



TO: Mayor and Council

FROM: Derek Delacourt, Community Services Area Administrator

CC: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator
Brett Lenart, Planning Manager
Lisha Turner-Tolbert, Building and Rental Services Manager

SUBJECT: Community Services: Neighborhood Partnership Program, ReImagine Washtenaw, Rental Housing Inspections

DATE: May 10, 2017

Question #54: **Neighborhood Partnership Program** – the recommendation is for \$100K in recurring funding for this program. Do we have a sense at this point of the process specifics including the kinds of projects/requests that would be considered, if there's a maximum funding amount for any one project, or program timing (when the applications will be accepted, when decisions made, when funding awarded)? (Councilmember Lumm)

Response: The Neighborhood Partnership Program's (NPP) intent is to establish a mechanism for assisting neighborhood groups in developing, resourcing, and executing small to medium sized improvement projects in the City's right-of-way or on publicly owned property. It also will provide the funding for the A2 Green Grants program, which is part of the Ann Arbor Climate Proposal offered by the Environmental and Energy Commissions, Huron River Watershed Council, and the Ecology Center. The NPP may also assist neighborhood groups in identifying and applying for federal, state, and/or private funding grant opportunities. The program rules and process are currently under development and will be forwarded to Council for consideration when completed. Determinations regarding maximum funding amounts have not been established. The NPP is envisioned as a rolling fund that carries balances forward from year to year. We will seek the carryforward approval, if necessary, during the FY19 budget adoption.

Question #56: Reimagine Washtenaw – recurring funding of \$5K is recommended on page 3 of the budget message. What would that be used for and what is the current status of the initiative? (Councilmember Lumm)

Response: The funds would be used to support the half-time project manager within the Washtenaw County Office of Community and Economic Development. Four local governmental unit partners contribute \$5,000 per year, and The Ride contributes \$15,000 per year. The County has coordinated this multi-jurisdictional project since its inception in 2009. The ReImagine Washtenaw coalition has adopted a comprehensive plan for implementation of the future of the corridor, which was adopted by the City of Ann Arbor in 2015. The County assists partners with sidewalk infill projects, easement acquisition to allow the future planned Complete Streets cross-sections, installation of mid-block crossings and new signals with pedestrian crossings, development review assistance to ensure proposed developments are consistent with the ReImagine Washtenaw Plan, and working with The Ride on transit improvements, such as “Super Stops,” or enhanced bus stops with modern amenities to improve the transit users’ experience.

Question #59: Rental Housing Inspections – on p. 57, significant revenue impacts (about \$300K) are shown, but the Community Services fees resolution (p. 54) suggests the fee structure is just being changed to cover both the initial and first re-inspection together rather than separately (so not adding to revenue – can you please clarify that? Also on p. 54, it states that "this change is coupled with a proposed ordinance change extending the inspection period from 2 ½ years to 3 ½ years for any compliant initial inspection." When do you expect that Council will see that proposed ordinance change? (Councilmember Lumm)

Response: The number identified on p. 57 represented the entire revenue generated from that fee. It has since been adjusted to correctly reflect the change from the previous fee structure to the proposed. The corrected revenue impact amount is \$28,740. The correction was made prior to the public hearing and consideration of the 2018 fee schedule.

The proposed ordinance change will be presented prior to the new fees taking effect July 1, 2017.



TO: Mayor and Council

FROM: Susan Pollay, Executive Director, DDA
Joe Morehouse, Deputy Director, DDA

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

SUBJECT: DDA

DATE: May 10, 2017

Question #76: Why does the DDA need a parking manager when the DDA contracts it out to Republic Parking? (Councilmember Kailasapathy)

Response: In addition to our March 31 response, which is attached for reference, more information is provided. To optimize the services provided by the DDA's parking operator, it became apparent that a half-time FTE did not have the time to oversee parking operations, while also pursuing new and more detailed reporting, upgrading technology, and facilitating repairs and construction. The DDA Manager of Parking Services position was created with the following responsibilities:

