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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator  
Lisa Wondrash, Communications Director

SUBJECT: FY20-21 Budget: Communications and CTN

DATE: April 26, 2019

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**Question #92: CTN Revenue** – On page 158, the CTN revenues/franchise fees are shown and they've been flat to falling the last couple of years. Can you please remind me when we last negotiated a franchise agreement, how long it lasts, and what is the outlook for revenues the next few years? (Councilmember Lumm)

**Response:** In 2006, the "Uniform Video Services Local Franchise Act 'PA 480'" created a uniform franchise agreement for franchising entities and video providers in the state of Michigan. Currently, AT&T (Expires 2026) and Comcast (Expires 2027) have 10-year state franchise agreements to offer cable service in Ann Arbor.

CTN's FY19 approved budget is \$2.278 million. The recommended FY20 budget is \$2.128 million. The expenditure reduction was necessary as a result of decreased cable franchise fee revenue. CTN's revenue projections for FY19 are approximately 7% below the forecasted amount. The city's financial forecasts predict the trend to continue downward. The Cable Commission and CTN staff are actively working to implement service modifications that will help to align expenditures with revenue forecasts.

**Question #93: FTE in Communications** – Page 160 references a 0.91 FTE transfer to the Communications Office from Parks and Building. Can you please provide a bit more information about that position/transfer and are there other communication-related positions in other departments? If so, how many are there and which departments have them? (Councilmember Lumm)

**Response:** The Communications Office has two Communication Specialists: Kim Mortson, who previously supported the Community Services Area, however, over the

years Kim's graphic design expertise has been needed city-wide so this change helps to reflect the work she does city-wide for other business units. Robert Kellar supports the Public Services Area from the Water Fund.



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: County Millage

DATE: April 26, 2019

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**Question #67: County Millage Proceeds in FY21** – on page 42 (revenue) and page 106 (expense), the County Millage Fund (code 0100) revenue and expense is \$3,4M (or \$1.2M over the \$2.2M in expected collections). In the April 12 response to one of my questions, it was indicated that “For FY21, excess fund balance in the County Mental Health Millage (from FY19 collections) was utilized to help meet all priorities.” A couple of questions/data requests related to that:

When during the year does the city actually receive the cash from the millage rebate and does the receipt date of the cash determine the fiscal year for budget revenue purposes? (Councilmember Lumm)

**Response:** The City receives the money during the months of January through June. The anticipated receipt date is a factor in determining the fiscal year for budget purposes. For FY19, the full amount was not budgeted as it was not yet determined when the payments would be received during the fiscal during the planning for FY19.

**Question #68:** Can you please provide a spreadsheet that shows (by year) the millage revenues and expenses and fund balances for FY18 (if any), FY19, and projected for FY20 and FY21? (Councilmember Lumm)

**Response:** Please see the attached spreadsheet titled Millage Revenues and Expenditures.

**Question #69:** In trying to understand the County Millage Fund spending in FY21 (\$3.4M in total with \$1.2M from fund balance), I looked at the individual pages and my takeaways are (1) the base \$2.2M in FY21 is 40/40/20 and (2) the extra \$1.2M in FY21 from fund

balance is about half for the dams and the balance for crosswalks/streetlights, mental health, public safety. Can you please confirm if that's accurate and provide the detail of spending of the fund balance in FY21? (Councilmember Lumm)

**Response:** Below is a chart that shows the breakdown of how the millage money is allocated in FY21. The non-recurring items are considered to be the use of fund balance in FY21.

	FY21				
	Millage Fund		General Fund		Total Funding
	Recurring	Non-Recurring	Recurring	Non-Recurring	
Safe Drinking Water/Water & Sewer Infrastructure	\$ 474,200	\$ 100,000	\$ -	\$ -	\$ 574,200
Community Mental Health	\$ 349,800	\$ -	\$ -	\$ -	\$ 349,800
Street Resurfacing and Repair	\$ 345,400	\$ -	\$ -	\$ -	\$ 345,400
Affordable Housing	\$ 277,200	\$ 468,800	\$ 134,000	\$ -	\$ 880,000
Additional Police Funding	\$ 220,000	\$ -	\$ 150,000	\$ 80,200	\$ 450,200
Climate Action	\$ 215,600	\$ 514,400	\$ 150,000	\$ -	\$ 880,000
Pedestrian Safety Projects	\$ 184,800	\$ 255,200	\$ -	\$ -	\$ 440,000
Other	\$ 33,000	\$ -	\$ -	\$ -	\$ 33,000
<b>TOTALS</b>	<b>\$ 2,100,000</b>	<b>\$ 1,338,400</b>	<b>\$ 434,000</b>	<b>\$ 80,200</b>	<b>\$ 3,952,600</b>

**Question #70:** In terms of the additional funding in FY21 beyond the collections for the year, I'm assuming that's one-time (non-recurring expense) and assuming it spends all of the available fund balance – can you please confirm that as well? (Councilmember Lumm)

**Response:** It is projected that there would be \$267K remaining in fund balance at the end of FY21.



# Budget Worksheet Report

Budget Year 2020

Account	Account Description	2018 Actual Amount	2019 Amended Budget	2020 Requested Budget	2021 Projected Budget
<b>Fund 0100 - County Mental Health Millage</b>					
<b>REVENUE</b>					
<i>Taxes</i>					
1128	County Mental Health Millage	.00	2,200,000.00	2,200,000.00	2,200,000.00
	<i>Taxes Totals</i>	\$0.00	\$2,200,000.00	\$2,200,000.00	\$2,200,000.00
<i>Prior Year Surplus</i>					
6998	Prior Year Fund Balance	.00	.00	.00	1,238,400.00
	<i>Prior Year Surplus Totals</i>	\$0.00	\$0.00	\$0.00	\$1,238,400.00
	<b>REVENUE TOTALS</b>	\$0.00	\$2,200,000.00	\$2,200,000.00	\$3,438,400.00
<b>EXPENSE</b>					
<i>Personnel Services</i>					
1100	Permanent Time Worked	.00	.00	.00	74,880.00
	<i>Personnel Services Totals</i>	\$0.00	\$0.00	\$0.00	\$74,880.00
<i>Personnel Services-Other</i>					
1200	Temporary Pay	.00	.00	24,816.00	.00
	<i>Personnel Services-Other Totals</i>	\$0.00	\$0.00	\$24,816.00	\$0.00
<i>Payroll Fringes</i>					
4220	Life Insurance	.00	.00	.00	46.00
4230	Medical Insurance	.00	.00	.00	32,350.00
4237	Retiree Health Savings Account	.00	.00	.00	898.00
4240	Workers Comp	.00	.00	.00	1,154.00
4250	Social Security-Employer	.00	.00	.00	5,728.00
4256	Employer Match for Defined	.00	.00	.00	3,894.00
4259	Retirement Contribution	.00	.00	.00	10,340.00
4270	Dental Insurance	.00	.00	.00	2,252.00
4280	Optical Insurance	.00	.00	.00	264.00
4440	Unemployment Compensation	.00	.00	.00	140.00
	<i>Payroll Fringes Totals</i>	\$0.00	\$0.00	\$0.00	\$57,066.00



# Budget Worksheet Report

Budget Year 2020

*Other Services*

2100	Professional Services	.00	75,000.00	125,000.00	30,000.00
2320	Equipment Maintenance	.00	.00	.00	30,000.00
2420	Rent Outside Vehicles/Mileage	.00	.00	200.00	.00
2430	Contracted Services	.00	115,000.00	355,000.00	476,873.00
2660	Software Maintenance	.00	.00	.00	51,981.00
2700	Conference Training & Travel	.00	.00	5,000.00	.00
2950	Governmental Services	.00	.00	1,000.00	.00
<i>Other Services Totals</i>		\$0.00	\$190,000.00	\$486,200.00	\$588,854.00

