



TO: Mayor and Council

FROM: Howard S. Lazarus, City Administrator

CC: Josh Baron, IT Applications Delivery Manager
Tom Crawford, CFO
Derek Delacourt, Community Services Area Administrator
John Fournier, Assistant City Administrator
Raymond Hess, Transportation Manager
Craig Hupy, Public Services Area Administrator
Brett Lenart, Planning Manager
Remy Long, Greenbelt Program Manager
Molly Maciejewski, Public Works Manager
Marti Praschan, Chief of Staff, Public Services
Tom Shewchuk, IT Director
Brian Steglitz, Water Treatment Plant Manager
Debra Williams, Office Manager, Community Services

SUBJECT: April 15 Council Agenda Responses

DATE: April 11, 2019

CA – 1 – Resolution to Approve Street Closings for the Burns Park Run - Sunday, May 5, 2019 from 7:00 AM until 11:00 AM

CA – 3 – Resolution to Approve Street Closings for the Dexter-Ann Arbor Run on Sunday, June 2, 2019

Question: For events like this, closing streets that are primarily residential, what kind of notice (e.g. form and timeframe) is required to affected neighbors? Do either of these events include plans for refreshment tents? If so, do plans include the specific location of refreshment tents? (Councilmember Nelson)

Response: For neighborhood runs, applicants are being asked to notify residents through direct contact and/or with Neighborhood Associations concurrently with the

application in the event that any concerns or issues can be brought before City staff or Council prior to approval. Once approved, applicants are asked to remind residents no less than two weeks prior to the event. New events require meetings with impacted area leaders and City staff. Both the Burns Park Run and the Dexter-Ann Arbor Run will have refreshments. The Burns Park Run utilizes Burns Park for this activity. The Dexter-Ann Arbor Run will have a tent within the footprint of the street closures—in this case, in the parking lot at Main and Ann Streets.

CA-10 – Resolution to Approve Street Closing for The Event on Main - Thursday, June 20 - Friday June 21, 2019

Question: What other annual events, other than Art Fair, request closing Main St. for 2 or more days a year? (Councilmember Ramlawi)

Response: There are no other events that take place over a two-day period other than Art Fair. There are occasional events that run over into the very early hours of the next day, as does The Event on Main – a one day event, only because of the amount of time necessary for take-down and clean-up.

Question: Could this event have the same amount of success if it was held in just one day? (Councilmember Ramlawi)

Response: As stated above, The Event on Main is a one day event.

CA – 14 – Resolution to Approve Purchase of Park Land at 3301 Geddes Road from Windy Crest Partnership LLC, Approve a Participation Agreement with Washtenaw County Parks and Recreation Commission, and Appropriate \$108,500.00 from Open Space and Parkland Preservation Millage Proceeds (8 Votes Required)

Question: Regarding CA-14, I was a bit surprised to see in the cover memo that the County is requesting a right of first refusal. Has that ever been done before on any of the greenbelt-related transactions or partnerships with the County on land deals? (Councilmember Lumm)

Response: The County typically is given a right of first refusal or similar secondary right to enforce or hold a conservation easement when the County contributes significant funds. Similarly, the City typically requests such rights when the City contributes significant funds.

Question: Also on CA-14, in the cover memo's project budget section, there were the normal due diligence and closing costs listed as other anticipated costs, but not endowment costs. Can you please explain why that is? (Councilmember Lumm)

Response: For Greenbelt conservation easement purchases where the City is the easement holder, the City is required to monitor and enforce the easement in perpetuity. Endowment funds are set aside from the Open Space and Parkland Preservation Millage

for this purpose as permitted under Chapter 42. Fee simple City park acquisitions using the Open Space and Parkland Preservation Millage do not include an endowment, as there is no monitoring. Park/natural area operational expenses are not permitted to be drawn from the millage under Chapter 42, but would come from Parks operating budgets instead.

Question: What is the estimated annual cost to maintain this property as a nature area? (Councilmember Eaton)

Response: The estimated annual cost to maintain is minimal. NAP has an annual budget that funds maintenance activities across all the nature areas. Not every nature area receives maintenance or work every year. In the case of these two properties (Windy Crest and Hickory Way), their value lies more in connectivity and access to an existing nature area. In other words, these acquisitions may actually make it easier (and thus less expensive) to access the existing nature areas to do ecological stewardship activities. NAP doesn't anticipate much in regards to restoration efforts or maintenance for either of these two specific parcels. Each of the existing nature area could perhaps see a volunteer work day each year that would be funded within NAP's existing overall operating budget.

