



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Jennifer Hall, Executive Director, Ann Arbor Housing Commission

SUBJECT: FY24 Budget: Ann Arbor Housing Commission – March 13, 2023 Budget Video/Presentation

DATE: April 21, 2023

Question #3: I would like to know more about the request to use \$75k of the state marijuana rebate fund for the Catherine St development engagement with the Black community. It sounds like this was used in the current fiscal year and is being requested again for the next fiscal year. Please share more information about how it was used this fiscal year for this purpose, and then if any changes this year. (Councilmember Akmon)

Response: The \$75,000 of the state shared marijuana excise tax allocated for Catherine St development engagement with the Black community was utilized to complete the following:

- Hired YMJ & Associates to convene a public engagement process around the history of the site and its context in the historically Black neighborhood which included research, outreach, convening of public meetings.
- The formation of the Community Leadership Council, which included about a dozen Black community members who were paid for their expertise and participation.
- Event related expenses such as renting equipment for an outdoor event, food, artists, and speakers.
- Marketing and documentation expenses including print materials and a videographer.

The plan for this year's allocation is addressed in the City Administrator's proposed budget.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Debra Buckson, Chief Human Resources & Labor Relations Officer
Karen Field, Support Connections Program Director
Tom Shewchuk, Information Technology Services Unit

SUBJECT: FY24 Budget: City Administration– March 6, 2023 Budget
Presentation/Video

DATE: April 21, 2023

Question #5: The projected fund balance of 15% in FY2025 will be the lowest fund balance we've had since 2018 (13%) . While I recognize this is within the recommended 15-20% fund balance, do we have confidence that our projected revenues/expenses will not make the fund dip lower than 15%? (Councilmember Briggs)

Response: We have every confidence that we have appropriate protocols in place to ensure our fund balance remains within policy guidelines.

Question #6: The Supportive Connections program is a new program Council funded last year. I've read what's on the City's website, but it would be helpful to have more information about year one activities, successes/challenges, # of community members served, and where the majority of referrals are coming from. (Councilmember Briggs)

Response: Supportive Connections opened for referrals November 2, 2022. From that time through March 31, 2023, we received referrals on 54 individuals. The status of the referrals is as follows:

- 12 currently open cases in which we are working with participants.
- 12 participants with pass through services – one-time services and closed the case.
- 9 referrals where we could not locate or contact the person referred.

- 8 cases where contact was made, and the person declined participation.
- 7 referrals who were not eligible for the program or requested services we could not provide.
- 6 participants to whom we provided case management services and/or multiple referrals and subsequently closed the case, either due to lack of further response or by request.
- 1 referral pending contact or engagement.

We have had 55 total referrals, with one individual who was referred by two different agencies. Our referrals have been coming from a variety of referral sources. As we continue our outreach efforts, we hope to continue to broaden our referral network and expand upon family and self-referrals. These are the referring sources and number of referrals to date:

Shelter Association of Washtenaw County/Delonis Center	8
Ann Arbor Police Department	6
Washtenaw County Public Defender	5
Ann Arbor Fire Department	4
Ann Arbor District Library	4
Self-referrals	4
Home of New Vision	3
Avalon Housing	3
Washtenaw Community Mental Health	2
A Brighter Way	2
Ann Arbor area businesses	2
15 th District Court/Probation	2
The Bail Project	2
Family member referral	1
Dawn Farm	1
Other community agencies	6

Supportive Connections provides coordinated care and case management services. Supportive Connections not only serves individuals, but we also assist and support other agencies and city entities by facilitating connections between agencies and services. In addition, through our designated budget, Supportive Connections has the financial resources and the ability to provide the following supports:

- Substance abuse treatment
- Mental health treatment
- AAATA fare deal cards and bus tokens, as well as limited emergency transportation assistance (not including car repairs)
- Identification procurement assistance for county and state identification, licenses, and birth certificates
- Up to \$500 for housing security deposit assistance or housing application fees for individuals within program parameters

- Assistance for GED materials; GED and other educational testing fees; and college, trade or other education application or program fees (not including tuition).
- Up to \$300 per individual for textbook or school material expenses or to assist with purchasing technology (tablet/laptop) for education purposes
- Assistance with SSI/SSDI applications as a SOAR provider
- Mediation services through Dispute Resolution Center
- Support items for the homeless, including hygiene kits, sleeping bags, and emergency blankets
- Free Narcan/Naloxone through vending machine and community distribution.