*Materials & Supplies*

3300	Uniforms & Accessories	.00	.00	.00	34,000.00
3400	Materials & Supplies	.00	.00	137,696.00	175,000.00
<i>Materials &amp; Supplies Totals</i>		\$0.00	\$0.00	\$137,696.00	\$209,000.00

*Capital Outlay*

5130	Equipment	.00	200,000.00	175,000.00	225,000.00
<i>Capital Outlay Totals</i>		\$0.00	\$200,000.00	\$175,000.00	\$225,000.00

*Other Charges*

4300	Dues & Licenses	.00	.00	1,000.00	.00
4421	Transfer To Other Agencies	.00	.00	300,000.00	600,000.00
4423	Transfer To IT Fund	.00	.00	10,288.00	.00
4520	Contingency	.00	.00	200,000.00	1,052,600.00
<i>Other Charges Totals</i>		\$0.00	\$0.00	\$511,288.00	\$1,652,600.00

*Pass Throughs*

4420	Transfer To Other Funds	.00	305,000.00	865,000.00	631,000.00
<i>Pass Throughs Totals</i>		\$0.00	\$305,000.00	\$865,000.00	\$631,000.00
<b>EXPENSE TOTALS</b>		\$0.00	\$695,000.00	\$2,200,000.00	\$3,438,400.00

Fund **0100 - County Mental Health Millage**

<b>REVENUE TOTALS</b>	\$0.00	\$2,200,000.00	\$2,200,000.00	\$3,438,400.00
<b>EXPENSE TOTALS</b>	\$0.00	\$695,000.00	\$2,200,000.00	\$3,438,400.00



# Budget Worksheet Report

Budget Year 2020

Fund 0100 - County Mental Health Millage

\$0.00 \$1,505,000.00 \$0.00 \$0.00

Net Grand Totals

REVENUE GRAND TOTALS \$0.00 \$2,200,000.00 \$2,200,000.00 \$3,438,400.00

EXPENSE GRAND TOTALS \$0.00 \$695,000.00 \$2,200,000.00 \$3,438,400.00

Net Grand Totals

\$0.00 \$1,505,000.00 \$0.00 \$0.00

**Projected Fund Balance**

**0.00 1,505,000.00 1,505,000.00 266,600.00**



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator  
Susan Pollay, Executive Director, DDA

SUBJECT: FY20-21 Budget: Downtown Development Authority (DDA)

DATE: April 26, 2019

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**Question #95: DDA personnel costs** – For FY20, the “personnel services” line item is increasing by over 40% (\$300K) compared with FY19 and the explanation on the following page references temporary pay and severance pay for anticipated retirements. Can you please provide more detail on the breakdown of the increase and are the DDA’s retirement/severance payout policies the same as the City’s? (Councilmember Lumm)

**Response:**

The DDA policies for retirement/severance are the same as the City’s policies. The increase in the FY 20 Personnel Services budget is attributable to the following: FY 19	\$525,468
Salary	
Estimated FY 20 Increase 3%	\$15,764 (actual will be determined by City)
Estimated FY 20 Salaries	\$541,232
Possible Payouts	\$158,753 (2 retirement-eligible positions/only Dep. Dir. has declared
Dep. Dir. Overlap 4 months	\$37,063 (gives time for Dep. Director to train his successor)
2nd Position Overlap 3 months	\$32,884 (won’t be used if 2nd retirement-eligible position doesn’t retire)
Total Estimated Wages FY 20	\$769,933
Difference	\$244,465





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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Mike Kennedy, Fire Chief  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: Fire

DATE: April 26, 2019

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**Question #89: Fire Station Master Plan/New Station #5** – I’m encouraged to see the \$300K in recurring funding in the FY20 budget for Fire Station Master Plan projects. Although I believe we will need to invest substantially more than that if we are to make real progress in improving response times city-wide and in the growing NE area, it is a start and recognition of the need. The March 1 response to my question on this mentioned that the city was looking at asking UM to fund a new station #5 on the northside. In my view, that’s a very reasonable and appropriate ‘ask” and am wondering when we plan on approaching UM on the matter (and if we already have, what the reaction was)? (Councilmember Lumm)

**Response:** Fire Station 5 is located on North Campus and is a U-M facility. The City has informed U-M that the fire station is past its useful life and needs to be replaced. We have that the replacement be moved further to the east to improve overall response time (per the Fire Station Master Plan). We have asked U-M to (a) provide architectural and engineering support in the design of a net-zero energy template that could be reused on other fire stations and (b) that U-M include the new construction (~\$5M) in its capital improvement program. We have requested U-M to provide confirmation to the City of its intent to provide a replacement.



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: FTEs

DATE: April 26, 2019

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**Question #: FTE breakdown** – In the March 8 budget questions response, staff provided a breakdown of FTE's (General Fund vs other funds) for FY19. Can you please provide the same breakdown for FY20 and if readily available, for FY16, FY17, and FY18. (Councilmember Lumm)

**Response:** Please see attached document titled FTE Summary.

## FTE Count by Service Area/Unit

	FY 2016	FY 2016 General Fund	FY 2016 All Other Funds
MAYOR & CITY COUNCIL	0.75	0.75	0.00
Total Mayor & City Council	<u>0.75</u>	<u>0.75</u>	<u>0.00</u>
CITY ATTORNEY	12.00	12.00	0.00
Total City Attorney	<u>12.00</u>	<u>12.00</u>	<u>0.00</u>
CITY ADMINISTRATOR	2.50	2.50	0.00
HUMAN RESOURCES	13.13	13.13	0.00
CLERK SERVICES	5.75	5.75	0.00
COMMUNICATIONS OFFICE	10.50	0.00	10.50
SAFETY	2.50	2.50	0.00
SUSTAINABILITY & INNOVATIONS OFFICE	0.00	0.00	0.00
FLEET & FACILITIES	21.45	21.45	0.00
Total City Administrator Service Area	<u>55.83</u>	<u>45.33</u>	<u>10.50</u>
BUILDING & RENTAL SERVICES	28.02	10.48	17.54
PLANNING	7.25	6.50	0.75
COMMUNITY DEVELOPMENT	23.55	23.55	0.00
PARKS & RECREATION	23.73	17.18	6.55
Total Community Services Area	<u>82.55</u>	<u>57.71</u>	<u>24.84</u>
ACCOUNTING	6.75	6.75	0.00
ASSESSOR	8.00	8.00	0.00
FINANCIAL & BUDGET PLANNING	3.50	3.50	0.00
INFORMATION TECHNOLOGY	24.45	24.45	0.00
PROCUREMENT	2.00	2.00	0.00
RISK MANAGEMENT	0.65	0.65	0.00
TREASURY	15.95	7.05	8.90
Total Financial Services Area	<u>61.30</u>	<u>52.40</u>	<u>8.90</u>
CAPITAL PROJECTS	17.75	0.00	17.75
PUBLIC WORKS	116.79	11.16	105.63
ENGINEERING	15.75	12.55	3.20
PUBLIC SERVICES ADMINISTRATION	5.35	0.00	5.35
SYSTEMS PLANNING	15.50	0.48	15.02
WASTEWATER TREATMENT	34.85	0.00	34.85
WATER TREATMENT	25.71	0.95	24.76
Total Public Services Area	<u>231.70</u>	<u>25.14</u>	<u>206.56</u>
FIRE	87.00	87.00	0.00
POLICE	149.00	149.00	0.00
Total Safety Services Area	<u>236.00</u>	<u>236.00</u>	<u>0.00</u>
FIFTEENTH DISTRICT COURT	34.00	34.00	0.00
Total Fifteenth District Court	<u>34.00</u>	<u>34.00</u>	<u>0.00</u>
RETIREMENT SYSTEM	3.75	0.00	3.75
Total Retirement System	<u>3.75</u>	<u>0.00</u>	<u>3.75</u>
DOWNTOWN DEVELOPMENT AUTHORITY	4.00	0.00	4.00
Total Downtown Development Authority	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>
<b>Grand Total of City FTEs</b>	<u><u>721.88</u></u>	<u><u>463.33</u></u>	<u><u>258.55</u></u>

