



TO: Mayor and Council

FROM: Howard S. Lazarus, City Administrator

CC: Tom Crawford, CFO
Derek Delacourt, Community Services Area Administrator
Craig Hupy, Public Services Area Administrator
Michael Gonzales, Assessor Services Manager
Matthew Horning, City Treasurer
Nick Hutchinson, City Engineer
Brett Lenart, Planning Manager
Mark Perry, Assessor
Shryl Samborn, 15th District Court Administrator
Missy Stults, Sustainability & Innovations Manager

SUBJECT: Council Agenda Responses

DATE: February 4, 2019

AC-2 – Memorandum from City Administrator: Update on City Council Resolution R-18-446 - Resolution Directing Planning Commission and City Administrator Review of Accessory Dwelling Unit Ordinance Amendments

Question: The referred-to ordinance R-18-446 attaches a document titled “Accessory Dwelling Units an ordinance review by Jessica A.S. Letaw”. The resolution says the DDA funded and requested “a series of workshops”. Where did the money come from to pay for this, what was the cost of this, and was this “series of five workshops” a properly noticed public event in keeping with OMA? (Councilmember Hayner)

Response: The DDA’s contribution for these ADU workshops was to reimburse the speaker, Holly Huntley, for her travel and meals (\$746.60). The DDA Development Plan encourages the DDA to participate in projects that increase the supply of downtown housing. Single family homes make up more than 20% of DDA District housing, and many are owner-occupied, making information about how to pursue ADUs potentially very helpful. Ms. Huntley was invited to lead these workshops as she is an experienced

ADU builder in Portland, Oregon, and also serves on Portland's Development Review Advisory Committee, a citizen's board providing feedback to Portland's City Council on development matters. Jessica A.S. Letaw organized these workshops in her role as founder of the on-line group YIMBY and the Building Matters Ann Arbor nonprofit, not in her role as a member of the DDA board. DDA staff do not have copies of minutes or lists of attendees.

Question: Does this document have any official status as a planning document? (Councilmember Hayner)

Response: No.

Question: Were any members of City Planning Staff participants in this "series of five workshops"? (Councilmember Hayner)

Response: Yes, staff was present at several of the workshops to answer questions about process and/or current requirements.

Question: . Can you provide links to the notes or public record of workshop attendance, results, etc.? (Councilmember Hayner)

Response: The report was attached to Resolution R-18-446 here: <http://a2gov.legistar.com/LegislationDetail.aspx?ID=3716609&GUID=5D6AC405-7434-47AF-B97B-37A6B49E0758&Options=ID|Text|&Search=R-18-446>. No attendance lists were provided.

Question: How and why has Jessica Letaw's unofficial report become embedded as a resource document for evaluating changes to the ADU ordinance? Please remove it. (Councilmember Bannister)

Response: Resolution R-18-446 was approved by Council on November 8, 2018, and the Resolution specifically referenced the report. It is now part of the record of Council's decision.

Question: Parts of the review are ongoing, so how/why is this unofficial report is giving the appearance of official recognition of the ongoing process? (Councilmember Bannister)

Response: The Resolution directed staff to look at changes to encourage the realization of more Accessory Dwelling Units in the City. The Resolution provides background on how the report was developed, but does not adopt the report or its recommendations. The report was attached as a resource that raises possible ideas for ordinance amendments.

Question: If an official report is needed to gather interest of the public, then shouldn't that meeting and report be properly held and noticed? (Councilmember Bannister)

Response: No official report is necessary for this effort apart from the recommendations that will be made by the Planning Commission as required by City Code. The Planning Commission recommendations regarding ordinance amendments will be made after a public hearing that has been properly held and noticed.

AC-3 - Memorandum from City Administrator: Appraisals - February 1, 2019

Question: Why is it necessary to appraise a property before setting a lease price for same? For example, the 926 Mary Street parking lease to the University of Michigan. Why would we do an appraisal when we could just compare the per/spot leasing rate to other parking spots in the current parking system? (Councilmember Hayner)

Response: Section 1:321 of the City Code requires appraisals prior to leasing property unless one of the exceptions is met. One such exception is where the City Administrator recommends that an appraisal is unnecessary (Section 1:321(4)). As noted in the memo provided to Council, the City Administrator believes that an appraisal for the 926 Mary Street parking lease is unnecessary because the parking pass information is public.