- Directly supervises the DDA parking system operator to ensure smooth management of daily operations, strategic projects, and implementing tactical assignments
- Maintains regular communication with the parking operator about daily operations, as well as planning for special events, facility repairs/construction and parking rate changes
- Verifies the accuracy of parking usage, revenue and expense data from the parking operator
- Verifies the parking operator's expenses
- Verifies the parking operator's monthly permit and validation billings are accurate and that accounts receivable are being managed in keeping with DDA policies
- Prepares standard and special reports about the parking system for the DDA

Important projects taken on by the Manager of Parking Services this year were:

- Overseeing the consultant RFP process, and then serving as Project Manager for a Parking Operations study which provided a detailed assessment of current parking revenue collection practices and procedures, procurement, and expense management.
- Overseeing the RFP process to bid out the parking operator contract, which included coordination with a consultant assisting the process, facilitating a pre-bid facility tour, facilitating interviews, doing reference checks and preparing materials for DDA committee and board review, including writing a new parking operator contract.
- Working with Republic Parking to produce new reports to assist the DDA in its oversight role. This included a report analyzing parking operator staffing levels, and a report analyzing peak times for facility entries/exits.

In FY18, the Manager of Parking Services is needed to take on a number of important projects, including:

- Overseeing the parking operator to implement new TDM-related parking system changes, which are anticipated to include zonal parking rates and time limit changes.
- Overseeing a project to create a comprehensive information tool to communicate about the different types of public parking options. The project has been dubbed a “Field Guide to Parking”, and once created, would be designed so targeted information can be shared as needed.
- Overseeing the implementation of a new parking payment system for the epark machines which will enable patrons to pay for on street parking using their smartphone or computer.
- Overseeing the bidding and selection process for new parking equipment at the Fourth & William parking structure.
- Developing a new system to measure parking patron satisfaction, as survey cards are no longer generating sufficient response.
- Coordinating the monthly City/DDA parking enforcement and operations meetings, including debriefing after the 2017 Art Fair to refine parking operations details particularly for the Sunday date of the event.

Question #77: Why does the DDA need a communications specialist for the DDA? Is that person going to do PR work for the DDA? (Councilmember Kailasapathy)

Response: In addition to our March 31 response, which is attached for reference, more information is provided. For a few years the DDA has planned for/but not yet hired a Communications Specialist whose role would be similar to the role played by the City’s Public Works Communication Specialist. This position would accomplish what the City’s Communication Department does so well – which is enhance citizen understanding of DDA projects and increase engagement to offer more meaningful opportunities for feedback about DDA projects, services, and operations. One example of this is the need to engage with the community more fully about parking-related issues. The 2015 Nelson/Nygaard Plan recommended numerous changes to parking rates, meter hours, and time limits, to better serve downtown. The DDA would like to

work in-depth with downtown stakeholders to discuss the goals of these changes and get feedback on timing and implementation to minimize negative impacts. In addition, the DDA is underway with three streetscape improvements projects, and there are future projects in the queue. The DDA seeks to share as much information as possible about its projects and programs, and to engage the community using a variety of media. The DDA currently does not have the staff capacity to accomplish this.



TO: Mayor and Council

FROM: Susan Pollay, Executive Director, DDA
Joe Morehouse, Deputy Director

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

SUBJECT: Downtown Development Authority (DDA)

DATE: March 31, 2017

Question #37: On slide 16 of the March 13th presentation, the first bullet says that the City's tax capture on property in DDA district is \$4.8M. The DDA's tax capture on the same property is \$6.2M so the total is \$11M and the split is about 65% DDA/55% City – how does that relative sharing of the tax revenue in AA compare with other communities in Michigan? Also, for FY17 and FY18, can you please provide the “rebate” amounts going back to the other taxing authorities as a result of the cap on the DDA TIF? (Councilmember Lumm)

Response: The figure for the City's tax capture presented at the budget presentation has been updated. The new estimate for what the City will receive in taxes from within the DDA District is now \$5.2M. In addition to the City capture, it is estimated Washtenaw County will capture approximately \$1.8M, Washtenaw Community College will capture approximately \$1.1M, and the Ann Arbor District Library will capture approximately \$0.6M.