The security deposit assistance for those who have been homeless and at-risk of justice system involvement has generated quite a bit of interest. At this time, we have assisted three individuals with obtaining permanent housing. It has also been rewarding to assist individuals with getting the substance abuse and mental health treatment they may need but cannot afford. We have assisted five people so far with substance abuse assessments and residential treatment.

Through the vending machine in City Hall and community distribution, we provided over 300 Naloxone kits to the community. We are participating with the Washtenaw Health Initiative Opioid Project. We will continue to expand our efforts in assisting to combat the opioid epidemic and its aftermath in our community.

It has been both interesting and rewarding meeting with the various community agencies and city departments, exchanging ideas and concerns. We have established a core collaborate team, and we are beginning to have success in coordinating treatment options to address community needs. To date we remain in a state of growth and development, as we continue to assess the needs of the community and draw together a network of support.

As a new program, challenges are to be expected. Gaining trust and acceptance within the community is a process and is something on which we continue to work. Finding ways to best receive referrals so that the individual is aware and open to the program presents a challenge. While you want to protect the referral sources' confidentiality to encourage referrals, blind referrals miss the opportunity for a warm hand off between the referring sources and the potential participants. We also have a sense of urgency given the type of work we do and the needs of the community; however, differences in priorities and the processes required often impede the speed at which we can effectively meet the needs of the community.

Question #7: Can more information be provided about the need/role of the additional FTEs in HR and IT? (Councilmember Briggs)

Response: The Administrator's recommended budget includes the addition of a Deputy Human Resources Director position, which will ensure business continuity and essential

succession planning. The requested IT position was not moved forward to the recommended budget due to lack of funding.

Question #8: Website Update: Thanks for the update that the website redesign will be completed by fall. However, I'm wondering if Council is going to be asked to provide any feedback on the features that would improve the functionality of the website for us and residents? (Councilmember Briggs)

Response: The scope of the website redesign initiative includes a new graphical design and content improvements. New features and functionality are not within the scope of the project. However, we are always open to feedback and ideas for website features that are needed to better serve our customers.

Question #9: I'm glad to see the city is doing a comp study to see if our wages/benefits are competitive. If salaries do need to be increased, which fiscal year budget is anticipated to be the first to be impacted by these changes? (Councilmember Briggs)

Response: The timing and the outcome of the study will impact the implementation of its recommendations; however, is not likely to be integrated in a proposed budget until FY2025.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Derek Delacourt, Community Services Area Administrator

SUBJECT: FY24 Budget: Community Services – March 6, 2023 Budget Video Presentation

DATE: April 21, 2023

Question #16: Can you help me understand the request for an anticipated \$1.6 million in new expenses for community and economic development work? Since the New Human Services Partnership, OCED, and AAHC are previous re-occurring expenses, why are they presented as anticipated additional costs in FY24? (Councilmember Briggs)

Response: They are presented each year to highlight the unique funding partnership with the County. The \$1.6M listed in the presentation highlights the funding that is included in the City Administrator's recommended budget for FY24. This is not new additional funding; it is a continuation of existing funding that the City provides.

Question #17: Similarly, the \$100K for the racial equity and single-family zoning community discussions was already allocated in the FY22 budget. I assume that funding wasn't spent, so why is there a need to reallocate this funding? Additionally, it was previously discussed that this planning work would inform the development of the comprehensive plan. How is it anticipated to inform the process now when it's running in parallel? Will the consultant engaged in the update of our comprehensive plan also be engaged in this work? (Councilmember Briggs)

Response: The \$100K shown in the video presentation for racial equity and single-family zoning was not moved forward for the FY24 recommended budget. The Comprehensive Plan will consider equity as a guiding principle, but the consultant, staff, and Planning Commission will be focused on recommendations, without a more intensive community education component.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Maura Thomson, Interim DDA Director
Sara McCallum, DDA Accounting Director

SUBJECT: FY24 Budget: Downtown Development Authority – March 20, 2023
Budget Video/Presentation

DATE: April 21, 2023

Question #25: I am assuming that the \$\$ that the 3.5% cap prevents DDA from capturing goes into the General Fund—correct? (Councilmember Disch)

Response: Not entirely.

The taxes collected over the cap are distributed according to the various millage rates they are based on. Some of those are City millages and some are for other taxing units.

Of the City's millages, some are General Fund revenue, such as Operating, and some are allocated to other funds/purposes, such as Refuse Collection, Streets, Parks, etc. For FY23 the City's total over cap portion for all millages was \$1.2M (56% of the over cap amount).

The other \$1M (44% of the over cap amount) was distributed to other units. Those units include the County, AAATA, Library, and Washtenaw Community College.