Question: Is \$5/space over UM Parking Pass cost typical for a parking lease? (Councilmember Hayner)

Response: Staff is only aware of two leases that involve University of Michigan parking. The Fuller lot is a Yellow pass for the U-M parking permits. To our knowledge the fees have not historically been directly linked to the U-M permit cost as the spaces are still available to park users for a significant portion of time.

Question: What do we charge for the Fuller Park lease per/space? (Councilmember Hayner)

Response: If one takes the annual rental amount (\$94,248.00) and divides by the amount of parking spaces (485), the amount per space is \$194.00.

Question: What is the process for raising the lease fee for the 926 Mary Street parking lot? (Councilmember Hayner)

Response: The increase will be negotiated in the coming months. Both parties would need to agree.

Question: Is it the consideration of Planning Staff and Parks Staff that leasing the Eberbach Cultural Arts Building to the AAPS for \$1/year is the highest and best use of that building? (Councilmember Hayner)

Response: As noted in the memo, the policy decision was made to support Rec and Ed programs as they benefit Ann Arbor residents. AAPS, through Rec & Ed, have been conducting community programming at Eberbach for over 30 years.

Question: Has the AAPS kept up with the maintenance of that building? Last time I was over there I saw a hanging gutter and downspout on the parking lot side, and the corner building sign was in disrepair. (Councilmember Hayner)

Response: The City and AAPS have worked well together regarding maintenance issues at Eberbach. A replacement for the corner lot building sign is already being fabricated. The gutter and downspout conditions will be reviewed by staff and addressed.

CA-1 - Resolution to Approve an Agreement with Washtenaw County Community Mental Health to provide Mental Health Treatment Services to Mental Health Court Participants (\$30,704.00)

Question: Under the III. SERVICES part of the agreement, sections B & C reference quantity and quality of services. Do we know how many people in the court system are served by this agreement with Washtenaw Community Mental Health? Do we know anything about how many more people or how many additional services might be available with additional funding, e.g. are there people who would qualify for services but don't currently receive them? (Councilmember Nelson)

Response: The funds allotted in the Mental Health Treatment Court (MHTC) 2019 grant budget for Washtenaw County Community Mental Health (WCCMH) are earmarked to pay for mental health services for participants who are uninsured or underinsured. The level of funding requested by the program coordinator from the State Court Administrative Office in the grant budget was estimated based upon usage of services in prior grant years. In addition to those participants whose services are funded through the grant, the WCCMH organization provides services to MHTC participants who are insured through private insurance and/or government programs. WCCMH has a team comprised of four staff members (two social workers, a psychiatrist and a caseworker) who are assigned to work with the MHC program and its participants. This dedicated team allows a level of comfort for participants with the caregivers, and also provides a better working relationship between WCCMH and the MHTC team.

Eligibility requirements for participation in a mental health court program are set forth by statute. In addition to statutory requirements, an eligible defendant must be willing to voluntarily participate. As program requirements are more intensive than those for regular probation, not all eligible defendants elect to participate. Furthermore, court caseload limitations are set based upon the guidelines set forth in the State Court Administrative Office's Adult Mental Health Court Standards, Best Practices and Promising Practices Manual (September, 2018) and the additional Required Best Practices publication (September 2018). A Mental Health Treatment Court probation officer's caseload should not exceed 45 active participants per supervision officer (p 6). Probationers on 45:1 caseloads received significantly more mental health services, were less likely to be arrested, and were less likely to have their probation revoked (Prins, 2009). The court has one dedicated probation agent for its program; thus, its caseload limit is 45 active participants.

The 15th District Court currently has provisional certification from the state for its Mental Health Court. During 2019, the 15th District Court Mental Health Court program is undergoing the state certification process. In order to be eligible, the MHTC program processes and procedures must be in alignment with the best practices. In order to be eligible for future grant awards, certification is required.

