



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator
Matt Horning, Interim CFO/Treasurer
Karen Lancaster, Finance Director

SUBJECT: Budget Assumptions

DATE: April 1, 2016

Question #22: In the overview presentation, there was a slide on the key budget assumptions. That's helpful as obviously those assumptions drive the numbers and I have a couple of follow-ups on the key budget assumptions slide:

- On State Shared revenue, the slide indicates a 1% growth assumption – can you please provide the rationale for 1% growth particularly given that Governor Snyder's budget proposal for constitutional revenue sharing is increase of 3.9%? Also, have there been any new developments with regard to state fire protection grants?
- Recurring expenditures are projected to increase 2.17% in total. In that projection, what are you assuming for non-union pay increases, health care inflation, and changes in the pension contribution amount? (Councilmember Lumm)

Response: The State Shared revenue estimate of \$10,753,965 (Constitutional and CVTRS) in the FY2017 budget is a 1% increase over the FY2016 budget. The 1% increase was based on an earlier State projection. The executive (governor's) FY17 budget recommendation of \$10,652,068 is a 3.3% over the executive's projected FY16. The governor's recommendation for FY17 would actually represent at 0.7% decrease in our constitutional revenue sharing budget.

The State House is discussing increasing the fire protection grants, but there is nothing approved so the assumption is no change from the prior year.

The following assumptions were used:

The assumption used for budgeting employee pay increases is consistent with existing labor contracts and based on guidance from the Council Labor Committee and Human Resources.

The health care rate of inflation for the rate charged per employee was 7.9%. The total increase for employee medical in the General Fund was 5.27%. The difference would be the number of insured employees within the General Fund.

The pension contribution rate for general employees decreased from 24.7% of payroll to 23.2%. Police increased from 29.0% to 30.9%. Fire increased from 29.1 to 30.5%. Overall the pension contribution is scheduled to increase 2.0%, with General Fund's contribution increasing 4.92%, based on the mix of employees within the General Fund.



TO: Mayor and Council

FROM: Derek Delacourt, Community Services Area Administrator

CC: Tom Crawford, Interim City Administrator
Matt Horning, Interim CFO/Treasurer
Karen Lancaster, Finance Director

SUBJECT: Community Services

DATE: April 1, 2016

Question#9: Please provide a table showing new and potential construction projects, including approve and planned, with dates and potential taxable values.
(Councilmember Briere)

Response: Please see the attached matrix. The projects are not yet far enough along to estimate a value.

Question #20: I mentioned at the meeting that I'd be interested in benchmarking data from comparable communities on planning/development and building staffing levels given that we are contemplating additional FTE's in those areas. (As I indicated then, the benchmarks here are most appropriately communities with comparable building and development activity and not necessarily our traditional criteria of population, region, or university community.) (Councilmember Lumm)

Response: The CSA is currently reviewing staffing levels internally and will continue evaluating appropriate benchmarking standards. In part due to a lack of staff in these areas this information is not currently available. There is not a standard to define comparable building and development activity between communities similar to the normal comparisons of population, size, region and other standardized measures. There is a lack of "like" available data between communities. If these are standards Council wishes to see developed we can pursue that when the appropriate building and planning staff is in place.

Since the February 22nd Council workshop Staff has made changes to the proposed budget impacts that deal directly with staffing levels, specifically in the Building

department. The request for FTE's has been reduced to two from the previously discussed four. The Assistant Building Official remains an important position, for succession within and to improve customer service. Ensuring available staff to meet the needs of the City and development community is important. Having a second official able to make decisions in the absence of the Building Official allows the City to be more flexible and responsive, while making sure nothing slips through the cracks. The second position is a scheduling and permit technician. This position will work closely with all 13 Trade and Building Inspectors to make sure inspections are grouped appropriately and that routing of the inspectors is done in the most efficient manner. This position will also be able to identify and seek closures on permits that have expired or have not completed the final inspection process, removing this responsibility from the actual inspectors will allow them to be in the field more, meeting the needs of the City and our customers. Both positions are paid for through the construction fund.

Question #21: Related to the Building Department (and the request for funds for new technology), I asked what were the key building and development metrics used by the department to measure operational effectiveness and efficiency and would appreciate a response on what the metrics are and how we've been trending in them.
(Councilmember Lumm)

Response: The metrics the department intends to use going forward are still being finalized. However, we have developed a list for both Building and Planning that will be the starting point. Staff is still working to pull together the relevant data and to ensure it is correct. Please see the attached draft budget worksheets for proposed measurable and initial numbers.