The total over cap distributions for FY23 totaled \$2.2M, which represents a reduction in DDA TIF revenues of 21% for FY23. That percentage increases each year. We estimate that the DDA's ability to invest in improvements in the downtown and to support City initiatives will be reduced by half by FY30.

The question here – where the money over the cap goes – is very pertinent. Of every \$1.00 the City receives over the cap, 77 cents is lost to allocations outside of the City's purview.

Question #26: Ms. Thomson reported that "capital expenditures" are too small. Please clarify: Does this mean that the DD isn't undertaking necessary capital projects b/c they don't have sufficient funds to do so? (Councilmember Disch)

Response: Correct - the DDA has deferred a significant amount of capital maintenance and restoration in the parking structures due to pandemic related revenue losses in the parking system.

While the Parking system entered the pandemic with a healthy fund balance (over \$11M over two funds - Parking and Parking Maintenance), our revenue loss in FY21 alone was \$12M (50% of budgeted revenues). It was necessary to cut all but the most critical capital spending and to reduce operating and administration expenditures, which we did starting in the fourth quarter of FY20.

Since that time, we have limited our capital spending to that which is necessary for safety and for those projects that would cost more if delayed. It was our goal to delay adjusting rates until the activity levels were more predictable and to allow the downtown businesses some time to adjust to the changing economic landscape.

Question #27: The presentation demonstrates that the DDA fund balance will drop well below its 25% minimum in FY26. Do I understand correctly that an increase in parking rates (subsequent to the rate analysis) is a principal strategy that will be used to fortify the fund? What other sources of funding (other than re-setting the 3.5% cap) exist? (Councilmember Disch)

Response: The DDA administers two separate systems: the Downtown Development System and the Parking System. The Downtown Development System is 99.8% funding by TIF revenues which are impacted by the 3.5% cap. The Parking System is 99.3% funded by parking fees that are impacted by the pandemic and the post pandemic economic landscape.

Beyond some miscellaneous revenues (interest earned, the occasional grant, etc.) these systems do not have other revenue sources.

Current parking revenues have leveled off at 73% of pre-pandemic levels. We believe this activity level is our new normal.

We do anticipate that the Parking Rate Study, which is being done now, will highlight the need to increase rates for necessary maintenance of the parking structures, and to maintain adequate fund balances.

Question #28: Considering the possible impact of parking rate increases on Ann Arbor's least well-paid workers (e.g. restaurant workers), does the DDA have figures and, if not, could they gather them, on how many restaurants participate in the GoPass program? (Councilmember Disch)

Response: The Parking System funding for GoPass in FY24 and FY25 is \$600K and \$700K respectively. The number of restaurants that participated in the program in FY23 is approximately 85.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Mike Kennedy, Fire Chief

SUBJECT: FY24 Budget: Fire – March 6, 2023 Budget Presentation

DATE: April 21, 2023

Question #12: One of the horizon costs Chief Kennedy mentioned was the need to purchase a tiller truck, which is more maneuverable, to operate on narrower downtown streets. The City's Transportation Plan calls for multimodal roadway improvements City-wide to improve safety. This [article](#) discusses the differences between US and European fire engines and how some municipal fire departments are beginning to shift to different fire equipment. Is the tiller truck the department is considering both more compact and maneuverable? Is the department considering phasing out other fire trucks to better support and enable our community's transition to safer streets? (Councilmember Briggs)

Response: Yes.

- The article by Mr. Siegman takes a very complex topic and leaves out a significant number of key details. US fire apparatus have to carry additional tools and equipment such as vehicle extrication tools, EMS, ballistic protection, and significantly more hose and ladders due to building size and hydrant spacing. The article references pump capacity only. Europe tends to have more smaller, apparatus that are single function units. This increases the net number of vehicles. Many European aerials (ladders) do not have fixed waterways and are limited to rescue functions. US aerials have more equipment on our aerials and are used for fire suppression, high-angle rescue, and ventilation.
- The City of Ann Arbor recently lowered our ISO rating to a 2. We are now one of only 19 departments in Michigan and one of 1,729 in the United States with a 2 classification. PPC 10-point scale assigns 1 as the best, while a 10 essentially indicates no fire protection in place. A sizeable component of the classification is fleet and equipment. ISO has a detailed account of exactly what fire departments

need to carry. If we were to purchase a European style engine or aerial, we would not meet the required equipment inventory.

- Similar to the progressive, smaller SFFD pumper referenced in the article, we work to order pumpers with a wheel base (turn radius) as short as possible. The SFFD pumper has a wheel base of 169". Our newest pumper on order is 174.5". We based this vehicle off of a Boston design, who also aims for a short wheel base. The "standard" pumper wheel base referenced in the article is 201".

