



TO: Mayor and Council

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

SUBJECT: FY27 Budget: Downtown Development Authority (DDA)

DATE: May 1, 2026

Question #1: If the DDA plan is not approved, how will the City cover the costs of the sorely needed downtown service team? Does staff have a recommendation on what to cut to free up those funds? (Councilmember Cornell)

Response: If the DDA plan is not approved, there are no plans to add a service team. The service team represents an ongoing cost plus a significant initial cost for capital. Given that there is no source for the ongoing costs it would likely mean reducing current staff positions to add new ones. The administration does not support doing that. The one-time capital needs would be competing against other vital needs.

Question #2: If the DDA creates its own service team, what is the timeline for it to be on the ground running? (Councilmember Cornell)

Response: A pilot program with an experienced downtown service team contractor could be launched in approximately eight weeks. The DDA estimates it would take staff 18 - 24 months to establish a downtown service team program.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Joseph Giant, Economic Development Executive Director

SUBJECT: FY27 Budget: Economic Development

DATE: May 1, 2026

Question #3: How has the City determined the appropriate budget allocations to support the Economic Development Office's efforts to ensure our building department has the resources it needs to streamline processes and fully staff inspections/ customer service. (Councilmember Cornell)

Response: The Economic Development Office will be procuring a consultant this year to examine the processes and practices currently being used by the building department and others. It will take a while for the consultant's work product to be developed. After that, a determination would be made on whether it requires additional resource needs or perhaps changes to the functionality of how the office works.



TO: Mayor and Council

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

SUBJECT: FY27 Budget: FTEs

DATE: May 1, 2026

Question #5: I'm a bit confused on changes to FTEs proposed in the FY27 budget. On page 6, it notes that 17.89 increased in FTEs on the General Fund budget. On page 10, it says the City's FTEs are proposed to increase by 30. Is it that some of the 30 don't hit the General fund budget? (Councilmember Akmon)

Response: That is correct. The total FTE count is proposed to increase by 30 FTEs across all funds. Of that amount, 17.89 FTEs are proposed to be added to the General Fund. The General Fund will be reimbursed for 9.0 of the 17.89 FTEs being added to the General Fund from the Ann Arbor Housing Commission (5.0 FTEs) and the Project Management & Capital Projects Funds (4.0 FTEs).



TO: Mayor and Council

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

SUBJECT: FY27 Budget: Police

DATE: May 1, 2026

Question #11: The Police Chief made the case for an additional 7 FTEs (1 community standards officer, 2 unarmed municipal safety officers, and 4 regular police officer). The proposed budget has 1 officer added: can you say more about what type of officer will be added? (Councilmember Akmon)

Response: The officer proposed in the budget will be assigned to patrol duties. This strategic placement will allow us to shift an existing patrol officer into a specialized role, either as an additional detective or a downtown response officer. By making this adjustment, we aim to strengthen our department's flexibility and make an incremental improvement in our overall coverage. Since one new position is being considered at this time, and we don't know the outcome, we are evaluating our most critical needs and determining the best path forward to ensure we address both immediate and long-term priorities collaboratively.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Jordan Robert, Public Services Area Administrator
Skye Stewart, Chief of Staff, Public Services

SUBJECT: FY27 Budget: Public Services

DATE: May 1, 2026

Question #4: Several cost analyses have been done on citywide snow removal on sidewalks. Can you please remind us how much per household would be required to pay for this service? (Councilmember Cornell)

Response: Over the years, estimates have been generated for various scenarios regrading snow removal. The estimates for citywide sidewalk snow removal were initially developed in 2015 and have since been revised to account for inflation and other observable changes. Utilizing a CIP calculator on the original estimates the current estimates are as follows:

- Start-Up Costs: \$2.6M - \$3.3M
- Annual Operating Costs: \$3.75M - \$4.75M

These projections are based on assumptions related to the frequency of winter events, the timing required by ordinance for snow removal, and the material application frequency for effective service delivery. To determine a per-household cost, we would need additional clarification on the definition of a “household”.



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator
Marti Praschan, Financial Services Area Administrator & CFO
Kim Buselmeier, Financial Manager
Shoshannah Lenski, SEU Executive Director

SUBJECT: FY27 Budget: Sustainability Energy Utility (SEU)

DATE: May 1, 2026

Question #6: Is the long-term financing strategy for the SEU expected to include bonding backed by Climate Action Millage revenues, or another revenue stream? If so, what scale of debt is being contemplated? (Councilmember Akmon)

Response: The long-term strategy for the SEU is to establish itself as a self-sustaining utility enterprise, operating in alignment with the City's existing Water Supply, Sewage Disposal System and Stormwater Sewer System Utility Enterprise funds. Any potential debt will be backed by and intended to be paid with revenue generated by the SEU, however possibly supported by additional/redundant backing from other revenues, depending on lender requirements. The SEU anticipates needing approximately \$25m in capital financing for its initial deployments.

Question #7: What is the projected timeline for the SEU to become operationally self-sustaining, and what assumptions (participation rates, pricing, load growth) underpin that projection? (Councilmember Akmon)

Response: Engagement levels, scheduling of installations, capital and operational costs, and the evolution of final rates will influence the schedule for the SEU to achieve operational self-sufficiency. Once these forecasts are confirmed, a comprehensive financial pro-forma will be provided, encompassing that degree of detail.

Question #8: What is the contingency plan if participation or revenue generation is lower than projected? (Councilmember Akmon)

Response: Various alternatives would be evaluated if the revenue generation falls short of expectations, such as reducing operational and capital costs, continued funding support from Grant Awards, General Fund Support, and the Climate Action Millage.

Question #9: Which specific SEU components or capital investments are most dependent on future grant funding? (Councilmember Akmon)

Response: At this time, no assumption of capital investment is dependent on future grant funding. However, the SEU continues to seek grant funding particularly focused on: (1) the Bryant neighborhood district geothermal system (in collaboration with OSI) where the City must bring a match to the federal award dollars and (2) support for low-income, rental, and other historically underserved segments to enable more affordable rates targeted to these populations

Question #10: If those funds do not materialize, which projects would be delayed, scaled back, or shifted to local funding sources? (Councilmember Akmon)

Response: Due to the lack of grant dependency, there would be no anticipated delays or shifts to local funding sources.