The use and upgrade of technology in the field is still proposed as a way to improve efficiency. That proposal has been modified since the February 22nd budget workshop meeting. The request for field radios for rental, building and trade inspectors has been eliminated. The request for updated hardware and software for field inspectors has been significantly reduced as well.

Projects Under Review

Name	Address	Ward	Details	Type	Number of Units	Commercial Square Footage	Status
Kingsley Condominiums -Rezoning and Site Plan for City Council Approval	221 Felch Street	1	A proposal to redevelop the site by demolishing all existing structures except for the building at 214 W. Kingsley and constructing a 51-unit, 5-story building with covered and surface parking, along with a request to rezone the property from M1 (Limited Industrial) to R4D (Multiple-Family Dwelling District). Planned project modifications are requested to reduce the west side setback. The site is 63,466 sq ft and is in a 100-year floodplain.	Multiple-Family Residential (Condominium)	51 units	Not Applicable	Scheduled for 4/5 Planning Commission Meeting
Liberty Flats - Site Plan for City Council Approval	2658 W. Liberty Street	5	A proposed site plan for 68 apartment units in six three-story buildings and 136 vehicle parking spaces in garages, carports and surface lots at 2658 W. Liberty Street. The 4.7-acre site is currently vacant and zoned R4B	Multiple-Family Residential (Apartments)	68 units	Not Applicable	Scheduled for 3/15 Planning Commission Meeting
Sun Baths- Site Plan for City Council Approval	319 and 323 N. Main Street	1	A proposal to combine 319 and 323 North Main Street in order to construct a new 2-story, 12,300-square foot community bath including common and private areas. The site is located west side of North Main Street between Miller Avenue and West Kingsley Street and is currently vacant. The combined lot would total 8,184-square feet.	Commercial	Not Applicable	12,300 sq/ft	CPC recommended for approval 3/1/16. Council date not scheduled
Bryant Community Center	3 W. Eden Court		877 sq/ft addition to connect existing community center with adjacent single-family home	Institutional	Not Applicable	877 sq/ft	Not scheduled for CPC
The Calvin- Site Plan for City Council Approval	603 E. Huron	1	A proposed site plan to construct a 12-story, 124-unit apartment building, with 85 parking spaces underneath the building and 31 spaces in the rear, on a 25,833-square foot (0.59 acre) site in the D1 (Downtown Core) and East Huron 1 zoning districts.	Multiple-Family Residential (apartments)	124 units	Not Applicable	CPC recommended for approval 3/1/16. Council date not scheduled
Bais Jewish Resource Center Site Plan and Planned Unit Development Zoning Text Amendment for City Council Approval	1335 Hill Street	3	A proposal to demolish a 400 square foot rear addition and add a 3,227 square foot rear addition to an existing 4,971 square foot building. The first floor will continue to be used for religious instruction and assembly. Three dwelling units will be located on the second and third floors. Required parking will be increased from five to eight. PUD rezoning is required. The site is in the Washtenaw Hill Historic District.	Institutional / Multiple Family Residential	3 units	4,971 sq/ft of institutional uses / apartments	CPC recommended for approval 2/17/16. Council date scheduled for March 21st
816 S Forest/815 Church - Rezoning for City Council Approval	816 S Forest/815 Church	3	A request to rezone these two 0.18 acre parcels, zoned R2B (Two-Family and Student Housing District) to R4C (Multiple-Family Dwelling District). 816 South Forest, which currently contains two residential units, each containing four bedrooms, would be remodeled to provide six bedrooms in each unit. 815 Church, which currently contains a legal non-conforming dentist office on the first floor and a residential unit containing three bedrooms on the second floor, would remain unchanged.	Multiple-Family Residential (apartments) / Office	Not Applicable	Not Applicable	CPC did not recommend approval on 2/3/16. Council date scheduled for March 21st
1654 S. Maple Site Plan for Council Approval	1654 S. Maple	4	A proposal to develop 10 single family homes as a site condominium on a 2.75-acre parcel in the R1C (Single-Family Dwelling) Zoning district. Three landmark trees are proposed to be removed, an alternative analysis is provided. A landscape modification has been requested to reduce the conflicting land use buffer width on the south side of the site to preserve existing landmark trees.	Single Family	10 homes	Not Applicable	Approved by City Council