The DDA's TIF capture includes a portion of new County, WCC, AADL, and City taxes captured from new construction within the DDA District. Of the estimated \$6.2M TIF that the DDA will capture in FY2017, the portion of this that is attributable to City taxes is 58%, or \$3.6M.

The DDA does not have any data from other cities or DDAs in Michigan to compare to, as there is no source to look to for this data. Moreover, each DDA has its own capture rules and the growth in each downtown has been different.

The City's data for FY17 estimates that based on the DDA's TIF cap, the additional revenues received by the taxing authorities, including the City, will total \$438,000. The City's portion of this is approximately 58%, or \$254,498. There is no way to estimate what the FY18 amount may be until the Taxable Values are set next spring.

Question #38: Slide 20 of the March 13th presentation references DDA debt and the last bullet point references upcoming debt service completions. How much debt is being retired and what are the projected outstanding DDA debt levels the next five years? Also, 4th & Washington appears twice – are there two separate projects and bond issues? (Councilmember Lumm)

Response: The Fourth & Washington construction bond being retired in FY 17 was originally for \$10.1M and was last refunded in 2009. Another upcoming bond completion is scheduled for FY20 (refunding a bond issued to repair multiple structures, including Maynard, Forest and demolition of the former 4th & Washington structure and construction of the current structure) originally issued for \$6.3M. The next bond scheduled to be completed will be in FY22 (a bond issued to add a floor to the 4th & William structure, originally issued for \$3.6M). Because it was refunded, the 4th & Washington construction bond is being paid off prior to the earlier bond that was used in part to repair the former 4th & Washington structure.

The projected DDA annual debt payments for the next five years are:

FY 2017	\$6.5M
FY 2018	\$5.9M
FY 2019	\$5.9M
FY 2020	\$5.0M
FY 2021	\$4.3M

Question #39: At the work session, we discussed the new parking manager position that was added in FY17 and that a possible new FTE for communications would be added to the DDA staff. Can you please provide a bit more detail on what the communications FTE would do? (Councilmember Lumm)

Response: The DDA's parking system has grown enormously in complexity and size over the past decades. Originally overseen by the DDA by a .5 FTE, the parking system requires much more oversight and management that can only be done with additional staff.

In FY17 a Parking Manager position was created. This individual is responsible for day-to-day oversight of the DDA's parking operator, to ensure that DDA parking policies and programs are implemented effectively. This includes reviewing for accuracy and compliance all reports submitted to the DDA, ensuring effective preplanning is done so parking operations run smoothly especially during special events or peak periods, as well as taking on special projects such as overseeing the parking operator RFP

process, or addressing issues that might arise from projects such as the installation of the new epark machines.

An FTE is shown for a possible communications staff member because the DDA recognizes the need to engage more with the public about DDA programs and policies, so citizens have a greater awareness of and involvement with the DDA,. A job description would need to be developed, but it is envisioned this FTE would be responsible for the development and maintenance of effective communication practices which affect the DDA's relations with the public. In particular, it is envisioned that this future staff person would be focused on working with the public on issues related to public parking, such as about rate changes, changes to meter enforcement or significant construction and repair projects.

Judge Burke,
Judge Hines,
Judge Valvo, and
Court Administrator
Samborn



State of Michigan
15th Judicial District Court
301 E Huron St • Ann Arbor, Michigan 48104
www.15thdistrictcourt.org

Question #69: 15th District Court Grant revenue – can you please explain the large swings in major grant revenue for the Court (FY15 and FY16 actuals of about \$500K, a FY17 budget of \$1.M and FY17 forecast of \$268K? I assume there's nothing budgeted for FY18 because we can never assume grants, but what is the outlook for receiving the state court grants and other grants we seem to typically receive? (Councilmember Lumm)

Response: The grant fiscal years and city fiscal year do not coincide. The grant budgets are therefore multi-year and any unspent amounts carry forward from fiscal year to fiscal year. The fiscal year 2017 amended budget includes both carried forward amounts as well as new grant awards. At the time the forecast was done, we anticipated \$268K in expenditures. Since that time, the new grant awards have expensed more than the amount forecast. We anticipate spending closer to \$400K. The city/court is a reimbursement only entity with respect to these grants and as such revenue equals the amounts expensed.