Historically, WCCMH was an active participant on the Sobriety Court Treatment Team. This ceased after FY 2016 when the Court was notified by WCCMH that due to financial constraints it could no longer staff our team. Before cessation, WCCMH was a valuable partner, providing assessment, monitoring and care for financially eligible defendants who had a co-occurring or secondary mental health diagnosis. In the last year of participation, WCCMH was remunerated approximately \$30,000 of grant funds for its services. The Director of WCCMH notified the Court that budgetary shortfalls prohibited their continued participation. Since that time, the Court has re-allocated the treatment funds to other providers of mental health care services.

CA-3 – Resolution to Approve an Agreement with Dawn, Inc., d/b/a Dawn Farm, to Provide Drug Abuse Counseling and Rehabilitative Services to Sobriety Court, Veterans Treatment Court, and Mental Health Court Participants (\$135,750.00)

Question: In this agreement with Dawn Farms, there is a request for 10% contingency amount to increase services—could this be further expanded if more funds were available? Do we have any reports about how many people qualify for but are not able to receive the services? (Councilmember Nelson)

Response: As the treatment needs of individual participants vary, budget allocations may not be consistent with actual needs. The 10% contingency is requested to allow flexibility. If, during the grant period, the court determines that the participants in one of its specialized programs (Mental Health Treatment Court, Sobriety Court or Veterans Treatment Court) would benefit from additional services from Dawn Farm, and funds are available elsewhere within the appropriate grant budget, the contingency would allow for a line-item budget adjustment. On occasion, Dawn Farm/the Mental Health Treatment Court have applied for Washtenaw County Scholarship Funds to pay for services for participants who qualify for Dawn Farm services after grant funds have been exhausted. This occurs approximately once per year.

CA-7 – Resolution to Approve January 24, 2019 Recommendations of the Board of Insurance Administration

Question: What does the “pollution policy” cover? How much does it cost? (Councilmember Ramlawi)

Response: The 3-year premium for the pollution policy will be \$33,752 (please see the attachment to the resolution). Coverage is \$3,000,000 per condition, \$6,000,000 in aggregate with a \$50,000 deductible. The insurance coverage is designed to protect the

city against third party suits alleging bodily injury or property damage arising out of a pollution condition that occurs after the retroactive date (February 19, 2013). The coverage includes both first party and third party clean-up expenses.

CA-8 – Resolution to Approve the Board of Review Guidelines for Poverty Exemptions from Property Taxation of Principal Residences Pursuant to MCL 211.7u

Question: How many cases of poverty exemption have been applied for in the last fiscal year? (Councilmember Ramlawi)

Response: There were 58 poverty exemption petitions presented to the Board of Review for 2018: 40 Granted and 18 Denied.

Question: What are the current income limits in place as of our last fiscal year? (Councilmember Ramlawi)

Response:

The maximum income levels for the 2018 assessment year are listed below:

Maximum Income

\$20,471-1 Person	\$42,600-6 People
\$25,720-2 People	\$46,820-7 People
\$29,657-3 People	\$51,041-8 People
\$34,160-4 People	\$5,249-Each Additional Person
\$38,380-5 People	

Question: Guideline 9 references “150% of the average assessed value of a residential class”—what are the residential classes and what would be a current number for such a value (I’m curious about an example, specific number)? (Councilmember Nelson)

Response: Property is classified according to its current use. According to statute (MCL 211.34c), the residential classification includes real property, with or without buildings, which is used for, or probably will be used for, residential and recreational purposes. A single housing unit consisting of four or less sub-units is generally included in the residential classification.

The poverty exemption guidelines reference, “homestead property”, which requires the residential classified property be owner occupied as a principal residence by the applicant.

For the 2019 assessment year, 150% of the average assessed value, based on the previous assessment year, of the residential class used for poverty exemption consideration will be \$254,700.

The 150% threshold used for poverty exemption consideration in previous years are as follows:

2018: 247,200
2017: 243,800
2016: 219,000
2015: 213,800
2014: 197,400

Question: Regarding CA-8, the cover memo indicates that the asset level maximum Ann Arbor uses (\$25K) is remaining the same, but it's not clear if the income maximum approach (2.0 times federal levels) is what we're doing now - can you please clarify? (Councilmember Lumm)

Response: The proposed poverty exemption guidelines *amend* the current policy income thresholds. The existing income levels are based on the 2014 policy adopted by Council with annual increases by the Consumer Price Index (C.P.I.) or 5% whichever is less. Each annual change has been cumulative.