Name	Address	Ward	Details	Type	Number of Units	Commercial Square Footage	Status
Balfour Senior Housing - Site Plan for Council Approval	2830 S. Main	4	A proposal to construct a 4-story senior living facility totaling 184,000 sq.ft (154 total rooms). Seventy-four parking spaces proposed below grade with 61 surface parking spaces. A landscape modification and wetland use permit have been submitted as part of this proposal.	Multiple Family Residential	154 rooms	Not Applicable	Scheduled for 4/5 Planning Commission Meeting
The Residences at 615 S. Main - Planned Project and Site Plan for Council Approval	615 S. Main	4	A proposal to construct a 6-story, 229-unit apartment building with 6,200 sq.ft of retail. The development at 615 S. Main Street includes the consolidation of 3 parcels into a 86,162 sq.ft site. The property is zoned D2, and a planned project modification is requested to increase the height to 75-feet.	Multiple Family/Commercial	229 units	6,200 sq/ft	Scheduled for 4/5 Planning Commission Meeting
Kingsley Parkside-Site Plan for Planning Commission Approval	213 West Kingsley Street	1	A proposal to develop a 3-unit, 5-story loft townhouse. The site located at 213 West Kingsley Street is 3,168 square feet and zoned D2/First Street Character. Ward 1	Single Family	3 units	Not Applicable	Scheduled for 4/5 Planning Commission Meeting
Circle K Gas Station Site Plan for City Council Approval	1420 E. Stadium	4	A proposal to demolish the existing 2,360-square foot gas station/convenience store building, relocate the gas station pump island and construct a new 3,394-square foot retail building and pump island canopy on this 0.86 acre parcel. Two curb cuts are proposed to be removed: one on Packard and one on Stadium. A landscape modification is being requested.	Commercial	Not Applicable	3,394 sq/ft	Scheduled for 3/15 Planning Commission Meeting
Zoller Building Site Plan for City Council Approval	3900 and 3928 Research Park.	4	A proposed development of a new 44,000 square foot building of office, warehouse, and garage uses on vacant site at 3900 and 3928 Research Park Drive. The site is adjacent to Mallets Creek and a portion of the site lies in the flood zone.	Office	Not Applicable	44,000 sq/ft	Scheduled for 3/15 Planning Commission Meeting
Homewood Suites-Planned Project for City Council Approval	2457 S. State Street		110 room hotel / 112 parking spaces	Hotel	110 rooms	Not Applicable	Not scheduled for CPC
305 Meadow Creek Drive Annexation and Zoning	305 Meadow Creek Drive		Annexation of one house	single-family	1 home	Not applicable	Not scheduled for CPC
Woodbury Club Apartments - Annex, Zoning, and Site Plan for Planning Commission Approval	3380 Nixon Road	2	A proposal to annex this vacant 54 acre parcel, located at 3380 Nixon Road, from Ann Arbor Township, zone it R4A (Multiple-Family Dwelling District), and construct 277 apartment units in 4 buildings and a clubhouse on the western portion of the site.	Multiple Family Residential	277 units	Not Applicable	Scheduled for City Council
NorthSky Development Rezoning and Site Plan for City Council Approval -	2701 Pontiac	1	A request to rezone this 31.7 acre site located at 2701 Pontiac Trail from R4A (Multiple-Family Dwelling District) to R1D & R1E (Single-Family Dwelling District) and R4B (Multiple Family Dwelling District) to allow development of 139 site condominium lots for single-family detached homes and a four-story, 56-unit building at the southeast corner of the site.	Multiple Family Residential	195 units	Not Applicable	Scheduled for City Council
2250 Ann Arbor-Saline Road Annexation, Zoning, and Site Plan	2250 Ann Arbor Saline Road	4	A proposal to annex this vacant 5.34 acre parcel from Pittsfield Township, zone it R4B (Multiple-Family Dwelling District) and construct one building containing 75 dwelling units, exercise room, community room and indoor pool. The proposal includes constructing 84 exterior parking spaces and 70 parking spaces under the structure. A storm water detention basin will be located in the rear of the site. The basin will be oversized to accommodate additional offsite water runoff from the north.	Multiple Family Residential	75 units	Not Applicable	Not scheduled for City Council
South Pond Village - LD, SP, and WUP for City Council Approval		2	A proposal to develop 68 single-family site condominium lots on this 46.5 acre parcel, zoned R1B (Single-Family Dwelling District).	Single Family	68 homes	Not Applicable	Not scheduled for city council

Name	Address	Ward	Details	Type	Number of Units	Commercial Square Footage	Status
New Life Church Special Exception Use and Parking Improvements -	1541 Washtenaw	2	New Life Church is seeking special exception to convert a single-family residence at 1547 Washtenaw Avenue into church offices, meeting space, and a caretakers suite in association with the adjacent New Life Church at 1541 Washtenaw. The applicant proposes to add eight (8) parking spaces along the shared property line. The Site Plan approval is conditioned on Historic District Commission approval.	Institutional / Multiple Family Residential	Not Applicable	Not Applicable	Scheduled for 3/15 Planning Commission Meeting