Correct, we do not assume grants in the adopted budget for the reason stated. Any remaining 2017 amounts will be rolled forward. With respect to the outlook on grant funding, we do not have any information that leads us to believe that funding will be reduced at the present time. Funding for three of the awards comes from the State of Michigan, and funding for one grant comes from the federal government.

Question #70: 15th District Court funding for contracted work – thank you for the helpful, detailed rationale provided March 31st for the added FTE request. Could you also please elaborate on the rationale for the requested \$75K increase in contracted work? (Councilmember Lumm)

Response: The increase in contracted work is for court security weapons screening \$35K; mediation services \$5K; foreign language interpretation services \$20K; and, legal representation for indigent defendants (appeals to circuit court and cases where the contract attorneys cannot represent a defendant due to a conflict) \$15K. The rationale for each is as follows:

- Prior to the beginning of 2017, the court security weapons screening station was routinely staffed by two deputies except when docket volumes were large or scheduled cases presented higher level security concerns. This staffing level was not in line with best

practices as published by the National Center for State Courts, which calls for a minimum of three officers at a security screening station. Because it is a public and officer safety issue, the Washtenaw County Sheriff's Office is firm that best practices standards must be followed going forward.

- The Washtenaw County Dispute Resolution Center (DRC) is a non-profit agency that provides mediation services (multiple mediators and administrative support) to parties involved in small claims cases every other Wednesday afternoon at the Justice Center. Litigants actively work with the mediators to clarify the issues in dispute and resolve their cases. This provides a higher level of satisfaction for the court user while also providing increased efficiency for the court. In July 2016, the DRC submitted a written request asking the court to consider an increase of \$5K to the contract amount as the services provided are worth \$150 per hour and there had been no increase since July 2012. We confirmed with the State Court Administrative Office Dispute Resolution Office that the hourly rate quoted was reasonable. Based upon the rate, the value of services provided would be \$15.6K; however, the increased contract amount would be \$12.5K.
- The court is required by law to provide foreign language interpreters to parties involved in criminal and civil cases if the services are necessary for meaningful participation. There has been a significant increase in services requested since the Michigan Court Rule governing appointment of foreign language interpreters changed in 2013. Interpretation costs in 2016 were \$27.9K whereas in 2013 expenses totaled \$10.7K.
- The court is required to provide effective legal counsel to indigent defendants. The contracted legal firm does not handle appeals to circuit court and, additionally, the firm cannot represent defendants when there is a conflict of interests. While this is a relatively rare occurrence, the law requires that an attorney be appointed and be reasonably compensated. The court maintains a list of attorneys who are willing to accept court appointments that it utilizes when a conflict occurs or when a defendant's request to appeal his/her case to circuit court is approved. Over time, the number of attorneys who are willing to accept court appointments made by the 15th District Court has dwindled. The court is requesting additional funding in order to be more realistic and in line with the rates paid by the neighboring 14A District Court for legal services provided by court-appointed counsel with the expectation that more attorneys will then be willing to accept appointments from our court.