The maximum income levels, based on the existing guidelines, for the 2018 assessment year are listed below (includes an allowance for each additional person of \$5,249):

# OF PEOPLE	ANN ARBOR CITY
1 PERSON	\$20,471
2 PERSONS	\$25,720
3 PERSONS	\$29,657
4 PERSONS	\$34,160
5 PERSONS	\$38,380
6 PERSONS	\$42,600
7 PERSONS	\$46,820
8 PERSONS	\$51,041

The proposed poverty exemption income thresholds for 2019 and going forward are based on a 2.0 factor applied to the Federal poverty guidelines and a 1.10 factor applied to the Federal 1-Person allowance for each additional person.

Question: Also on CA-8, can you please provide a bit of benchmark data on the exemptions approach used by other entities in SE Michigan? (Councilmember Lumm)

Response: The following table illustrates the poverty thresholds for surrounding municipalities in Washtenaw County used in establishing the poverty exemption guidelines for 2018.

# OF PEOPLE HOUSHOLD	ANN ARBOR CITY	LODI TWP	SCIO TWP	YPSILANTI CITY	YPSILANTI TWP	PITTSFIELD TWP	SALINE TWP	DEXTER CITY	DEXTER TWP	CHELSEA CITY	ANN ARBOR TWP
1 PERSON	\$24,120	\$22,500	\$24,120	\$12,060	\$18,550	\$19,100	\$12,060	\$24,120	\$17,487	\$21,978	\$12,060
2 PERSONS	\$28,718	\$26,500	\$28,300	\$16,240	\$21,200	\$25,100	\$16,240	\$28,300	\$22,736	\$29,637	\$16,240
3 PERSONS	\$33,316	\$30,500	\$32,480	\$20,420	\$23,850	\$31,200	\$20,420	\$32,480	\$27,621	\$37,296	\$20,420
4 PERSONS	\$37,914	\$34,500	\$36,660	\$24,600	\$26,500	\$37,200	\$24,600	\$36,660	\$31,980	\$44,955	\$24,600
5 PERSONS	\$42,512	\$38,500	\$40,840	\$28,780	\$28,780	\$43,300	\$28,780	\$40,840	\$35,975	\$52,614	\$28,780
6 PERSONS	\$47,110	\$42,500	\$45,020	\$32,960	\$32,960	\$49,400	\$32,960	\$45,020	\$39,552	\$60,310	\$32,960
7 PERSONS	\$51,708	\$46,500	\$49,200	\$37,140	\$37,140	\$55,400	\$37,140	\$49,200	\$44,359	\$68,006	\$37,140
8 PERSONS	\$56,306	\$50,500	\$53,380	\$41,320	\$41,320	\$60,400	\$41,320	\$53,380	\$49,166	\$75,702	\$41,320

The income amounts in red represent the Federal poverty guidelines established for 2018, which includes an income allowance of \$4,180 for each additional person.

Question: . Can you please attach MCL 211.7u(2) to this notice? (Councilmember Hayner)

Response: MCL 211.7u(2) has been attached to the Legistar file.
[http://www.legislature.mi.gov/\(S\(hixd12iqd4wyahr25zzrwbwv\)\)/mileg.aspx?page=GetObject&objectname=mcl-211-7u](http://www.legislature.mi.gov/(S(hixd12iqd4wyahr25zzrwbwv))/mileg.aspx?page=GetObject&objectname=mcl-211-7u)

211.7u

(2) To be eligible for exemption under this section, a person shall do all of the following on an annual basis:

(a) Be an owner of and occupy as a principal residence the property for which an exemption is requested.

(b) File a claim with the supervisor or board of review on a form provided by the local assessing unit, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year. If a person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year, an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return. The filing of a claim under this subsection constitutes an appearance

before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.

(c) Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.

(d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.

(e) Meet the federal poverty guidelines updated annually in the federal register by the United States department of health and human services under authority of section 673 of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

Question: How is the application process for poverty exemption noticed or advertised by the city? (Councilmember Hayner)

Response: Generally, advising property owners of the poverty property tax exemption is through several agencies including U-M Housing Bureau for Seniors, professional tax preparers, Assessor's Office, Treasurers Office, and Washtenaw County Treasurers Office. Once the Assessor's Office is advised of a homeowner in need of such consideration, the property owner is sent the poverty exemption guideline and application for completion and timely submittal for Board of Review consideration and action.