Question #19: Has the city explored smaller trucks that accommodate safer street designs being used in other cities, such as San Francisco and many European cities? (Councilmember Akmon)

Response: Please see response above.

Question #36: Replacement of ladder truck with tiller truck (1.7M) how close to the end of its lifetime was this ladder truck? When would it have been retired in the normal course? Can it be resold to offset some of the expense of the tiller truck? (Councilmember Disch)

Response: Fleet asset 1080 is a 2013 Sutphen aerial ladder. 20-years is a normal frontline service life expectancy given the annual usage. Yes, this vehicle would be sold should it be replaced with a tiller truck. It is tough to gauge the used fire apparatus market a couple years out. However, \$200,000 is an approximate expected value. Resale values are taken into consideration when vehicle replacement rates are developed for City vehicles. As such, future value of the vehicle has already been considered as part of our savings for the replacement of any vehicle.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Aimee Metzger, Interim Police Chief

SUBJECT: FY24 Budget: Police – March 6, 2023 Budget Video Presentation

DATE: April 21, 2023

Question #13: Has there been an evaluation of what a smaller department has meant to service delivery in our community? (Councilmember Briggs)

Response: There has been a service impact to the community. Currently, our Detective Bureau is staffed at just eight full time detectives. That's a decrease of over 50% since 2019. Our primary focus as a police department must always be to staff road patrol appropriately so that we can handle 911 calls for the safety of the public. Because of attrition, we have had to pull from the detective bureau and the traffic unit so that road patrol could be staffed. An example of failing to deliver appropriate service is the amount of cases that have not been assigned to a detective for follow up. In 2019 we assigned 1937 cases for investigation and were able to close 1884 of them. In 2022, we assigned only 997. As of today, we have over 350 cases in the queue pending assignment. That does not include some cases which may have a solvability factor, but we simply don't have the staffing to investigate them. Even with pulling officers from elsewhere in the department, our road patrol staffing will be at an all-time low for the upcoming summer months. That affects our ability to conduct foot patrol and further our community engagement efforts.

Question #14: I reviewed A2Openbook for the Police Department to better understand expenses and I didn't see the decline in personnel expenses I would expect given the number of vacant positions. Rather FY22, had the highest budgeted personnel expenses in the last 10 years. Can you help me understand how there are so many vacant positions, but budgeted personnel expenses haven't really shifted. I do understand that overtime expenses are increasing for the department. (Councilmember Briggs)

Response: Police Department budgeted personnel costs have risen every year due to union contractual wage increases, rising healthcare costs and an additional total of 5.0 FTEs added in the last 10 years. The Police Department continues to budget for positions on an annual basis that are ultimately vacated each fiscal year due to retirements and resignations of employees because we are unaware of when or if these retirements and resignations will occur during a fiscal year, therefore, the cost for these employees must continue to be budgeted. A review of the budget to actuals shows that although the budgets demonstrate year-over-year increases, the actuals for the fiscal year are under budget in most years for personnel costs due to retirements and resignations throughout each fiscal year.

Question #15: In recruiting new officers, I'm curious if there have been any discussions and recruit efforts with area schools of social work to see if their new graduates are interested in entering policing. With the work AAPD is doing to integrate mental health training and a trauma-informed response, it seems like it might be a good fit for some of these new graduates. (Councilmember Briggs)

Response: We currently have an internship program and have pulled interns from both EMU and the University of Michigan. One of those interns was from the school of Social Work at U of M. We have attempted to recruit at career fairs that focus on all areas of study but have had zero success having any meaningful conversations with anyone other than those already interested in a career in law enforcement. We continue to look for new and innovative ways to garner interest in this career.

Question #37: Does the Blaze and Blue camp aim to recruit women into AAPD or AA Fire Department? I realize the camp is going into its second year but is there any indication of interest in pursuing a career in firefighting or law enforcement so far? (Councilmember Disch)

Response: Yes, the Blaze and Blue camp is only in it's second year and the camp is for girls/young women between the ages of 15-18. While the minimum age for becoming a police officer in Michigan is 18, we will not hire a candidate who is less than 21. Anecdotally I can say that the camp was very successful last year, the participants seemed very engaged, and several expressed interest in law enforcement as a potential career. The camp also filled up very quickly this year.