TO: Mayor and Council

FROM: Karen Lancaster, Finance Manager

CC: Larry Collins, Fire Chief
Derek Delacourt, Community Services Area Administrator
Tom Crawford, CFO
Howard S. Lazarus, City Administrator
Robyn S. Wilkerson, Director, Human Resources and Labor Relations

SUBJECT: Fire

DATE: May 10, 2017

Question #88: Regarding fire inspections and fees, thank you for the Administrator's memorandum regarding the conversion of fire inspection services. The conversion is referenced in the response Friday to my budget Q on fire inspection fee changes – the response indicated that “there may be changes in fire inspection fees in FY18 and FY19, as fire inspection operations are in the process of transitioning to Community Services. Fees will be evaluated in relation to any change in process or cost of service”. What does the Fire Dept. or Community Services revenue budget assume for Fire Dept. inspection fee revenue, and what structural fee changes are reflected in that assumption? (Councilmember Lumm)

Response: The revenue assumed \$400,000 in FY18 and FY19 with no structural fee changes assumed.



TO: Mayor and Council

FROM: Robyn S. Wilkerson, Director, Human Resources and Labor Relations

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

SUBJECT: Human Resources

DATE: May 10, 2017

Question #89: Severance pay – can you please provide the total actual employee severance payment amounts the last five years? (Councilmember Lumm)

Response: Please see chart below.

Process Status	Posted 1601
Account Code And Description	- Severance Pay

Actual Amount Row Labels	Column Labels					
	Fiscal Calendar 2012	Fiscal Calendar 2013	Fiscal Calendar 2014	Fiscal Calendar 2015	Fiscal Calendar 2016	Fiscal Calendar 2017
0003 Downtown Development Authority	0.00		0.00	0.00		
0010 General	1,188,957.17	525,980.16	393,742.32	416,642.87	1,185,391.43	1,055,419.17
0011 Central Stores	1,067.50		1,694.05			
0012 Fleet Services	33,660.58					
0014 Information Technology	13,612.26	11,832.53	22,055.25			
0016 Community Television Network	12,441.06		9,582.97			
0021 Major Street	21,852.86	28,128.89	10,776.65	78,162.75	48,587.74	17,520.67
0024 Open Space & Park Acq Millage	35.00				0.00	
0026 Construction Code Fund	7,280.71	2,660.64		110,342.68	68,533.26	207.77
0042 Water Supply System	297,310.43	8,965.19	146,136.62	58,474.58	58,004.20	5,094.67
0043 Sewage Disposal System	42,133.86	13,560.82	73,377.83	80,434.59	77,445.17	39,479.22
0046 Market Fund	1,512.97					
0047 Golf Courses Fund	710.50	38,261.79				
0048 Airport	1,260.00	954.27	904.74			
0049 Project Management	5,407.50	79,770.10	1,101.17	0.00	0.00	0.00
0057 Risk Fund	15,242.01	22,916.91				
0059 Pension Trust Fund						42,989.04
0061 Alternative Transportation	52.50					
0069 Stormwater Sewer System Fund	12,481.73	2,720.01	895.40		1,398.27	424.08
0071 Park Maint & Capital Imp Millage	56,414.68	13,192.42	8,145.91	30,220.25	38,944.44	
0072 Solid Waste	12,341.17	16,778.47	29,005.97	43,707.07	5,532.04	41,085.96
00MG Major Grants Programs			731.04			
Grand Total	1,723,774.49	765,722.20	698,149.92	817,984.79	1,483,836.55	1,202,220.58



TO: Mayor and Council

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

CC: Tom Crawford, CFO
Nick Hutchinson, City Engineer
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Public Services – Project Management

DATE: May 10, 2017

Question #47: What is the cost of each “gateway treatment” as examined in the recent Western Michigan study? (Councilmember Warpehoski)

Response: The installed cost for each in-lane sign is approximately \$300. The number of signs at each crosswalk location will vary depending on the number of lanes of traffic and other factors, however the most common installation includes 4 of these signs. The estimated costs for 4 signs installed are approximately \$750, which takes into account that mobilization costs are assumed in the each sign cost of \$300. These costs do not include pavement markings and advance signage, which may or may not already be in place at a specific location. Beyond installation, there is an annual maintenance cost of approximately \$500.

Question #48: How many sites have crossing guards? (Councilmember Warpehoski)

Response: There are currently 20 locations throughout the City at which crossing guards are stationed. There are currently none stationed at locations that have gateway treatments.