## FTE Count by Service Area/Unit

	FY 2017	FY 2017 General Fund	FY 2017 All Other Funds
MAYOR & CITY COUNCIL	0.75	0.75	0.00
Total Mayor & City Council	<u>0.75</u>	<u>0.75</u>	<u>0.00</u>
CITY ATTORNEY	12.50	12.50	0.00
Total City Attorney	<u>12.50</u>	<u>12.50</u>	<u>0.00</u>
CITY ADMINISTRATOR	2.50	2.50	0.00
HUMAN RESOURCES	12.63	12.63	0.00
CLERK SERVICES	6.00	6.00	0.00
COMMUNICATIONS OFFICE	10.50	0.00	10.50
SAFETY	3.00	3.00	0.00
SUSTAINABILITY & INNOVATIONS OFFICE	0.00	0.00	0.00
FLEET & FACILITIES	21.00	21.00	0.00
Total City Administrator Service Area	<u>55.63</u>	<u>45.13</u>	<u>10.50</u>
BUILDING & RENTAL SERVICES	30.32	10.78	19.54
PLANNING	8.25	7.50	0.75
COMMUNITY DEVELOPMENT	25.15	25.15	0.00
PARKS & RECREATION	23.83	17.28	6.55
Total Community Services Area	<u>87.55</u>	<u>60.71</u>	<u>26.84</u>
ACCOUNTING	6.75	6.75	0.00
ASSESSOR	8.00	8.00	0.00
FINANCIAL & BUDGET PLANNING	3.50	3.50	0.00
INFORMATION TECHNOLOGY	24.45	24.45	0.00
PROCUREMENT	2.00	2.00	0.00
RISK MANAGEMENT	0.65	0.65	0.00
TREASURY	14.65	7.05	7.60
Total Financial Services Area	<u>60.00</u>	<u>52.40</u>	<u>7.60</u>
CAPITAL PROJECTS	17.54	0.00	17.54
PUBLIC WORKS	117.54	11.16	106.38
ENGINEERING	15.71	12.51	3.20
PUBLIC SERVICES ADMINISTRATION	7.35	0.00	7.35
SYSTEMS PLANNING	16.50	0.48	16.02
WASTEWATER TREATMENT	34.85	0.00	34.85
WATER TREATMENT	25.71	0.95	24.76
Total Public Services Area	<u>235.20</u>	<u>25.10</u>	<u>210.10</u>
FIRE	87.00	87.00	0.00
POLICE	149.00	149.00	0.00
Total Safety Services Area	<u>236.00</u>	<u>236.00</u>	<u>0.00</u>
FIFTEENTH DISTRICT COURT	34.00	34.00	0.00
Total Fifteenth District Court	<u>34.00</u>	<u>34.00</u>	<u>0.00</u>
RETIREMENT SYSTEM	3.75	0.00	3.75
Total Retirement System	<u>3.75</u>	<u>0.00</u>	<u>3.75</u>
DOWNTOWN DEVELOPMENT AUTHORITY	4.00	0.00	4.00
Total Downtown Development Authority	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>
<b>Grand Total of City FTEs</b>	<u><b>729.38</b></u>	<u><b>466.59</b></u>	<u><b>262.79</b></u>

## FTE Count by Service Area/Unit

	FY 2018	FY 2018 General Fund	FY 2018 All Other Funds
MAYOR & CITY COUNCIL	0.75	0.75	0.00
Total Mayor & City Council	<u>0.75</u>	<u>0.75</u>	<u>0.00</u>
CITY ATTORNEY	12.50	12.50	0.00
Total City Attorney	<u>12.50</u>	<u>12.50</u>	<u>0.00</u>
CITY ADMINISTRATOR	3.00	3.00	0.00
HUMAN RESOURCES	13.63	13.63	0.00
CLERK SERVICES	7.00	7.00	0.00
COMMUNICATIONS OFFICE	11.00	0.00	11.00
SAFETY	3.00	3.00	0.00
SUSTAINABILITY & INNOVATIONS OFFICE	0.00	0.00	0.00
FLEET & FACILITIES	21.00	21.00	0.00
Total City Administrator Service Area	<u>58.63</u>	<u>47.63</u>	<u>11.00</u>
BUILDING & RENTAL SERVICES	30.72	10.09	20.63
PLANNING	8.25	7.55	0.70
COMMUNITY DEVELOPMENT	27.20	27.20	0.00
PARKS & RECREATION	22.38	15.98	6.40
Total Community Services Area	<u>88.55</u>	<u>60.82</u>	<u>27.73</u>
ACCOUNTING	6.75	6.75	0.00
ASSESSOR	8.00	8.00	0.00
FINANCIAL & BUDGET PLANNING	3.50	3.50	0.00
INFORMATION TECHNOLOGY	25.95	25.45	0.50
PROCUREMENT	2.00	2.00	0.00
RISK MANAGEMENT	0.85	0.85	0.00
TREASURY	14.45	6.85	7.60
Total Financial Services Area	<u>61.50</u>	<u>53.40</u>	<u>8.10</u>
CAPITAL PROJECTS	18.40	0.00	18.40
PUBLIC WORKS	116.89	10.41	106.48
ENGINEERING	15.60	11.88	3.72
PUBLIC SERVICES ADMINISTRATION	7.35	0.00	7.35
SYSTEMS PLANNING	16.83	0.48	16.35
WASTEWATER TREATMENT	35.33	0.00	35.33
WATER TREATMENT	27.31	2.01	25.30
Total Public Services Area	<u>237.71</u>	<u>24.78</u>	<u>212.93</u>
FIRE	88.00	88.00	0.00
POLICE	148.00	148.00	0.00
Total Safety Services Area	<u>236.00</u>	<u>236.00</u>	<u>0.00</u>
FIFTEENTH DISTRICT COURT	35.00	35.00	0.00
Total Fifteenth District Court	<u>35.00</u>	<u>35.00</u>	<u>0.00</u>
RETIREMENT SYSTEM	4.00	0.00	4.00
Total Retirement System	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>
DOWNTOWN DEVELOPMENT AUTHORITY	6.00	0.00	6.00
Total Downtown Development Authority	<u>6.00</u>	<u>0.00</u>	<u>6.00</u>
<b>Grand Total of City FTEs</b>	<u><b>740.64</b></u>	<u><b>470.88</b></u>	<u><b>269.76</b></u>