Question # 38: When will the new dashboard be launched? Have members of the public or ICPOC been able to preview and test and offer feedback? (Councilmember Disch)

Response: The Dashboard was launched on April 6th. We had a press release and MLive wrote a piece on it. Interim Chief Metzger has spoken to Frances Todoro-Hargreaves who was impressed by what the Dashboard has to offer thus far. anticipate meeting with ICPOC and the vendor to add more internal statistics in the near future.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Missy Stults, Sustainability & Innovations Director

SUBJECT: FY24 Budget: Sustainability & Innovations – March 6, 2023 Budget Video Presentation

DATE: April 21, 2023

Question #4: Why are we anticipating a 18% (\$300k) increase in streetlight energy costs? Are these costs associated with DTE lights or the streetlights we operate and maintain? I understood that one of the benefits of switching to LED lights would be reduced costs. (Councilmember Briggs)

Response: In their 2022 rate case, DTE received permission to increase streetlight rates by 18%, which is why the budget forecasts an increase in these rates. In addition, DTE has requested another rate increase for streetlights in their 2023 rate case. The City is an intervenor and challenging that increase but should the Commission approve a rate increase, the City needs to be prepared to cover those expenses. As to our grant, we won a SEMCOG grant to support the transition to LED streetlights just a few weeks ago, which was after we had to prepare the budget. Additionally, this grant award won't be available until sometime in Fiscal Year 2024 and the City will need time to transition the streetlights to LED. For these reasons, we built in the 18% rate increase.

Question #10: If I'm understanding the presentation correctly, some of the OSI budget that was previously funded from the public safety millage rebate is getting shifted away from that source and is being allocated/reimbursed by City service areas/departments. How are we measuring the internal improvements across the organization that are benefitting from the work of OSI? (Councilmember Briggs)

Response: No substantive changes are being proposed to the use of this fund. Instead, staff are proposing to continue using funding from the public safety millage rebate in the same way it has over the last several years, which includes funding:

1. The Sustaining Ann Arbor Together Grant program

2. Staff, interns, and associated expenses
3. Equipment such as EV chargers and energy improvements at city facilities
4. Support for the A²ZERO Ambassadors program and general community engagement expenses

Question #11: The FY24 and FY25 budget will be the first to see the impact of our new climate millage. The presentation didn't provide details on what new programs, services, and projects residents can anticipate thanks to this new funding. When will this be shared with Council and residents? (Councilmember Briggs)

Response:

- a. New programs are currently being designed and will be rolled out over the course of the next several years. We will continue to share these updates with Council as part of the City Administrator's updates, via our resident newsletter (the [Charging Station](#)), via City communication channels, and directly with Council as written updates.
- b. As a preview, right now, OSI is beta testing an energy concierge and an A²ZERO Home Assessment, both of which we hope to launch at scale early in the new fiscal year. Rebate and incentive programs are currently being designed and will start becoming available in fall 2023. Transportation related projects are currently being designed and should start appearing in the community in mid-FY24. Planning for the City's next two resilience hubs is already underway with infrastructure investments likely to happen in mid to late FY24 (after design work is completed). Air quality monitors and more trees will appear in the fall of FY24. And community engagement around the circular economy should start in the fall of 2024 as well. Lastly, the plan is to expend millage funds dedicated to infrastructure spending (such as those for expanded composting and recycling) early in the fiscal year due to the long-lead time associated with receiving that equipment and infrastructure (due to supply chain delays).

Question #18: Can you please further explain what the plan is in terms of ask of the General budget? It looks like \$703k, but there aren't many specifics regarding staff (e.g. numbers). I would appreciate more information about what is presented on the first slide of Dr. Stults' presentation. (Councilmember Akmon)

Response: The General Fund budget for the Office of Sustainability and Innovations is staying consistent with previous years (no increases or decreases in asks). The stable budget support OSI has received from the General Fund includes the following major items:

- Staffing and associated health, medical, and benefit-related expenses for 6.35 FTE's
- IT related expenses for 6.35 FTEs

- Dues and licenses for professional memberships such as National League of Cities, Urban Sustainability Directors Network, Michigan Municipal Association for Utility Issues
- Professional and Contracted services, including outside legal support
- Conference training and travel for 6.35 FTEs

Question #35: Please clarify why a "*reduction* in professional services, contracted services" and "expenses moved to new Community Climate Action Millage" requires a recurring expenditure of \$413,733 from the general fund. (See slide 20 of City Admin Area presentation). (Councilmember Disch)

Response: This line item (noted on slide 20 of the General Fund presentation) indicates a proposed recurring *reduction* in \$413,733 from the General Fund for sustainability-related expenses as these expenses would be transferred to the new Community Climate Action Millage. This was not incorporated into the FY24 recommended budget.