Expected Applications

Name	Address	Ward	Details	Type	Number of Units	Commercial Square Footage	Status
Broadway Village-Mixed Use							Has not submitted
611 E. University-Student Housing	611 E. University		91 units/322 bed student apartment	Multiple family residential	91 units/ 322 beds	Not Applicable	Submitted for DRB
Former YMCA Lot							
Farmers Market Addition							Has not submitted
Library Lot							Has not submitted
2350,2500 & 2600 Green Road							Has not submitted
The Glen-Mixed Use							Received HRC. Has not submitted for CPC
Current Planning Commission Activities							
ADU Amendments							
Downtown Zoning Premiums							
ZORO							
Staff Liaisons / Responsibilities							
Planning Commission							
Historic District Commission							
Zoning Board of Appeals							
Design Review Board							
ALT Committee							
Washtenaw Ave JTC							
Annexation Applications							
Washtenaw ROW Plan							
Sign Enforcement Transition							
DDA Parking Committee							
IPMC Implementation							
Brownfield Plan Committee							
Sustainability Action Plan							
Climate Adaptation							
Site Compliance Process							
PROS Update							
MEDC – Redevelopment Ready							

STRATEGIC GOALS AND PERFORMANCE MEASURES

Service Area:	Community Services	Area Administrator:	Derek Delacourt
Service Unit:	Building	Manager:	Derek Delacourt

City Strategic Goals and Objectives

Goal 2 – Deliver exceptional service

Objective 2.3 – Develop customer service standards

Service Unit Measures	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Projected	FY2017 Projected
<u>Permits</u>						
New Residential	29	35	32	24	30	40
Alter/Add Residential	1938	1894	1835	1954	1900	2000
Alter/Add Non-residential	424	524	510	659	675	700
New Commercial/Industrial	6	6	7	33	50	
Full Certificate of Occupancy	188	189	203	152	175	175
Temporary Certificate of Occupancy	75	65	64	68	100	100
Residential Demolition	NA	3	10	4	12	15
Non-residential Demolition	NA	11	9	4	15	15
Signs	97	152	139	95	100	125
Trade and Fire Protection	6152	6611	6198	6833	6800	7000
Special Event/Street Closure	NA	121	129	134	130	130
Average Number of Days to Complete First Plan Review	6	10	9	7	5	7
Average Number of Days for a Building Permit	5	7	8	9	8	7
<u>Inspections</u>						
Building Trade and fire Protection Inspections	NA	42373	42497	42700	42699	43000
Percent Completed within 72 Hours of Request	NA	35%	35%	35%	35%	40%
Rental Housing Inspections	NA	3412	4490	6074	5000	5000
<u>Plan Review</u>						
Building Trade and Fire Protection Plan Review	8223	8508	9188	13679	9218	10000
First Plan Review Completed Within 14 Days	92.67%	89.89%	88.82%	88.73%	91.39%	90%

STRATEGIC GOALS AND PERFORMANCE MEASURES

Service Area:	Community Services	Area Administrator:	Derek Delacourt
Service Unit:	Planning	Manager:	Derek Delacourt

City Sustainability Framework

Sustainability Goal 12 – Integrated land use

City Strategic Goals and Objectives

Goal 2 – Deliver exceptional service

Objective 2.3 – Develop customer service standards

Service Unit Measures	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Projected	FY2017 Projected
Planning Applications						
Site Plan/Zoning/PUD	58	59	68	98	75	90
Annexation	7	6	6	7	5	10
Land Division	11	9	11	22	15	15
Special Exception Use	4	3	10	11	10	10
Site Compliance	23	22	28	27	30	30
Historic District Applications						
Determination of Appropriateness	47	52	71	47	60	60
Notice to Proceed			1		1	
Administrative Approval	157	168	177	213	200	200
Zoning						
ZBA Applications	23	24	17	35	25	30
Zoning Compliance Permits	303	336	240	315	325	325
Zoning Compliance Reviews (Building Permit)	903	1144	1152	1275	1250	1300
Zoning Code Cases	21	13	22	29	30	35



TO: Mayor and Council

FROM: Jim Baird, Police Chief
Larry Collins, Fire Chief
Derek Delacourt, Community Services Area Administrator
Craig Hupy, Public Services Area Administrator

CC: Tom Crawford, Interim City Administrator
Matt Horning, Interim CFO
Karen Lancaster, Finance Director
Marti Praschan, Financial Manager – Public Services

SUBJECT: Efficiencies

DATE: April 1, 2016

Question #10: At the meeting, I commented that the approach outlined in the budget impact summary that “Service Area Administrator required to first offset requests with efficiencies and operational improvements” was a good one, but that no examples were provided. I asked if you could provide details on efficiencies and improvements that have been identified and implemented recently and would still appreciate a response on that. (Councilmember Lumm)

Response:

Community Services:

Reevaluated original impacts submitted and reduced requested funding from 4.0 FTE’s to 2.0 FTE’s for Building as well as decreased technology needs based on staff feedback.