## FTE Count by Service Area/Unit

	FY 2019 Total	FY 2019 General Fund	FY 2019 All Other Funds
MAYOR & CITY COUNCIL	0.75	0.75	0.00
Total Mayor & City Council	<u>0.75</u>	<u>0.75</u>	<u>0.00</u>
CITY ATTORNEY	12.50	12.50	0.00
Total City Attorney	<u>12.50</u>	<u>12.50</u>	<u>0.00</u>
CITY ADMINISTRATOR	3.00	3.00	0.00
HUMAN RESOURCES	13.63	13.63	0.00
SAFETY	3.00	3.00	0.00
CLERK SERVICES	7.00	7.00	0.00
COMMUNICATIONS OFFICE	11.00	0.00	11.00
SUSTAINABILITY & INNOVATIONS OFFICE	4.00	0.45	3.55
Total City Administrator Service Area	<u>41.63</u>	<u>27.08</u>	<u>14.55</u>
BUILDING & RENTAL SERVICES	30.72	9.09	21.63
PLANNING	9.25	8.75	0.50
COMMUNITY DEVELOPMENT	27.20	27.20	0.00
PARKS & RECREATION	37.04	21.33	15.71
Total Community Services Area	<u>104.21</u>	<u>66.37</u>	<u>37.84</u>
ACCOUNTING	6.75	6.75	0.00
ASSESSOR	8.00	8.00	0.00
FINANCIAL & BUDGET PLANNING	4.50	4.50	0.00
INFORMATION TECHNOLOGY	25.95	25.45	0.50
PROCUREMENT	1.00	1.00	0.00
RISK MANAGEMENT	0.85	0.85	0.00
TREASURY	14.45	6.85	7.60
Total Financial Services Area	<u>61.50</u>	<u>53.40</u>	<u>8.10</u>
CAPITAL PROJECTS	18.01	0.00	18.01
PUBLIC WORKS	89.72	0.59	89.13
FLEET & FACILITIES	21.00	21.00	0.00
ENGINEERING	29.70	14.09	15.61
PUBLIC SERVICES ADMINISTRATION	7.35	0.00	7.35
SYSTEMS PLANNING	11.23	0.00	11.23
WASTEWATER TREATMENT	35.72	0.00	35.72
WATER TREATMENT	27.31	2.01	25.30
Total Public Services Area	<u>240.04</u>	<u>37.69</u>	<u>202.35</u>
FIRE	87.00	87.00	0.00
POLICE	150.00	150.00	0.00
Total Safety Services Area	<u>237.00</u>	<u>237.00</u>	<u>0.00</u>
FIFTEENTH DISTRICT COURT	35.00	35.00	0.00
Total Fifteenth District Court	<u>35.00</u>	<u>35.00</u>	<u>0.00</u>
RETIREMENT SYSTEM	4.00	0.00	4.00
Total Retirement System	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>
DOWNTOWN DEVELOPMENT AUTHORITY	6.00	0.00	6.00
Total Downtown Development Authority	<u>6.00</u>	<u>0.00</u>	<u>6.00</u>
Grand Total of City FTEs	<u>742.63</u>	<u>469.79</u>	<u>272.84</u>

## FTE Count by Service Area/Unit

	FY 2020	FY 2020 General Fund	FY 2020 All Other Funds
MAYOR & CITY COUNCIL	1.00	1.00	0.00
Total Mayor & City Council	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
CITY ATTORNEY	12.75	12.75	0.00
Total City Attorney	<u>12.75</u>	<u>12.75</u>	<u>0.00</u>
CITY ADMINISTRATOR	3.00	3.00	0.00
HUMAN RESOURCES	14.63	14.63	0.00
CLERK SERVICES	7.00	7.00	0.00
COMMUNICATIONS OFFICE	11.91	2.91	9.00
SAFETY	3.00	3.00	0.00
SUSTAINABILITY & INNOVATIONS OFFICE	5.00	2.68	2.32
FLEET & FACILITIES	21.00	21.00	0.00
POLICE COMMISSION	1.00	1.00	0.00
Total City Administrator Service Area	<u>66.54</u>	<u>55.22</u>	<u>11.32</u>
BUILDING & RENTAL SERVICES	33.94	8.22	25.72
PLANNING	9.10	8.21	0.89
COMMUNITY DEVELOPMENT	28.20	28.20	0.00
PARKS & RECREATION	37.08	19.30	17.78
Total Community Services Area	<u>108.32</u>	<u>63.93</u>	<u>44.39</u>
ACCOUNTING	7.00	7.00	0.00
ASSESSOR	8.00	8.00	0.00
FINANCIAL & BUDGET PLANNING	4.50	4.50	0.00
INFORMATION TECHNOLOGY	25.95	25.45	0.50
PROCUREMENT	1.50	1.50	0.00
RISK MANAGEMENT	0.85	0.85	0.00
TREASURY	14.35	6.85	7.50
Total Financial Services Area	<u>62.15</u>	<u>54.15</u>	<u>8.00</u>
CAPITAL PROJECTS	16.80	0.00	16.80
PUBLIC WORKS	92.60	0.34	92.26
ENGINEERING	32.13	12.52	19.61
PUBLIC SERVICES ADMINISTRATION	7.45	0.00	7.45
SYSTEMS PLANNING	10.85	0.00	10.85
WASTEWATER TREATMENT	35.94	0.00	35.94
WATER TREATMENT	27.76	2.01	25.75
Total Public Services Area	<u>223.53</u>	<u>14.87</u>	<u>208.66</u>
FIRE	87.00	87.00	0.00
POLICE	152.00	152.00	0.00
Total Safety Services Area	<u>239.00</u>	<u>239.00</u>	<u>0.00</u>
FIFTEENTH DISTRICT COURT	35.00	35.00	0.00
Total Fifteenth District Court	<u>35.00</u>	<u>35.00</u>	<u>0.00</u>
RETIREMENT SYSTEM	4.00	0.00	4.00
Total Retirement System	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>
DOWNTOWN DEVELOPMENT AUTHORITY	6.00	0.00	6.00
Total Downtown Development Authority	<u>6.00</u>	<u>0.00</u>	<u>6.00</u>
Grand Total of City FTEs	<u>758.29</u>	<u>475.92</u>	<u>282.37</u>

## FTE Count by Service Area/Unit

	FY 2021	FY 2021 General Fund	FY 2021 All Other Funds
MAYOR & CITY COUNCIL	1.00	1.00	0.00
Total Mayor & City Council	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
CITY ATTORNEY	12.75	12.75	0.00
Total City Attorney	<u>12.75</u>	<u>12.75</u>	<u>0.00</u>
CITY ADMINISTRATOR	3.00	3.00	0.00
HUMAN RESOURCES	14.63	14.63	0.00
CLERK SERVICES	7.00	7.00	0.00
COMMUNICATIONS OFFICE	11.91	2.91	9.00
SAFETY	3.00	3.00	0.00
SUSTAINABILITY & INNOVATIONS OFFICE	5.00	2.68	2.32
FLEET & FACILITIES	21.00	21.00	0.00
POLICE COMMISSION	1.00	1.00	0.00
Total City Administrator Service Area	<u>66.54</u>	<u>55.22</u>	<u>11.32</u>
BUILDING & RENTAL SERVICES	33.94	8.22	25.72
PLANNING	9.10	8.21	0.89
COMMUNITY DEVELOPMENT	28.20	28.20	0.00
PARKS & RECREATION	37.08	19.30	17.78
Total Community Services Area	<u>108.32</u>	<u>63.93</u>	<u>44.39</u>
ACCOUNTING	7.00	7.00	0.00
ASSESSOR	8.00	8.00	0.00
FINANCIAL & BUDGET PLANNING	4.50	4.50	0.00
INFORMATION TECHNOLOGY	25.95	25.45	0.50
PROCUREMENT	1.50	1.50	0.00
RISK MANAGEMENT	0.85	0.85	0.00
TREASURY	14.35	6.85	7.50
Total Financial Services Area	<u>62.15</u>	<u>54.15</u>	<u>8.00</u>
CAPITAL PROJECTS	16.75	0.00	16.75
PUBLIC WORKS	92.46	0.34	92.12
ENGINEERING	32.13	12.52	19.61
PUBLIC SERVICES ADMINISTRATION	7.45	0.00	7.45
SYSTEMS PLANNING	10.00	0.00	10.00
WASTEWATER TREATMENT	35.99	0.00	35.99
WATER TREATMENT	27.76	2.01	25.75
Total Public Services Area	<u>222.54</u>	<u>14.87</u>	<u>207.67</u>
FIRE	87.00	87.00	0.00
POLICE	152.00	150.00	2.00
Total Safety Services Area	<u>239.00</u>	<u>237.00</u>	<u>2.00</u>
FIFTEENTH DISTRICT COURT	35.00	35.00	0.00
Total Fifteenth District Court	<u>35.00</u>	<u>35.00</u>	<u>0.00</u>
RETIREMENT SYSTEM	4.00	0.00	4.00
Total Retirement System	<u>4.00</u>	<u>0.00</u>	<u>4.00</u>
DOWNTOWN DEVELOPMENT AUTHORITY	6.00	0.00	6.00
Total Downtown Development Authority	<u>6.00</u>	<u>0.00</u>	<u>6.00</u>
<b>Grand Total of City FTEs</b>	<u><u>757.30</u></u>	<u><u>473.92</u></u>	<u><u>283.38</u></u>





