



TO: Mayor and Council

FROM: Tom Crawford, CFO
Susan Pollay, Executive Director, DDA

CC: Steven D. Powers, City Administrator

SUBJECT: DDA

DATE: April 24, 2015

Question #31: I understand you indicated the DDA TIF revenue is one of the last items finalized in budget development, but when you have it, please provide the DDA TIF tax revenues for FY16 and FY17 as well as the LDFA. (Councilmember Lumm)

Response:

FY16 – DDA \$5.321 mil. (an increase of \$250k over the last projection)
FY16 – LDFA \$2.538 mil.

FY17 projection DDA - \$6.0 mil.
FY17 projection LDFA - \$2.747 mil.



TO: Mayor and Council

FROM: Tom Crawford, CFO
John Seto, Police Chief

CC: Steven D. Powers, City Administrator

SUBJECT: Safety Services

DATE: April 24, 2015

Question #105: Given the concerns for increased training for police regarding issues of prevention of bias based policing and dealing with people with mental illness, what resources are being budgeted for such training in the 2016 budget? What would the added cost be to reinstate Crisis Intervention Team training and processes, or other such processes? (Councilmember Warpehoski)

Response: The FY 2016 recommended budget has the following police department accounts for training:

- General Fund for Training: \$53,800
- MCOLES (Michigan Commission On Law Enforcement Standards) Training Fund: \$20,000 - This is an estimated amount based on past history and may vary based on the dollar amount per sworn officer that the State decides to distribute for the fiscal year.

These funds are for all the various types of training that may be required throughout the fiscal year. The police department does not budget specific amounts for the various types of training.

The cost of reinstating Crisis Intervention Training will depend on the scope of the training. Chief Seto met with the Executive Director of Ann Arbor Center for Independent Living and the Chair of the Commission on Disability Issues on April 14, 2015. Providing C.I.T. training to the police department was one of the topics

discussed during this meeting. There will be a follow-up meeting in May and more information may be available at that time as to the cost of C.I.T. training.



TO: Mayor and Council

FROM: Tom Crawford, CFO
Craig Hupy, Public Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Public Services

DATE: April 24, 2015

Question #89: Why do you think the current water trends aren't a long-term trend? How are we tracking for 2015? (Councilmember Lumm)

Response: Two years of downward usage is not considered a long-term trend; however, we need to be cautious that this could be the beginning of a long-term trend that we should be prepared to respond to. Consumption can be variable because weather patterns are a major influence in consumption. FY 2015 consumption continues to trend downward as we have experienced wet weather in both the summer and fall months.

Question #90: Regarding Proposal 1, please provide what funding estimate would be with regard to water main replacement and how it impacts capital plans for water main replacement. (Councilmember Lumm)

Response: Until Proposal 1 passes and it is understood when payments will start flowing to municipalities, the road projects cannot be programmed. Until the road projects are known, utility impacts cannot be determined. It is true to say increased road work equals increased utility investments. Road work is already planned with utility investment consideration.

Question #91: Regarding solid waste, please provide status of where we are on multi-family unit recycling efforts. (Councilmember Westphal)

Response: The City has implemented a Multi-Family Unit Recycling Incentive Pilot Study (27 Month Study) to guide efforts to increase the diversion rate in multi-family

sites. The City held a kick-off meeting on September 22, 2014, with the Consultant Team and City staff. The group has met an additional three times to review comments and receive updates on the pilot project methodologies and program status. The Consultant has contacted five multi-family communities to be part of the study and will be conducting in person interviews with property managers during April and May. The Consultant has developed two surveys, one for the property manager and one for the tenants. Survey distribution is to begin in March. The Consultant anticipates implementation of the pilot program from September 2015 to October 2016.

Question #64: What is the timetable for the proposed new drop-off station?
(Councilmember Westphal)

Response: Response previously provided on April 10, 2015. The County is currently leading the project. City staff are active participants in the County led meetings. The County’s current estimate for occupation of a new facility is three years.

Question #92: Regarding commercial recycling, provide detail on funding.
(Councilmember Westphal)

Response: Commercial Recycling is funded by the Solid Waste Millage. Approximately 9,678 commercial carts and 120 commercial dumpsters are serviced City wide.