Fire:

Below is a sample of process improvements and efficiency efforts.

- 1.) Purchased air monitors with automatic calibration that will eliminate eight (8) hours of overtime monthly that we currently pay an employee to manually calibrate the four gas monitors. These new monitors will be the similar to the

current four gas monitors that the County Hazmat team utilizes making us more standardized as well.

- 2.) The south fire prevention district team was split up to reassign a third inspector to the downtown district as well while one of the downtown inspector was reassigned to a special administrative duty for the accreditation process saving a net of \$47K.
- 3.) A newer model of thermal imaging camera was purchased to improve the use of search and rescue and hazmat scene incidents. The new camera allows personnel to:
 - a. Identify objects better by the use of a laser beam;
 - b. Identify higher temperatures up to 2,000 degrees versus 1200 degrees;
 - c. Identify objects with an automatic heat sensor;
 - d. Identify the coldest spot which would be helpful for tanker fires and such;
 - e. Identify actual flame temperatures as well.
- 4.) Purchased laser measuring equipment so that the fire inspector can calculate the actual square footage of fire safety inspections pursuant to our new fee schedule. This eliminates their time in looking up public areas within an inspection through BS & A records.
- 5.) Developed a dual response agreement with Pittsfield Township FD for highway responses on 94 and 23. We were sending, at times, 3 to 4 units from AAFD to a reported accident on the highway. We now send 1 or 2 with Pittsfield Township FD also sending units. This increases scene safety for responders, allows units to approach from both sides of the highway (many times the callers don't tell us what side and we end up having to go out of the way to turn around and get to the emergency, this stops that in many instances) and further allows us to maintain a greater number of available units within the city should another emergency occur. We are having similar discussions with Ann Arbor Township FD for joint highway responses with them.

Information Technology

- 1.) Special Meetings/Public Notice Notifications
Per Michigan law local government is required to post public notices of non-regularly scheduled meetings physically and on the homepage of their website. The City Attorney's office, Clerks office, Communications, and IT collaborated on a project to satisfy the requirement. The project entailed standardizing the process for how we use Legistar to schedule non-regular meetings which then enabled the creation of an automated integration from Legistar to the enterprise calendar to display these meetings on our website. Previously, a static page was created and manually edited to reflect the nonregularly scheduled meetings. The automated process eliminates the dual entry of meeting information and is expected to reduce the potential for error as well as improve the accuracy of the information. Since the roll-out of the integration the estimated labor savings is ~60 hours per year.

2.) SOE – Sustainability Action Plan

Project Summary

The Sustainability department was tasked with developing a Sustainability Action Plan to provide a measurement tool for the City's Sustainability Framework.

Sustainability worked with IT to help develop a new information architecture and IT assisted in helping with the graphic design and layout.

<http://www.a2gov.org/departments/systems-planning/Sustainability/Sustainability-Action-Plan/Pages/default.aspx>

Project Benefits: The primary benefits include an intuitive information architecture and a professional graphic design.

3.) Parking Ticket Appeal Form

Project Summary

A form was previously created for parking ticket appeals that emailed sensitive information to the parking mailbox. This form, while great at the time, was never updated and eventually was unsupported by nearly all major browsers. The parking referees requested that the form be redesigned to work with all browsers, while keeping similar functionality as before. We updated the form based on modern best practices, integrated the data into a SharePoint list, and made it available on mobile/tablet devices.

Project Benefits

- Removed outdated, difficult to maintain code while also incorporating the form into our current web framework/platform.
- The form now can be accessed on all browsers, and is accessible via mobile and tablet devices.
- Form data is accessible in a SharePoint list, and easily managed and exported for reporting purposes.
- The security risks associated with emailing personally identifiable information have been removed from the process of filling out the form.

Police

- Changed request for community engagement vehicle from new purchase to retaining patrol car that was scheduled to be retired.
- Began conducting background investigations in house instead of contracting the service.

Public Services

Water Treatment Plant

1. Steere Farm Well Improvements – Currently in final stages of design. This project will replace natural gas engines with electrical variable frequency drives. This improvement will allow us finer control of our well flows with will allow us to

fine tune our well water and river water mix. This balancing will help us optimize the amount of hard well water that is more expensive to treat. In addition, new remote telemetry will allow us to start/stop wells from the WTP. Currently we have to send a technician to the well field which takes a significant amount of time given the distance.