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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: General Fund

DATE: April 26, 2019

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**Question #63: FY21 Financial Plan** – As you know, Council will be approving a FY21 financial plan as well as the FY20 budget in May. In terms of FY21, the budget message and the April 15<sup>th</sup> presentation to council contained little/no discussion on the FY21 financial plan numbers and key assumptions. Can you please provide the assumptions used in developing the FY21 General Fund plan revenues (e.g tax growth; revenue sharing growth; fee increases; other new/significant revenue changes) and General Fund expenses (e.g. salary/benefit cost increases; FTE changes; new programs and/or major one-time expenditures)? Also, outside the General Fund, what rate/revenue increases are assumed for the water, sewer, and stormwater funds in FY21 and please provide a summary of any other significant changes planned for the other Funds? (Councilmember Lumm)

**Response:** For FY21, property taxes are anticipated to increase by 3% over FY20. Recurring State Shared revenue is expected to remain flat from FY20 to FY21 as we shift statutory revenue sharing from recurring to non-recurring. Personnel expenditures were initially forecasted to increase 3%, however due to retirements they only increased by 1.4%. Medical insurance costs are budgeted to increase 6.2% over FY20. VEBA is budgeted to increase 2% to meet our policy minimum funding requirements. Pension contributions are budgeted to increase by 7.4% above FY20 to meet the funding requirement as determined by the actuary. Utility costs are budgeted to increase by 2% and technology costs are budgeted to increase 3% over FY20.

General Fund one-time expenditures planned for FY21 include \$25K for ADA accessibility improvements, \$122K for an inclusion contract and additional staff training, \$16K for tornado siren warning system upgrades, \$80K for bullet proof vests and Tasers for Police,

\$136K for fire station improvements, \$40K for Treeline Trail staffing, and \$50K for Superior Dam gate painting.

In FY21, water rates are anticipated to increase by 6%, sewer rate are anticipated to increase by 7%, and stormwater rates are anticipated to increase by 11%. No other significant changes are planned for other funds.

**Question #64: Forward Year General Fund projections** – Previously, I had asked if the forward year projections shown at the Council retreat in December that had indicated a GF deficit in the range of \$5M to in excess of \$10M by FY2024 had been updated to reflect the recent positive tax revenue news. The April 12<sup>th</sup> response did not provide an updated projection so can you please provide that update as it would be important, helpful data and perspective for council deliberations/possible actions next month? (Councilmember Lumm)

**Response:** The deficit range of \$5M to \$10M represented a “pessimistic” scenario in the December 2018 presentation. Although the Optimistic and Pessimistic assumptions have not been revised at this time, the present baseline projections which were incorporated in the City Administrator’s recommended plan are as follows:

<b>General Fund Surplus (Deficit)</b>					
	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>
<b>Recurring Surplus (Deficit)</b>	96,341	10,361	(548,674)	(1,926,557)	(2,791,592)
<b>Non-Recurring Surplus (Deficit)</b>	(420,559)	(33,200)	450,000	600,000	750,000
<b>Total Surplus (Deficit)</b>	<u>\$ (324,218)</u>	<u>\$ (22,839)</u>	<u>\$ (98,674)</u>	<u>\$ (1,326,557)</u>	<u>\$ (2,041,592)</u>

**Question #65: Funding of priorities (recurring/non-recurring)** – The table on the top of page 3 of the Budget Message lists \$4,257,239 of funding for community priorities. Please identify specifically which of these are classified as recurring expenditures and which are non-recurring? (Councilmember Lumm)

**Response:** Below is a chart indicating which expenditures are recurring or non-recurring. Please note the \$140K listed for Pedestrian Safety under the Street Millage is non-recurring.

	<b>FY20</b>					
	<b>Millage Fund</b>		<b>General Fund</b>		<b>Street Millage</b>	<b>Total Funding</b>
	<b>Recurring</b>	<b>Non-Recurring</b>	<b>Recurring</b>	<b>Non-Recurring</b>		
Safe Drinking Water/Water & Sewer Infrastructure	\$ -	\$ -	\$ 101,200	\$ 473,000		\$ 574,200
Community Mental Health	\$ -		\$ 349,800	\$ -		\$ 349,800
Street Resurfacing and Repair	\$ -		\$ 345,400	\$ -		\$ 345,400
Affordable Housing	\$ 880,000		\$ -	\$ -		\$ 880,000
Additional Police Funding	\$ -		\$ 336,000	\$ 108,839		\$ 444,839
Climate Action	\$ 880,000		\$ -	\$ -		\$ 880,000
Pedestrian Safety Projects	\$ 440,000		\$ -	\$ 170,000	\$ 140,000	\$ 750,000
Other	\$ -		\$ -	\$ 33,000		\$ 33,000
<b>TOTALS</b>	<b>\$ 2,200,000</b>	<b>\$ -</b>	<b>\$ 1,132,400</b>	<b>\$ 784,839</b>	<b>\$ 140,000</b>	<b>\$ 4,257,239</b>

**Question #84: Budget Resolution** - In the proposed budget resolution that council ultimately adopts, the standard resolved clause related to the Administrator's authority in transferring funds was revised to include the phrase "or from the City Administrator budget within the same fund". Can you please clarify what that means and why it was added? (Councilmember Lumm)

**Response:** This means that the City Administrator may transfer money budgeted in the City Administrator's budget to other service units within the same fund. This was added to allow for transfers from the City Administrator's contingency in the General Fund to other service units in the General Fund as needed. The City Administrator's contingency was previously budgeted in Non-Departmental and beginning in FY20 the contingency is budgeted within the City Administrator's budget.

**Question #91: Non-Departmental** - Can you please provide a spreadsheet similar to the one provided the last couple of years that details the expenditure line items for non-departmental "other services" and "other charges". Also, can you please provide detail on the basis for the \$1.1M (FY20) and \$2.0M (FY21) provisions for unsettled contracts in the "personnel services" category? (Councilmember Lumm)

**Response:** See attached PDF titled Non-Departmental Summary FY20.

Description	Non-Departmental			Comments	
	FY2019 Amended Budget	FY2020 Budget Request	FY2021 Budget Plan		
<b>Other Services</b>					
Telecommunications	\$ 48,561	\$ 48,561	\$ 48,561	This will be budgeted in Finance beginning in FY20.	
Training	43,500	101,500	68,500		
Priority Based Budgeting Initiatives	50,000	-	-		
Downtown Employee Parking Benefit (55%)	71,610	71,610	71,610		
Governing Documents Update	138,941	-	-		
Inclusion Contract	-	59,000	97,000		
Center of the City Initiative	-	175,000	-		
Total Other Services	\$ 352,612	\$ 455,671	\$ 285,671		
<b>Other Charges</b>					
Dues & Licenses	\$ 137,135	\$ 137,135	\$ 137,135		Includes SPARK services (\$75K) plus city-wide dues/memberships. Fee is deducted from tax distrib.
AAATA Fee	108,752	112,558	115,935		
Tax Refunds	100,000	100,000	100,000	Primarily Michigan Tax Tribunal estimated refund on prior year levies. This is set aside for service units that have employees eligible for Health Care under the Affordable Care Act.	
ACA Health Care	48,200	20,000	20,000	\$500K additional pension contribution above required amounts for FY20/21.	
Pension Contribution	70,376	500,000	500,000		
VEBA Contribution	-	93,744	105,604	Portion of VEBA contribution required to comply with policy that contributions don't decline year over year.	
City Admin. Operating contingency	50,721	-	-		
Workforce planning contingency	-	100,000	-		
Total Other Charges	\$ 515,184	\$ 1,063,437	\$ 978,674		
<b>Personnel Services</b>					
Severances	60,028	500,000	500,000	The majority of FY19 severances have been distributed to departmental budgets. Based on Labor Committee input. This is not additive. FY20 budgets for the unsettled labor contracts and non-union pay raises.	
Labor & Contract Settlement contingencies	7,355	614,285	1,487,852		
Total Personnel Services	\$ 67,383	\$ 1,114,285	\$ 1,987,852		