Question #93: Regarding solid waste and recycling, why is the revenue flat while there is a dramatic increase in recycling costs; explain the widening gap and what is the driver of the costs going forward? (Councilmember Kailasapathy)

Response: The expenditures take into account contracted increases for recycle processing and increased employee and equipment costs. The revenue forecasts reflect the current market conditions for the sale of recyclables, which has been flat.

	Actual FY 12	Actual FY 13	Actual FY 14
Recycling Processing Credit	\$1,353,571	\$507,044	\$538,976

Question #94: How is the solid waste millage allocated? Provide information on composting food, costs of adding food to composting process, estimated tonnages, etc.
(Councilmember Briere)

Response:

Waste	6,462,613
Compost	922,587
Material Recovery (Recycling)	4,688,439
Landfill	410,051
Administration/Depreciation	2,159,969
Capital	4,380,000
Systems Planning	256,940
Customer Service	368,461
	19,649,060

Currently, the food waste is processed at an annual cost of \$14,950. The residential scrap food program is estimated an additional annual tonnage increase of 1,000-1,500 tons (estimated because food waste is co-collected with yard waste at the curbside). The program, which is currently in a pilot phase, has been successful and the contractor has agreed to extend the program into the future with a 30-day cancellation notice.

Question # 95: Provide shortfall detail on Solid Waste Fund and give us a sense of the programs that we have discussed. (Councilmember Lumm)

Response: FY 18 expenditures are forecasted to exceed annual revenues by \$524,064 due to the anticipated increase in landfill tip fees.

Question #96: For Green Streets, explain why benefits and barriers for both Green Streets and complete streets. (Councilmember Briere)

Response: Impervious surfaces can quickly convey polluted runoff during wet weather events to nearby waterways. Over the past several years, a philosophical shift has occurred in stormwater management to address runoff at the point it is created. With approximately 25% of the impervious land area in the City of Ann Arbor being public right-of-way, the Green Streets Policy addresses a community need as well as regulatory requirements under the City's National Pollutant Discharge Elimination System (NPDES) permit by managing stormwater on-site as part of City road reconstruction/construction projects. In addition, staff anticipates that overall maintenance costs for green street facilities will be reduced compared to those for traditional pipe facilities; but, this has yet to be quantified for completed City projects, as there has not been enough time to fully document and compare costs.

Benefits to the Green Streets policy include:

- Water quality improvements to the stormwater that ultimately discharges to the Huron River. (Pollutants removed include Phosphorus, Nitrogen, Sediments, Road debris)
- Reduction in amount of runoff reaching the Huron River (thus reducing downstream impacts)

- Promoting infiltration where the rain falls (thus reducing flooding in smaller storms)
- Addressing the runoff created from the roadway and right-of-way (approximately 25% of the impervious land area in the City of Ann Arbor is Public right-of-way)

Barriers to the Green Streets Policy include:

- Limited funding available in the Stormwater Fund
- Modification or adaption of maintenance practices required

The City has long embraced the concept of Complete Streets, through its standards and design approaches including: providing sidewalks on both sides of streets; defining an appropriate accommodation for bicyclists within the right-of-way; basing planning and project decisions on comprehensive community input; administering a long-standing transit millage; and allocation a portion of the City's Act 51 funding for expansion and maintenance of a non-motorized transportation system. In 2010 the State of Michigan enacted Public Act 134 of 2010 which resulted in new competitiveness guidelines for state transportation funding giving preference to projects supporting "a community's Complete Streets policy."

Benefits to the Complete Streets policy include:

- Provides streets that comfortably accommodate all users of all ages and ability levels, including pedestrians, cyclists, transit riders, and motorists
- Aligns project planning, design and implementation with the City's current Transportation Plan and Non-Motorized Transportation Plan updates
- Consistent with the State of Michigan Complete Streets Statute, allowing the City to remain competitive in the pursuit of state transportation project funding
- Integrates planning for adjacent land use in synch with transportation corridors

Barriers to the Complete Streets Policy include:

- Funding limitations, particularly for new non-motorized system elements and for maintenance of all of the expanded transportation systems
- Limited rights-of-way, coupled with existing automobile emphasis. Issues with the width of a corridor may preclude accommodating all users. The majority of travel along Ann Arbor's roads is vehicular and therefore, the emphasis has been to best meet the needs of the majority. This may come at the expense of the other forms of transportation, e.g. bicycles or pedestrians.