2. Green Substation Automatic Transfer Switch – The new ATS for our green substation will increase the efficiency of our backup power system. Transferring power currently is a manual process that has safety implications for our staff due to an arc flash hazard. The new system will transfer power automatically freeing up time for staff to address other critical tasks when we have a power outage. It also eliminates a current safety concern regarding exposure to a potential arc flash.

Streets

3. Hot box purchased last year keeps asphalt hot all day long, maximizing productive work hours.

Park and Public Space Maintenance

4. Replaced 3 seasonal use tractors with 2 Polartrax units that can be used year around. Additionally, the narrow track width will reduce damage to the edges of asphalt paths and implements for snow removal can be switched out in less than 5 minutes to tailor the unit to the type of snow event.
5. Replacement of outdated Skid Steer. The new unit is shared across work areas and is utilized for shrub and brush removal (eliminates hand work with a chainsaw), milling in advance of asphalt repairs, loading and distributing aggregate and soil. The replacement of this unit has increased productivity and reduced worker fatigue.
6. Bobcat Mini Track Loader. Reduces labor costs and increased productivity in maintaining playground areas. Unit is used to remove invasive grasses and weeds, reduces hand work in placing and replenishing fiber within the playground area, auger attachment is used to install and replace sign posts and split rail fencing.

Signs and Signals

7. The installation of non-recording traffic observation cameras at 11 key intersections is the latest tool added to keep vehicles flowing as efficiently as possible. Real time traffic views will be used to evaluate the effectiveness of changes to signal timing and coordination, remotely troubleshoot intersection complaints, and to make adjustments to traffic signals during special events, road closures, and during peak travel times.

Utilities

8. The purchase of “The Plug Hug” (\$10,000), an apparatus used to clean hydrants, has significantly reduced the amount of time to prepare a fire hydrant for painting. The old method of preparing hydrants for painting utilizing a sandblaster yielded 10-12 hydrants per day. We are now able to prep roughly 50 hydrants per day using the Plug Hug.

Waste Water Treatment Plant

9. With the new renovations, approximately 35% reduction in electricity usage for the aeration blowers, which represented the greatest amount of electricity consumed by a single type of equipment
10. With the new renovations, approximately 45% increase in the solids content of liquid biosolids that are land applied as an agricultural supplement and for which the City is charged on a volumetric basis
11. Expected reduction in the use of chemicals to enhance biological treatment due to greater efficiencies gained through new process equipment
12. Reduction in electricity usage for outdoor lighting with the installation of overhead LED lights



TO: Mayor and Council

FROM: Larry Collins, Fire Chief

CC: Tom Crawford, Interim City Administrator
Matt Horning, Interim CFO
Karen Lancaster, Finance Director

SUBJECT: Fire

DATE: April 1, 2016

Question #23: In response to my question, Chief Collins indicated that he'd provide the business case and benchmarking data for the proposal to add 3 more vehicles (in addition to the 2 vehicles for the Assistant Chiefs) and a mechanic. I'd appreciate receiving that information when it's available. (Councilmember Lumm)

Response: Staff provided a response on March 11 with benchmarking information on the proposal for three vehicles. The two vehicles for the assistant chiefs were purchased in FY16. We are waiting for information from Fire on the mechanic funding request.



TO: Mayor and Council

FROM: Matt Horning, Interim CFO

CC: Tom Crawford, Interim City Administrator
Karen Lancaster, Finance Director

SUBJECT: Property Tax

DATE: April 1, 2016

Question #24: In terms of the property tax revenue projections, I'm still a bit confused on the assumptions and what has been reflected and what hasn't in the revenue numbers we've been provided. Specifically: What is the latest year-over-year GF property tax revenue growth projections (amount and percent) for FY16, FY17 and FY18 (if you have it)? Does the \$99,236,979 GF revenue figure for FY17 shown on the updated budget impact summary sheet reflect the latest projection (including the \$133K related to the DDA TIF)? Do we have a sense of how much the \$462K "additional revenue to authorities from the DDA district" is likely to be in FY18? When do you expect to have the updated projections for the LDFA that are consistent with the latest DDA District taxable values? (Councilmember Lumm)

Response: We forecast property tax to increase by 2.1% from FY16 to FY17. We cannot accurately forecast FY18 tax at this time. This is an unknown until tax day, Dec. 31, 2016. The \$99,236,979 does include the \$133K related to the DDA. We cannot accurately forecast FY18 DDA TIF capture at this time for the same reason stated above. The LDFA budget presented in the City Administrator's recommended budget will include TIF revenues consistent with DDA values, resulting in revenue of approximately \$3.3 million.