Question: In section 9 it says "If the homestead property assessed value exceeds 159% of the average assessed value of the residential class as determined by the Assessor, the poverty exemption will not be considered." Can you explain what this means in layman's terms or give examples of a property that would and would not qualify for the exemptions? (Councilmember Hayner)

Response: The poverty property tax exemption (3) eligibility criteria includes income from all sources, maximum assets (\$25,000, excluding primary residences and automobile), and home's value not to exceed 150% of average home assessed value in the city. The average citywide 2018 assessed value was \$247,200, 150% of the average assessed value was \$371,250.

By way of example, if the applicant's principal residence has a true cash value of \$400,000, the assessed value would be \$200,000; therefore, the applicant would satisfy the 150% test since it is less than \$371,250.

For the 2019 assessment year, 150% of the average assessed value, based on the previous assessment year, of the residential class used for poverty exemption consideration will be 254,700.

The 150% threshold used for poverty exemption consideration in previous years are as follows:

“2018: 247,200
“2017: 243,800
“2016: 219,000
“2015: 213,800
“2014: 197,400”

Question: How many households currently are exempted from “public charges”?
(Councilmember Hayner)

Response: There were 58 poverty exemption petitions presented to the Board of Review for 2018: 40 Granted and 18 Denied.

Question: What is the total loss to the general fund from the current exemptions?
(Councilmember Hayner)

Response:

2018 Taxable Value Poverty Exemption:	\$1,621,164
2018 Total Taxable Value:	\$5,790,833,612
% of Total Assessing Unit:	0.03%
2018 Total General Operating Millage:	0.0090189
General Operating:	0.0059407
Employee Benefits:	0.0019802
ATA Transportation:	0.0019802
2018 Poverty Exemption Tax Expenditure:	\$14,620

Question: Are “public charges” the City of Ann Arbor property taxes only, or does this exempt a homeowner from all taxing bodies collection (AAPS, County, etc.)?
(Councilmember Hayner)

Response: There is no property tax paid on the taxable value amount exempted due to granted poverty exemption. The remaining taxable value not exempted is taxable at the full millage rate. The poverty taxable value exemption applies to all tax levying jurisdictions within the city.

Question: Can you provide the previous Federal/A2 guidelines as adopted in 2004?
(Councilmember Hayner)

Response: Older Assessors Office records have been archived and are not easily accessible today. The 2007 guidelines are:

“The guidelines for maximum income exceed the federal poverty ownership income standards and will be based on the number of owner(s) and individuals in the household, and total owner(s) and individuals combined household income. Income levels will be increased annually by the Consumer Price Index (C.P.I.) or 5% whichever is less. The maximum income levels for 2006 are listed below:”

Maximum Income	
\$20,633 - 1 Person	\$47,677 - 6 People
\$25,783 - 2 People	\$52,815 - 7 People
\$32,242 - 3 People	\$57,965 - 8 People
\$37,389 - 4 People	\$63,100 - 9 People
\$42,527 - 5 People	

Question: Can you provide a chart showing what the guidelines would be if the City of Ann Arbor applied it's maximum adjusted values? (Councilmember Hayner)

Response:

# OF PEOPLE	Existing 2018 Maximum Poverty Income Calculation	Proposed Maximum Poverty Income Calculation
1 PERSON	\$20,471	\$24,120
2 PERSONS	\$25,720	\$28,718
3 PERSONS	\$29,657	\$33,316
4 PERSONS	\$34,160	\$37,914
5 PERSONS	\$38,380	\$42,512
6 PERSONS	\$42,600	\$47,110
7 PERSONS	\$46,820	\$51,708
8 PERSONS	\$51,041	\$56,306

Question: Any idea how many additional households would be eligible for exemptions at the maximum adjusted level? (Councilmember Hayner)

Response: There may not be an accurate method of forecasting “additional households” that would become eligible for the poverty exemption. The Ann Arbor MSA census will provide population figures by income brackets, but the unknown would be subset of population that does not exceed: 1) the city’s property tax maximum poverty income threshold standard; 2) owns and occupies their principal residence; 3) assets less than \$25,000 (excluding home and vehicle); and, 4) their home’s assessed value is less than 150% of the average residential assessment. As noted in the excerpt from our response to CM Nelson, during 2018 the BOR denied 18 applicants due to not meeting these eligibility criteria, the known potential population may be within these 18.