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
John Fournier, Assistant City Administrator  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: Human Resources

DATE: April 26, 2019

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**Question #94: Health care costs** – On page 147 (HR), there is a \$4.6M increase from the FY19 forecast to the FY20 budget in “other charges” which is explained on the following page as health care costs? Are health care costs really expected to increase by that much (19%) or are their one-time impacts distorting the year-to-year comparison? (Councilmember Lumm)

**Response:** When comparing budgeted FY19 employee benefit costs to the planned FY20 budget, costs are rising approximately 7.5%. The forecasted amount for FY19 would not be an accurate reflection of what is needed for the FY20 budget due to the fact that position vacancies create savings in employee benefit costs for forecast purposes. For the budget, we plan for all positions to be filled with employee benefits appropriately budgeted. There are no one-time impacts in the budget for Other Charges in the FY20 budget.



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator  
Wendy Orcutt, Executive Director, Pension Office

SUBJECT: FY20-21 Budget: Pension

DATE: April 26, 2019

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**Question #96: Pension outsourcing** – During a recent budget presentation, the Administrator briefly mentioned potentially outsourcing a portion of pension management. Can you please elaborate on what is being considered in that regard and what the next steps would be? (Councilmember Lumm)

**Response:** An RFP has been issued to solicit the professional and advisory services of a firm to determine the feasibility of the City purchasing an annuity from a highly rated insurance company to assume the liability of paying existing retiree benefits under the defined benefit pension plan. In addition, staff is seeking ideas for ways to de-risk the plan to reduce the volatility of the city's contributions. After a recommended respondent is determined, a resolution and contract will be brought to City Council for consideration.



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator  
Robert Pfannes, Interim Police Chief

SUBJECT: FY20-21 Budget: Police

DATE: April 26, 2019

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**Question #76: Additional spending on Police/Public Safety** – In looking at the detail of the \$445K in additional police funding, it appears to be \$150K police oversight; \$129K cadet program, and \$165K for equipment. As I recall, those were identified/included in the February 11 Work Session materials – well before the community survey results were received in late March. Can you please confirm if that’s accurate or if any of the \$445K was “additional funding” to reflect the survey results? (Councilmember Lumm)

**Response:** Yes, that is correct.



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Craig Hupy, Public Services Area Administrator  
Nick Hutchinson, City Engineer  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator  
Marti Praschan, Chief of Staff, Public Services

SUBJECT: FY20-21 Budget: Public Services

DATE: April 26, 2019

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**Question #53: (Spending the road repair funding – April 8 Work Session)** - In terms of actually spending all the available funds, I asked about both FY19 and FY20. For FY19, Nick responded that he was pretty confident we would be spending the millage dollars, but was not sure about the major/local street funds. Will we be spending the budgeted dollars in the major/local funds (including the \$4.3M added with the budget amendment for FY19)? (Councilmember Lumm)

**Response:** Due to the seasonality of the work, spending will span fiscal years and not be fully expended by the end of fiscal year 2019 in the Major and Local Street Funds; however, work is scheduled to be completed/expended by the first quarter of FY 2020.

For FY20, does the budget your proposing result in any excess fund balance in the major and local street funds at the end of the year (as it did a year ago)? If so, how much is the excess?

**Response:** The proposed budget forecasts an excess fund balance of approximately \$3.5M; however, the proposed revenue projections did not include the Department of State/Treasury overpayments of Act 51 revenue totaling \$500K; therefore, revised estimates forecast approximately \$3M (\$1M Major Streets, \$2M Local Streets) in excess of fund balance policy requirements.



**Question #54: (Detail of “other” on slide #8 – April 8 Work Session)** – Nick mentioned that the \$875K of “other” on slide 8 included bridges, but can you please provide the complete detail of that \$875K? (Councilmember Lumm)

**Response:** Please see chart below.

Scio Church Rd (7th to Maple)	100,000
Island Drive Bridge Rehab	45,000
Huron Parkway Bridge PM	130,000
Fuller/Maiden/E Medical Intrsec	100,000
Administration/MSC	501,356
	<u>876,356</u>

**Question #55: (Major/local street funds spending detail – April 8 Work Session)** – I asked for a slide (or spreadsheet) that has the same detail on spending for the major/local street funds as slide 8 had for the millage – can you still please provide that? (Councilmember Lumm)

**Response:** Please see the attached document.

**Question #56: (Train station – local dollar spending)** - In October when council approved another \$110K for local tax dollar spending on the train station studies, it was estimated the total local dollar cost for EA and PE phases would be \$900K, bringing the total local dollars spent on station studies to over \$1.5M. Can you please provide the latest status (through March 31) of EA/PE spending/commitments by funding source (grant vs. local dollar), and is the \$900K of local dollars still your best estimate to complete EA/PE? Also, what is your estimate of the percentages of the EA/PE costs that will be funded by the federal grant and by local tax dollars? (Councilmember Lumm)

**Response:** The table below shows the latest status through March 31, 2019 of EA/PE spending/commitments by funding source (grant vs. local dollar). Per the table, \$897,705 is identified as the local contribution to complete EA/PE. As previously noted, this phase of PE is about the 5% design level. Full engineering would need to be pursued at a future date.

Also per the table, the local contribution for EA/PE is anticipated to be \$897,705 (38.04%) while the federal contribution will be \$1,461,954 (61.96%). Based on the progress made to date, it is anticipated that there will be cost savings on the PE phase of the project. However, based on comments received from the FRA, staff does not recommend reducing the total project cost at this time in case this funding is needed to complete the EA.

<b>EA Phase</b>	<b>Expenditures Funded by Grant</b>	<b>Expenditures Funded by Local Dollars</b>	<b>Unspent Committed/Estimated Local Funds</b>	<b>Total</b>
Paid to Consultants	1,087,607	104,720	13,355	1,205,681
City Staff Time	99,913	27,092	9,773	136,778
Other	93	764	33	890
<b>Total EA</b>	<b>1,187,613</b>	<b>132,576</b>	<b>23,161</b>	<b>1,343,350</b>
<b>PE Phase</b>	<b>Expenditures Funded by Grant</b>	<b>Expenditures Funded by Local Dollars</b>	<b>Unspent Committed/Estimated Local Funds</b>	<b>Total</b>
Paid to Consultants	258,457	507,698	198,657	964,812
City Staff Time	15,884	24,382	11,028	51,294
Other		153	50	203
<b>Total PE</b>	<b>274,341</b>	<b>532,233</b>	<b>209,735</b>	<b>1,016,309</b>
<b>Combined EA &amp; PE</b>	<b>Expenditures Funded by Grant</b>	<b>Expenditures Funded by Local Dollars</b>	<b>Unspent Committed/Estimated Local Funds</b>	<b>Total</b>
Paid to Consultants	1,346,064	612,418	212,012	2,170,493
City Staff Time	115,797	51,474	20,801	188,072
Other	93	917	83	1,094
<b>Total EA/PE</b>	<b>1,461,954</b>	<b>664,809</b>	<b>232,896</b>	<b>2,359,659</b>
Expenditures thru 03/31/19				
4/25/2019				