TO: Mayor and Council

FROM: Craig Hupy, Public Services Area Administrator
Marti Praschan, Financial Manager – Public Services

CC: Tom Crawford, Interim City Administrator
Matt Horning, Interim CFO/Treasurer
Karen Lancaster, Finance Director

SUBJECT: Public Services

DATE: April 1, 2016

Question #28: In terms of new streetlights and the \$100K fund created by council a year ago, can you please provide (1) clarification on next steps including when council will see a proposed process and criteria that was requested and (2) the list of new streetlight requests (staff indicated backlog of about 15)? (Councilmember Lumm)

Response: A staff team with members from Project Management, Field Operations, and Systems Planning has been developing the prioritization model to be utilized in evaluating requests submitted to the City for new streetlight installations. The team is currently calibrating the model that has been developed, and further refinement of the model will be performed over the next month based on results of these calibration model runs. It is anticipated that the model criteria and process will be available by May.

Below are the requested locations for streetlight additions:

- Nixon Road (Traver Boulevard to Green Road)
- John Street and South Division
- White Street and McKinley Avenue
- East University between Hill Street and Packard
- Fuller Road at Gallup Park, mid-block crosswalk
- 3310 Fernwood Avenue
- Dhu Varren Road
- Brown Street (near Hill Street and East Davis Avenue)
- 149 Hill Street

- Geddes Avenue, midblock in front of the Arboretum
- Kerrytown
- Geddes/Oxford
- near U-M South Campus
- 1991 West Liberty
- East University approaching Packard

Question #29: Regarding the \$80K item for support of the Sustainability Action Plan, when that item was approved by Council as a budget amendment both of the last two years, it was called “one-time” based on the assumption that alternative funding would be secured. The item is now shown as recurring (which is probably more reflective of reality), but can you please provide an update on the status of obtaining alternative funding. Also, are there any changes planned in how the funding is to be used in FY17 and going forward? (Councilmember Lumm)

Response: Staff are well connected with national and regional funders via the Urban Sustainability Directors Network and are continually looking for grant opportunities from federal agencies and other initiatives. Currently, there are no large federal investments underway or anticipated that would provide funding to support our community facing climate and sustainability programs. Similarly, the State of Michigan has not, and is likely to continue to not provide any significant financial support around energy efficiency or climate change. In addition, staff continues to seek pilot projects with DTE that would bring additional funding and resources, but to-date nothing has advanced in this area.

While the philanthropic community continues to fund programs in other locations, Ann Arbor is not seen as a needy community and will probably never be funded by the foundations or other funders who are focusing primarily on climate/energy/green infrastructure in low income/vulnerable communities. Funding for climate programs is not expected to come to smaller, more affluent communities.

With regard to foundation support, Ann Arbor is different from many other communities in that the philanthropic sector is not as large, or as broadly organized as it is in Grand Rapids, Cleveland, Detroit, or Chicago. In these communities, the philanthropic sector is often the first to fund new or experimental programs. Staff have discussed funding for climate and sustainability programs with the Ann Arbor Area Community Foundation for several years, but their endowment is relatively small and dedicated primarily to human services. They have no plan to expand their fundraising around sustainability or to direct it toward municipalities in this field.

Additionally, the City is reevaluating its policies and approaches to grants. Based on new federal grant reporting and audit requirements, the level of effort required to apply for and manage grants has increased and minor errors in small grants may jeopardize other larger grants or outside funding sources. Even State grants and other funding sources that pass through federal funds require more oversight than before. The practical result is that it may not be practical or advisable to accept grants under

\$100,000, which as stated above are scarce in the area of climate and sustainability programs.

With regards to changes planned in how the funding is to be used in FY17 and going forward, the impact is a recurring allocation of \$80,000 for contract/temporary staffing support. As this is less than the \$165,000 allocated in the previous fiscal year, it is anticipated that most activities will continue but at a reduced level.

Question #30: On the sewer fund page, there's a reference to the "policy concerns surrounding the footing drain disconnect program". Can you please update us on the status and next steps for the FDD program? (Councilmember Lumm)

Response: The City's Footing Drain Disconnection (FDD) Program is no longer active. Based on the findings of the Sanitary Sewer Wet Weather Evaluation (SSWWE) Project, which was undertaken by the City after the suspension of the City's FDD Program in September, 2012 and was completed in late 2014, FDDs are no longer needed in the original five target neighborhoods. Though footing drain disconnections may be occurring within the City, these are either being performed by developers that have chosen to use FDDs as a method of achieving part or all of their Development Offset Mitigation requirements, or by property owners as part of property improvements, most often basement wall replacements; but they are not being performed under the City's FDD Program.