CA – 10 - Resolution to Approve a Construction Contract with Pamar Enterprises, Inc. for the Riverview Drive/Dover Place Sanitary Sewer and Water Main Extension Project (\$1,822,523.01)

Question: Regarding CA-10 (Riverview Dr/Dover Place sanitary sewer and water main Project), I appreciate that this project will be moving forward, but as noted in the cover memo, the traffic plan (where through access will only be permitted twice per hour) will be very disruptive for impacted neighbors. I do recognize the difficulty of construction in this area (very narrow roads/limited work area) and also appreciate that there have been several neighborhood meetings already, but notification to neighbors of this unusual traffic plan is essential and I’m wondering what our plan is to make sure that every neighbor is aware of the traffic plan and construction schedule? (Councilmember Lumm)

Response: Engineering will send a letter to each resident along Riverview Drive and Huntington Place notifying them of the upcoming construction project, the intended schedule, the plan for maintaining traffic, and a brief description of what to expect as a result of the project. The project webpage will be kept updated with relevant project information. Residents will also be encouraged to speak with the on-site construction inspection personnel and/or the project manager, Michael G. Nearing, if they have any questions, comments, or concerns both before or during the construction.

Question: Also on CA-10, the first resolved clause references night-work authorization – what hours are contemplated and can you please communicate that as well to neighbors? (Councilmember Lumm)

Response: This is a “standard” resolved clause that allows Staff to implement any needed traffic control orders or other similar routine actions to construct the project without undue administrative delay. As of this writing, no night work is anticipated on this project. It is expected that construction will be performed between the hours of 7:00 a.m.

and about 5:00 p.m. (although the contractor is allowed to work as late as 8:00 p.m.). This information will also be shared with the residents of the area.

CA-15 - Resolution to Approve a Contract with the Michigan Department of Transportation (MDOT) for the Allen Creek Railroad Berm Opening Project

Question: Regarding CA-15, can you please remind me what the total project budget is and how much is funded by grants, how much by the city (and the funding sources for the city portion)? (Councilmember Lumm)

Response: See the table below.

Estimated Total Project Cost		
MDOT TAP		\$ 971,250.00
WATS STP Urban		\$ 315,000.00
FEMA (Approved Phase I + Pending Phase II)		\$ 3,712,332.00
DNR Trust Fund Grant		\$ 300,000.00
	Outside Funding sub-total	\$ 5,298,582.00
City Share Storm		\$ 1,410,239.00
City Share Alt. Transportation		\$ 653,000.00
	City Funding sub-total	\$ 2,063,239.00
	TOTAL	\$ 7,361,821.00

CA – 17 - Resolution to Approve Amendment No. 1 to the Professional Services Agreement with Stantec Consulting Services for Cost of Services for Water and Wastewater and to Appropriate Funds from the Water Supply System (\$27,495.00) (8 Votes Required)

CA – 18 - Resolution to Approve a Professional Services Agreement with Arcadis of Michigan, LLC for Rate Study Review and Alternative Rate Design Analysis and to Appropriate Funds from the Water Supply System (\$27,495.00) (8 Votes Required)

Question: Q1. The Stantec agreement was attached to CA-17, but CA-18 did not attach the agreement with Arcadis – can you please forward it. (Councilmember Lumm)

Response: The contract has been attached to Legistar.

Question: Q2. The scope document does not include any new data collection/analysis and given that, how will commercial customer tiering be structured/implemented? (Councilmember Lumm)

Response: Arcadis will be reviewing and providing recommendations based on the same data set that was provided to Stantec for this analysis. If during the review of existing data set, a mechanism is identified to achieve a tiered commercial structure, additional cost-of-service work will likely be necessary.