**Question #57: (Train Station - next steps after EA/PE).** The CIP reflects \$14.7M for the final design costs of Phase 1, with the costs spread fairly evenly over FY21, FY22, and FY23. Is that still your current estimate for final design cost and timing? And assuming we would apply for grants to fund final design, how does that process work (eg is it separate from, or included with, federal grants for construction? Also, when do you anticipate the city would go to voters - before (or after) the final design stage? (Councilmember Lumm)

**Response:** The values presented in the CIP reflect the best available information at the time of CIP development. The process involved with obtaining a grant will further inform the process and what elements a grant may include. Note, the Federal Railroad Administration (FRA) and the USDOT typically provide Notice of Funding Opportunities (NOFO) to announce availability of funding for this type of project. At this time, the City has applied for a Consolidated Rail Infrastructure and Safety Initiative (CRISI) grant for final design activities. We are uncertain at this time when we will learn if our funding application has been selected for funding. If selected, the City must work with FRA to define the scope of effort including the timing of work and costs. Our CRISI application was limited to final design activities only; it was not practical at that time to apply for construction funds without the receipt of the Finding of No Significant Impacts (FONSI), public approval of the project, or a reliable estimate of costs. Future NOFOs may

consolidate final design and construction funding. As is our custom, we will review the future funding options when opportunities become available. Staff is not aware that a determination has been made as to when this would be placed on the ballot.

**Question #58: (Train Station – construction cost estimates)** – It’s my understanding that the FRA expressed concern over the cost estimates for the AA Station (\$88M for Phase 1 and \$171M for both phases) and asked the city why our costs were “an order of magnitude” higher than other new passenger rail and intermodal stations. Assuming it’s correct that FRA inquired, what was the city’s response? (Councilmember Lumm)

**Response:** Staff accepted the FRA comment as a general comment about the proposed project and does not plan to address it directly with them. Our efforts to design an Intermodal Station to accommodate current and planned future intercity travelers is the result of close coordination with both FRA and Amtrak and has resulted in the current project elements and scope. The existing Amtrak Station located on Depot Street served 158,000 rail passengers in 2018. This is more than twice either the Dearborn Station (73,775) or Detroit Station (67,684) and more than the two stations combined for the same year.

Ann Arbor Station (AAS) is designed to accommodate the ridership forecast by the Mid-West Regional Rail Initiative (MWRRI). The MWRRI Program calls for the AAS to accommodate future ridership in excess of one million riders per year (20xx.) Consequently, that level of activity requires a comprehensive intermodal center incorporating, walking, biking, transit, and private vehicle parking modes to access the rail system.

The scale of the current and expected future operations resulted in the scope of the project and that in turn is what determined the estimated project costs. Note, the program scope was based almost entirely from existing Amtrak and FRA requirements and are what is required to meet contemporary design standards. Finally, the current Phase 1 Ann Arbor Station (AAS) design also accommodates approximately 580 parking spaces within the planned parking structure; neither the Dearborn or Detroit stations contained these provisions for parking. As a result, a direct comparison of the various station projects merely by cost is unreasonable.

Given the current demand for station parking, and the anticipated future use, both a vehicle parking structure and transit operation center are included as key elements of the project. Finally, the Preferred Alternative is located within Fuller Park and provides for an additional 150 parking spaces in the project scope to meet the need for current and future park users.

**Question #59: (Pavement Markings)** - On slide 4, it shows the miles of roads and bike lanes and number of intersections that will be remarked. Can you provide a sense of what percentage of the totals those represent? Also, I too was confused if the budget spending amounts shown were for each year (FY20 and FY21) or the total for both years? Can you please clarify that? (Councilmember Lumm)

**Response:** The amounts listed indicate annual budget requests.

**Question #60: (Crosswalks)** – In terms of crosswalks, I appreciate the information on slide 13 related to crosswalk streetlighting and in the Administrator’s April 3<sup>rd</sup> *Response to Resolution R-18-497*, which addresses crosswalk design guidelines, but must confess, I’m confused on what funding is actually included in the FY20 budget proposal. Can you please clarify (1) how much funding is included in FY20 for crosswalk streetlighting (and does that funding then bring all crosswalks up to the “sufficiently lit” category, and if not, roughly how much more is required) and (2) how much of the \$557K referenced in the April 3<sup>rd</sup> memo is in FY20? (Councilmember Lumm)

**Response:** \$135,000 is included in the proposed FY 20 budget for major street uncontrolled crosswalk lighting upgrades. We anticipate that it will take 3-4 years to complete the identified upgrades.

**Question #61: (Crosswalks and Safe Routes funding)** – Slide 8 shows that there’s \$1.86M in FY20 spending from the millage for “Crosswalks/Safe Routes”. Can you please reconcile that \$1.86M with the crosswalk funding levels in Q9 and what Safe Routes projects are being considered? Also, is there anything else in the \$1.86M other than crosswalks and Safe Routes projects? (Councilmember Lumm)

**Response:** Please see chart below.

Asphalt Sidewalk Replacement & Maint	300,000
Major Mid-Block Crossings	150,000
School Safety Improvements	100,000
Dhu Varren Sidewalk Gaps	250,000
Northside STEAM SRTS	250,000
Nixon Road Sidewalk Gap (Westbury to Traver)	231,000
Jackson Ave Sidewalk Gap	250,000
Fuller Ct. Sidewalk Gap	87,500
Washtenaw Service Drive Shared Use Path	42,500
Asphalt Path - Fuller Road @ Huron High	200,000
Original Submittal	1,861,000
Supplemental per #R-19-118- Fuller Crosswalk Impr	140,000
<b>Revised Pedestrian Safety Related Projects</b>	<b>2,001,000</b>

**Question #62: (\$1.5M Allocation for “Active Transportation”)** – The March 8<sup>th</sup> response indicated that the specific spending of that \$1.5M from the General Fund rebate wasn’t determined at that point. Can you please provide more specific detail now on that one-time \$1.5M “Active Transportation” allocation? (Councilmember Lumm)



**Question #73: (Barton & Superior Dams)** – As we’ve discussed, there are significant capital expenditures on the near-term horizon. Can you please provide high-level, summary profit & loss projections and cash flow forecasts for the next 5-10 years for the Dams/Hydropower? (Councilmember Lumm)

**Response:** Please see chart below.

General Fund Analysis	2020	2021	2022	2023	2024
<b>Revenue*</b>					
Barton	\$ 280,829	\$ 280,829	\$ 280,829	\$ 280,829	\$ 280,829
Superior	\$ 129,162	\$ 129,162	\$ 129,162	\$ 129,162	\$ 129,162
	\$ 409,991	\$ 409,991	\$ 409,991	\$ 409,991	\$ 409,991
<b>Expenses</b>					
Barton	\$ 75,800	\$ 78,074	\$ 80,416	\$ 82,829	\$ 85,314
Superior	\$ 118,900	\$ 122,467	\$ 126,141	\$ 129,925	\$ 133,823
Barton Non-annual expenses	\$ 42,000	\$ 30,000			
Superior Non-annual expenses	\$ 49,000				
Barton Dam Embankment	\$ 125,000		\$ 800,000		
Barton Airshaft Reconstruction		\$ 45,000	\$ 350,000		
Barton Dam Concrete Repair			\$ 50,000	\$ 350,000	\$ 350,000
Barton Gate Coating		\$ 50,000	\$ 750,000		
FERC Part 12D				\$ 60,000	
Superior Hydroelectric Facility Arch/Structural Repairs			\$ 75,000	\$ 75,000	
Superior Dam Gate Coating		\$ 50,000	\$ 140,000		
Superior Dam Concrete Repair			\$ 100,000	\$ 640,000	\$ 210,000
Barton Pond USGS Gauging Station			\$ 50,000		
<b>Expenses Total</b>	\$ 410,700	\$ 375,541	\$ 2,521,557	\$ 1,337,754	\$ 779,137
<b>Net Profit</b>	\$ (709)	\$ 34,450	\$ (2,111,566)	\$ (927,763)	\$ (369,146)
*Revenue projections are based on a 10 year average and do not include extended downtimes.					
Please note 50% of Barton Dam costs are expensed in the Water Fund					