Rather than performing FDDs under the City's FDD Program, the City is undertaking other efforts based on other findings of the SSWWE project.

The City has undertaken the Sump Pump Installations Modifications (SPIM) project, which includes: a public outreach program to provide an opportunity for properties that participated in the City's Footing Drain Disconnection (FDD) program to report problems they are experiencing with their sump systems; investigation of the issues reported; identification of which locations may qualify for modification under the SPIM project; and providing of additional educational materials related to sump pumps. A staff update memo on this project is attached for your reference.

The City has also recently commenced the Sanitary Sewer Improvements Preliminary Engineering project. This project is investigating sanitary sewer capacity constraints that occur during certain wet weather events in five additional areas identified in the Sanitary Sewer Wet Weather Evaluation Project (SSWWE). This work includes conducting field work and analysis to identify sources of sewer inflow, evaluating alternatives for addressing sanitary sewer capacity constraints, engaging the areas affected by and influencing the five areas, and preparing preliminary engineering plans for the recommended alternatives. If any of the areas' recommendations include FDDs, the neighborhood engagement will fully explore what parameters would be necessary to include this as a viable alternative for solving that particular constraint area.

Question #31: Mr. Hupy indicated there was data available for five years or so on the incremental capital investment driven by the Green Streets Policy. Can you please provide that data and please confirm that when additional cost is incurred (for Green Streets Policy) over what the costs would have been for traditional road repair that the Stormwater Fund bears those costs, not the Street Millage fund?

Response: Since the Green Streets Policy was approved by City Council in February, 2014 the City has undertaken four street reconstruction projects, Stone School Road Reconstruction (completed); Springwater Subdivision – Phase 2 (designed); Geddes Avenue Reconstruction (underway); and Stadium Boulevard Reconstruction (pending). Separating out the costs to the Stormwater Fund for these projects specifically associated with meeting the requirements of the Green Streets Policy from the other stormwater items on these projects is more difficult than anticipated, as the cost accounting for the Stormwater Fund contributions to these projects does not distinguish the separate funding of the various aspects of stormwater work within the projects. If there is a desire to quantify these costs going forward, a tracking mechanism will need to be established.

Question #32: Mr. Hupy indicated the current tipping fees the city was paying were \$13/ton compared with market rates of \$20-\$21 a ton. Can you please provide data on the tonnages and total dollar cost for the tipping fees the last couple of years. (Councilmember Lumm)

Response: WM Woodland Meadows Tipping Fees

FY14	\$825,603	\$13.28/ton = 62,169 tons
FY15	\$915,835	\$13.57/ton = 67,489 tons

Question #33: Regarding the \$183,950 request in Public Services Systems planning for the City's share of the Connector Service Design, that's an awfully precise number so there must be a set of assumptions for the total costs as well as what entities will be funding the costs (and the amounts for each). Can you please share those assumptions? (Councilmember Lumm)

Response: The estimated cost is based upon a preliminary estimate of \$3M total cost for the next phase of the Connector project, the Environmental Review and Concept Design. Our assumptions include the University of Michigan (UM) funding 75% of this phase of the project (\$2.25M), leaving \$750,000 to be divided between the other project partners - - the City, the AAATA and the DDA. Using current MOU funding distribution, the City assumed a 20% share of the non-UM local share or \$150,000. The additional funds (\$33,950) are for City staff time involved in this phase of the project, including Systems Planning and Project Management staff. There is also a \$3,000 item for staff training and development for participation in the annual *Rail~Volution Conference*, which will enable staff to stay abreast with technology development, advances in system innovation and coordinate with Federal agencies.

Question #34: At the meeting, the higher costs of the City's plowing snow at 2 inches rather than 4 inches was mentioned. Can you please quantify (approximately) what the incremental operating cost would be at 2 inches and whether there would also be any incremental one-time cost for equipment? (Councilmember Lumm)

Response: An estimate of an "average" cost per 4" plowing event is \$50,000. On an average winter, Ann Arbor has 7-10 snowfall events that are at least 2" but less than 4", so the additional operational cost in an average winter would be \$350,000-\$500,000. In addition to the added operational costs, additional staffing and equipment would be necessary. Two additional pieces of snow removal equipment and two additional FTEs would be needed, equating to an estimated \$340,000 in estimated capital costs and \$240,000 in new and recurring operating costs.

The estimate does not include "lost productivity" costs for diversion of labor and equipment from other work areas during these 7-10 events. That calculation would require more analysis than can be accomplished during budget preparation.