Question #97: For Green Streets, can you quantify how much capital investment green streets have driven and why the projected 6-1/2% revenue increase is not enough? (Councilmember Lumm)

Response:

Recently Completed Road Projects that addressed Stormwater Management*:

*These projects were designed, and constructed before adoption of the Green Streets Policy, but include its principles

Year Completed	Project	Stormwater Cost
FY2012	Dexter Avenue (Maple to Huron)	\$1,049,135.00
FY2012	Stadium Bridges	\$486,393.19
FY2013	South Forest Avenue	\$400,062.91
FY2013	South Fourth Avenue - Huron to Liberty	\$353,028.52
FY2014	Springwater Subdivision – Phase I	\$768,869.55
FY2014	West Madison Avenue	\$818,300.00
FY2014	Miller Avenue	**\$990,630.60

**Estimated, as project final cost not yet determined

Proposed Stormwater Capital Improvements for Road Projects:

Year Proposed	Project	Proposed/Estimated Stormwater Cost
FY2015/FY2016	Stone School (Ellsworth to I-94)	\$2,200,000
FY2016	Geddes Avenue	\$2,000,000
FY2016	Stadium Boulevard (Hutchins to Kipke)	\$2,500,000
FY2017	West Liberty (South First to South Main)	\$450,000
FY2018	North Fifth Ave (Kingsley to Catherine)	\$450,000
FY2018	Scio Church (South Main to South Seventh)	\$2,000,000
FY2019	South Seventh (Greenview to Scio Church)	\$650,000
FY2020	Detroit Street Brick Road Stormwater	\$1,300,000
FY2020	South Division Ave (Hoover to Madison)	\$1,000,000

The 6.5% revenue increase is not just for addressing Green Streets needs. Of the approximately \$7.5 million annual request, it must also address the multitude of other projects and programs that are funded by the Stormwater Utility, including:

- Operations & Maintenance
- Street Trees/Urban Forestry
- Traditional Pipe Projects
- Floodplain Programming
- Non-road related projects (e.g., streambank stabilization projects; regional detention projects; flood mitigation projects; water quality improvement projects)
- Debt service
- Administration and Customer Service

Question #98: Explain the up and down flux of costs in the Fleet Fund.
(Councilmember Kailasapathy)

Response: Vehicle and Equipment replacement has a major influence on the annual budget for this fund and therefore fluctuates with the amount of replacements being made in a particular year. FY 16 includes the one-time return of accumulated fund

balance to the users of the fund, which increases both the revenue and expenditure side of the budget.

Question #99: What are we paying into tipping related costs today compared to the last five years in the Solid Waste Fund? (Councilmember Kunselman)

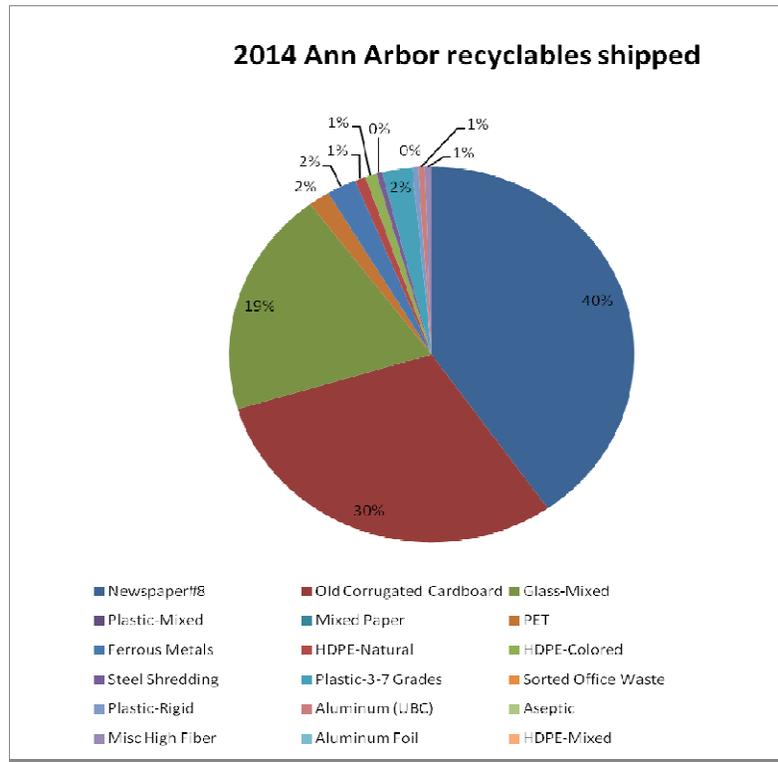
Response:

WASTE MANAGEMENT DISPOSAL RATES - PER TON					
	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Residential	\$ 12.28	\$ 12.71	\$ 12.99	\$ 13.28	\$ 13.57
Street Sweeping	\$ 12.28	\$ 12.71	\$ 12.99	\$ 13.28	\$ 13.57
WWTP Sludge	\$ 19.52	\$ 18.75	\$ 20.14	\$ 20.33	\$ 20.54

Question #100: Provide breakdown by materials in MRF Fund trends so we can see the trend in the market. (Councilmember Kunselman)

Response: Below is 2014 information. Prior years information is not readily available and would create a large amount of staff time to generate.

Material Type	Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total (tons)
Newspaper#8		1510.73	1306.02	1053.59	1205.41	1351.32	2497.1	2264.04	2061.86	1902.53	1778.23	1549.88	2206.6	20687.31
Old Corrugated Cardboard		1127.68	797.84	926.81	1034.02	1069.38	1397.14	1245.22	1253.28	1309.78	1331.76	1007.43	1237.5	13737.84
Glass-Mixed		729.89	609.28		481.39	417.51	1213.73	1050.46	1038.06	826.74	780.12	728.24	906.53	8781.95
Plastic-Mixed				110.57		63.51	236.38	289.96	334.15	131.38	128.28	20.72	131.32	1446.27
Mixed Paper					67.71	153.83	181.77	36.15	175.52	243.08	177.77	20.06	307.58	1363.47
PET		63.67	45.88	35.04	54.38	13.98	88.74	196.21	119.11	131.66	132.26	85.09	112.74	1078.76
Ferrous Metals		88.66	46.95	54.21	70.9	48.39	132.06	102.77	89.6	100.32	116.95	92.52	127.03	1070.36
HDPE-Natural		32.96	19.32	40.02	29.33	19.62	37.66	62.73	32.25	38.72	51.23	48.18	44.19	456.21
HDPE-Colored		33.73	16.08	33.12	30.1	19.77	41.16	68.04	43.1	42.09	41.93	32.32	38.71	440.15
Steel Shredding		17.68	18.41	14.01	13.07	10.42	101.24	57.15	62.82	48.23	31.76	19.1	25.66	419.55
Plastic-3-7 Grades		90.74	43.21	22.51	64.33	87.02	40.84					42.35	21.25	412.25
Sorted Office Waste				16.97	55.47	37.9	27.18	15.35	38.87	35.98	31.31	38.25	29.24	326.52
Plastic-Rigid		16.87	12.49		34.9	17.13	16.29	20.76	39.65		20.26	18.06		196.41
Aluminum (UBC)		18.99		22.4			21.81	32.26	18.77	16.5	19.53	17.78	20.12	188.16
Aseptic				24.96				4.56	22.79	2.12			10.75	65.18
Misc High Fiber		20.82	27.18	10.74										58.74
Aluminum Foil				8.64										8.64
HDPE-Mixed						2.06								2.06
Grand Total (tons)		3752.42	2942.66	2373.59	3141.01	3311.84	6033.1	5445.66	5329.83	4829.13	4641.39	3719.98	5219.22	50739.83



Question #101: In the MRF explanation information requested above, please provide issues and financial implications. (Councilmember Lumm)

Response: Contract interpretation differences exist between the MRF operator and the City. These differences in interpretation could result in financial implications for the Solid Waste Fund.



TO: Mayor and Council
FROM: Tom Crawford, CFO
CC: Steven D. Powers, City Administrator
SUBJECT: Human Services
DATE: April 24, 2015

Question #102: At the March 30 Work Session Tom indicated there was money budgeted in to handle cost of living/living wage increases for human services. What is the status of that? (Councilmember Warpehoski)

Response: At the meeting, staff was recalling a nominal amount (less than \$2k) which had been discussed to be added; however, it was not ultimately included.