**Question #79: (Nixon corridor improvements)** – The proposed FY20 and FY21 capital budget/plan do not include funding for Nixon corridor improvements, and this was identified as an “uncertainty” in the Administrator’s presentation April 15<sup>th</sup> (slide 12). What are the specific next steps (and timing) with regard to finalizing the design and incorporating the construction in the approved capital budget/plan? (Councilmember Lumm)

**Response:** The design is scheduled to be completed this summer. The pavement asset management plan that staff is currently following to improve pavement conditions across the City calls for more investment in capital preventative maintenance treatments in the near term, and thus less investment in expensive reconstruction projects. Accordingly, the first phase of the Nixon Road Improvements project has been included in the current CIP for FY25.

**Question #82: (Public Services Fees)** – In the cover note for the Public Services fees (p. 65), it states that the revenue impact of the increases is \$229K. That's not an insignificant sum – what percent increase does that represent on the fees being increased? (Councilmember Lumm)

**Response:** 7.85%

**Question #85: (New Streetlights)** – In the March 22<sup>nd</sup> response on funding for new streetlights, it mentioned funding for new/improved lighting at mid-block crosswalks and that's great, but is there any funding in the budget (recurring or one-time) available for new streetlighting at locations other than crosswalks, and if so, how much is in FY20 and FY21? (Councilmember Lumm)

**Response:** Proposed funding includes the replacement/maintenance of existing Street Lighting apparatus and the upgrade/addition of crosswalk lighting. No funding is proposed for new Street Light installations that are not associated with crosswalk improvements.

**Question #86: (Street Millage, Major and Local Street Funds)** – What does the budget contemplate for the ending FY20 (June 2020) fund balance in the street millage and in both the Major Street and Local Street funds? (Councilmember Lumm)

**Response:**

Major Streets \$11.2M

Local Streets \$4.9M

Street Millage \$6.0 M

**Question #90: (Public Services Pass Through)** – On page 112, there's a large (\$1M) pass through expense that's new in FY20. Can you please explain what that is? (Councilmember Lumm)

**Response:** The \$1,045,000 is a one-time pass-thru from the general fund to fund the allocation for street repairs.

**Question #97: (Capital Spending)** – On page 395 in the Alternative Transportation capital spending section, there are two separate lines for sidewalk repair. One is called Annual Sidewalk Repair and Curb Ramp Program and the other is called 2020 and 2021 Sidewalk repair program. Can you please explain the difference in the two? Also assuming they are additive, \$1.8M is a lot more than the FY20 spending level for sidewalks identified at the Public Services work session – can you please reconcile/clarify? (Councilmember Lumm)

**Response:** Please see the reconciliation below:

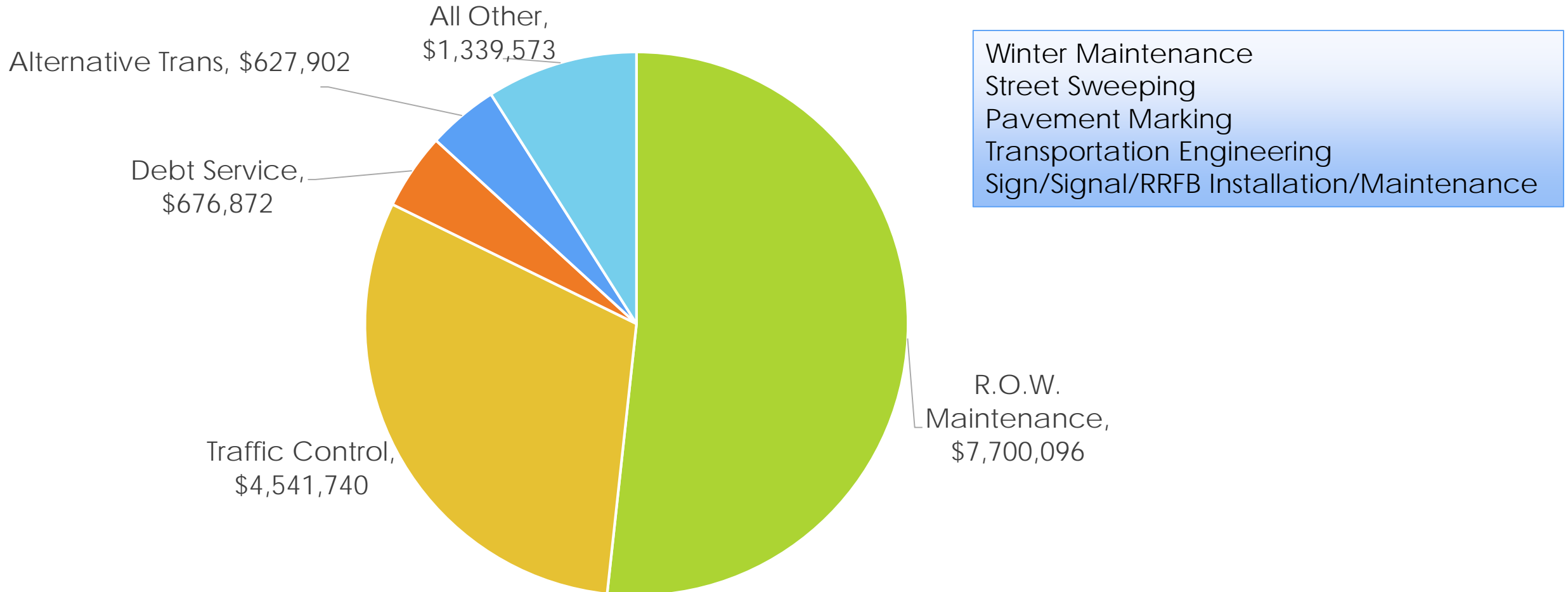
	FY 20	FY 21
Fuller Rd Asphalt path	200,000	
2019 Sidewalk Repair	375,000	
2020 Sidewalk Repair	375,000	375,000
Asphalt Sidewalk Replacement	<u>300,000</u>	<u>300,000</u>
<b>Annual Sidewalk Repair and Curb Ramp Programs</b>	<b>1,250,000</b>	<b>1,050,000</b>
	FY 20	FY 21
Fuller Ct. Sidewalk Gap	87,500	87,500
Jackson Ave Sidewalk Gap	250,000	250,000
Nixon Rd. Sidewalk Gap	231,000	
<b>2020 and 2021 Sidewalk Repair Program</b>	<b>568,500</b>	<b>337,500</b>



# Public Services – Major & Local Street Funds

Total Budget: \$14,886,183

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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: FY20-21 Budget: SmartZone/LDFA

DATE: April 26, 2019

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**Question #87: LDFA Tech Park Fiber Grant** – the SmartZone LDFA request (p. 389) includes \$500K in FY20 and \$1.5M in FY21 for the Tech park fiber project. I'm encouraged to see this in the request and the LDFA communication item to council March 4<sup>th</sup> included a bit more information. Can you please share other information that's available on the project including next steps and can you please remind me what area the "SmartZone technology park district" encompasses? (Councilmember Lumm)

**Response:** The Tech Park district has the same boundaries as the DDA TIF capture district. The boundaries were established with the original SmartZone Development/TIF Plan in 2002. If Council adopts the SmartZone budget with funding for this initiative, staff will proceed with an RFP for planning and design services. A more detailed timing plan will be available after this phase of the project.