Question: Q3. It is not clear to me what Stantec's role is here vis-à-vis Arcadis. The Arcadis cover memo indicates that "Arcadis will receive data from Stantec, which performed the earlier study, so that it may review the rate design, and it's supporting data, and present alternative designs." That suggests Arcadis has the lead role and Stantec a supporting role (basically to provide data) which is consistent with a fresh eyes review. Yet, the fees are exactly the same for both (\$24,995) and the cover memo states that "Stantec, Arcadis and City staff will generate a report" which suggests a different approach with Stantec having a more prominent role. Can you please clarify the roles and responsibilities? (Councilmember Lumm)

Response: Stantec is the holder of the cost of service model and must transfer their data, model and analysis of the data to Arcadis. Arcadis's role is to review the process and analysis of the data, which requires them understanding and working with Stantec to understand the model and the data to verify any/all alternatives. It is not in Arcadis's scope to re-create any data but to look at alternatives. City staff's role is to work with both Arcadis and Stantec to convey this information in a cohesive way based on the directives from Council and ensure that Council is getting the deliverables they are requesting.

Question: Q4. In reading the memos and scope, it sounds as though Stantec's help is required in any new modeling is that accurate, and if so, is it because Stantec owns the model or because the City does not have the expertise (or time) to do any necessary modeling? (Councilmember Lumm)

Response: Stantec owns the cost-of- service model and conducts approximately 200-300 studies per year. City staff does not maintain this expertise given the infrequent nature of cost-of-service studies and the availability of this service in the private sector. The financial model component of the original study is also owned by Stantec; however, the City holds a licensing agreement and staff is able to update and maintain the financial model on the City's behalf.

Question: Q5. In addition to acceptable, alternative rate structures in terms of customer classes and tiering, there are also a number of alternative methods of allocating costs (both fixed and variable) that are acceptable and appropriate as well as alternative rate structures with different fixed vs variable orientations. Will different cost allocation methodologies and fixed-variable recovery approaches be evaluated as part of the Arcadis review and if not, why not? (Councilmember Lumm)

Response: The current scope of work only identifies the alternatives specifically asked for in Council Resolution #R-18-499. If it is Council's desire, we can seek an estimate

from Arcadis as to the level of effort and additional costs required to include in the presentation scheduled on March 11th.

Question: Q6. The Arcadis cover memo states that Arcadis will present alternative designs “if the data can justify them”. Please clarify what “if the data can justify them” means? Also, can you please plan on including in the report those alternatives considered that were not “justified by the data”? (Councilmember Lumm)

Response: Arcadis will present pros and cons, however, if an alternative is not possible because the cost of service data does not support that as being a viable alternative, it will be stated in their report.

Question: Q7. As part of the report, can you please make sure to provide an analysis / estimate of the July 2018 re-structuring impact on the UM? (Councilmember Lumm)

Response: The City has not presented the impact on U of M in the past because they are a combination of 4,000 different customer accounts who fall both in the multi-family rate; as well as, non-residential customer classes and results would vary. Since U of M is not its own customer class, it has no bearing on the results of cost-of-service.

Question: Q8. There have been a number of Q&A on the water rate re-structuring. For the benefit of the new councilmembers, can you please consolidate and provide an easy link to the Q&A for the May 7, May 21, June 18 council meetings as well as the responses provided April 23rd to my initial round of questions and requests for data. (Councilmember Lumm)

Response: The information has been added to the web page: <https://www.a2gov.org/departments/public-services/PublishingImages/Pages/Cost-of-Service-Study/Water%20Rates%20Council%20Presented%20Materials%20Compiled.pdf>

DC-1 – Resolution to Encourage Ann Arbor Community Members to Support Farm Workers Rights and to Boycott Wendy’s and Other Food Service Providers not Supportive of the Fair Food Program

Question: Q1. There was a story Friday in the Ann Arbor News indicating that the Wendy’s franchisee will not be submitting a bid/response to the Michigan Union RFP. Can you please confirm if that’s correct and if so, what changes to the resolution (if any) will be made? (Councilmember Lumm)

Response: This question should be referred to the sponsoring councilmember.

Question: Q2. The cover memo indicates that the resolution “is being incorporated into the FY20 budget”. What does that mean? (Councilmember Lumm)

Response: There is no impact on the FY20 budget.

