown, and exploring the use of Fourth Avenue as a corridor between Kerrytown and the Main Street area.

Ms. Pollay reported that a second position will be added to the DDA administration, which will be an administrative manager to focus on parking and budgetary issues.

RETIREMENT SYSTEM STUDY PRESENTATION

Finance Director Allen D. Moore introduced Corey Sherman and Fred Munzenmaier, of AON Consulting, Inc., who are conducting a study of the City's retirement system's benefits.

Mr. Sherman explained that the goal of the study is to analyze the system's benefits and recommend, based on employee input of the system's features, how to reconfigure the City's spending and get more value in recruitment and retention of employees. Mr. Sherman stated that he would like to begin gathering information by receiving input from managers and City Council, and asked Councilmembers for their thoughts and perspectives on the City's pension program.

ADJOURNMENT

There being no further business to come before Council, the Mayor declared the meeting adjourned at 11:06 p.m.

Winifred Northcross
Clerk of the Council

Janet L. Chapin
Recording Secretary