Question: Q3. The second resolved clause encourages AA residents to boycott Wendy's and "other food service retailers until they demonstrate their commitment to farmworker's rights by joining the Fair Food Program." Who are the "other food service retailers who have not joined the Fair Food Program? Also, if there are others (and it sounds like there are) why is Wendy's being singled out? (Councilmember Lumm)

Response: This question should be referred to the sponsoring councilmember.

DB-2 – A Resolution to Strengthen Nuclear Emergency Planning for the Population of the City of Ann Arbor, Michigan

Question: Q1. My reading of the resolved clauses is that this does not direct city staff to make any purchases of potassium iodine or make any other commitments – can you please confirm that? Also, do we have a sense of what the cost would be of stockpiling potassium iodine for all Ann Arbor city residents and what is the shelf-life? (Councilmember Lumm)

Response: You are correct. The resolution demonstrates the City's support for the American Thyroid Association's call for harmonizing best practices for pre-distribution and stockpiling of nonprescription potassium iodine within 50 miles of an active nuclear power plant and asks that the City Administrator share this desire with the County as well as our state and national legislators, and the U.S. Nuclear Regulatory Commission. In terms of the cost, we don't have a firm figure but an estimate would be somewhere between \$.25 and \$1/tablet and generally each person needs 1 tablet (it's one tablet per 24 hrs./exposure). The shelf life for the tables is between 5-7 years, depending on the brand.

Question: Q2. The resolution references the Canadian government's actions and strengthening of potassium iodine distribution. Does the Canadian government pay for the stockpiling? Is the stockpiling mandated or suggested? (Councilmember Lumm)

Response: The Canadian Nuclear Safety Commission and the Ontario Provincial government covered it through fees to the nuclear industry. The program mandates the stockpiling and direct delivery of KI if you live within the 10 mile radius (the KI is delivered with instructions). Outside of the 10 mile radius but within the 50 mile radius KI is stockpiled and delivered by request.

Question: Q3 This resolution was prepared by a member of the Energy Commission (Mr. Mirsky), but I did not see any reference to an Energy Commission review? Did the Energy Commission review and support this? (Councilmember Lumm)

Response: This resolution is coming from the Environmental Commission. It has not been reviewed by the Energy Commission other than Mr. Mirsky's sharing it as a discussion item with the Energy Commissioners during the January meeting.

Question: The second-to-last resolved clause states “encourages Washtenaw County to use available existing resources to provide advocacy and implementation support” does this mean we are asking the County to pay for this? (Councilmember Hayner)

Response: We are not. We’d like them to use their existing resources to help advocate for the American Thyroid Association’s call for harmonizing best practices for pre-distribution and stockpiling of nonprescription potassium iodine within 50 miles of an active nuclear power plant.

Question: Is it possible that this resolution will result in the City of Ann Arbor paying for this? (Councilmember Hayner)

Response: No. The resolution demonstrates the City’s support for the American Thyroid Association’s call for harmonizing best practices for pre-distribution and stockpiling of nonprescription potassium iodide within 50 miles of an active nuclear power plant and asks that the City Administrator share this desire with the County as well as our state and national legislators, and the U.S. Nuclear Regularly Commission. It does not ask us to pay for the stockpiling. In fact, in Canada, the potassium iodide is paid for by the nuclear plant operators.

Question: If so, what would the estimated cost be for acquiring and storing KI as suggested? (Councilmember Hayner)

Response: We don’t anticipate having a cost to the City for this program. For the tablets, we don’t have a firm figure but an estimate would be somewhere between \$.25 and \$1/tablet and generally each person needs 1 tablet (it’s one tablet per 24 hrs./exposure).

DB – 3 - Resolution for Support for a Strong Clean Water Act and Strong Clean Water Rule

Question: Regarding DB-3, what local streams and wetlands would be excluded from WOTUS if the proposed change is adopted? (Councilmember Lumm)

Response: City staff have not completed an analysis of potential impacts and regulatory changes if the proposed alternative definition of Waters Of the U.S. under the Clean Water Act (CWA) goes forward. The impact of this change is significant across the state and nation, as identified by partners such as Clean Water Action and the Huron River Watershed Council, so this resolution was brought forward in an effort to demonstrate strong support for a strong definition of Waters of the U.S., in general.

Question: Can we attach the current and proposed changed definition of “WOTUS” to this resolution? (Councilmember Hayner)

Response: The file has been attached to Legistar.