Question: What is the estimated cost of acquiring a right of access from Geddes Road across the private Windycrest Drive to Meadowcreek Drive? (Councilmember Eaton)

Response: The City expects the seller to acquire the right of access at no cost to the City.

CA – 16 - Resolution to Accept a Donation of Park Land at 1110 and 1132 S. Maple (Hickory Way Apartments) from Avalon Nonprofit Housing Corporation (8 Votes Required)

Question: Regarding CA-16, the site plan was approved about two years ago and do we know when the affordable housing project will be constructed? Also, can you please remind us how many units are contemplated and what the income level affordability is? (Councilmember Lumm)

Response: Avalon Housing anticipates construction beginning this year with substantial completion by mid-2021. A total of 70 homes will be constructed, and they will meet the following affordability goals: Of these, 24 homes will be targeted to households at or below 30% of Area Median Income (AMI) with particular targeting of chronically homeless, frequent users of emergency services, or other priority needs groups; 11 homes will be for households at or below 30% AMI; 8 homes for households at or below 50% AMI; and 27 homes for households at or below 60% AMI.

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CA – 18 – Resolution to Approve Amendment No. 2 to Extend the Professional Services Agreement with Tetra Tech of Michigan, PC, for Water Treatment Professional Engineering Services (\$200,000)

CA- 19 – Resolution to Approve Amendment No. 3 to Extend the Professional Services Agreement with Fishbeck, Thompson, Carr & Huber, Inc., for Water Treatment Professional Engineering Services (\$250,000.00)

CA – 20 - Resolution to Approve Amendment No. 3 to Extend the Professional Services Agreement with Stantec Consulting Michigan, Inc., for Water Treatment Professional Engineering Services (\$200,000)

Question: Regarding CA-18, CA-19, and CA-20, each of these are amendments to consulting agreements originally approved in June 2016. The total original amounts for the three contracts was \$600K and with these amendments, the three contracts now total over \$2.3M. The amendments are almost 3 times the original bid which had that been factored in originally, might have resulted in additional firms bidding or lower fees. I certainly can understand the benefits of continuing contracts with firms we're confident in and who are familiar with our operations, but at some point, we need to competitively bid this work to ensure value for money. Can you please comment on our approach here, and if not this year, when will this work be competitively bid? (Councilmember Lumm)

Response: The original resolution requested a three-year contract plus two one-year extensions. CA-18, CA-19 and CA-20 requests the first one-year extension, with the possibility for only one more. The contracts will be competitively bid at the completion of the extension periods. In the meantime, competitive pricing and value is achieved by comparing scope and fees between the three firms on a task basis.

CA – 23 - Resolution to Award Contract for the Water Treatment Plan UV Disinfection System Project to Weiss Construction Co., LLC (\$2,582,770.00)

Question: Also related to bidding on water treatment projects, CA-23 indicates that although the City tried – posting the RFP on both City and State websites – there was just

one bid received on this \$2.6M project. Can you please comment on whether it may make sense to be more proactive/invite firms we know are qualified to bid on these projects? (Councilmember Lumm)

Response: There was a significant proactive effort conducted as part of the bidding period. At least twelve firms were contacted and invited. Attendance was strong at the pre-bid meeting with fifteen attendees. It is believed that the single bid is a reflection of the project challenges and the limited availability of contractors.

CA – 27 - Resolution to Award a Construction Contract to E.T. Mackenzie Company for the Hoover, Greene, Hill Improvement Project (\$4,692,900.00; Bid No. ITB 4563 and Appropriate the University of Michigan’s Contribution of \$1,100,000.00 (8 Votes Required)

Question: Regarding CA-27, the cover memo indicates that “unit pricing is reasonably consistent with recent projects.” Can you please elaborate on “reasonably consistent”?

Response: The phrase ‘reasonably consistent’ was intended to imply that much of the unit pricing aligned with the engineer’s estimate; with some prices lower and some higher. While the overall price was above the engineer’s estimate, it was still within a reasonable range for a project of this level of complexity.

Question: Also, how is the UM share of \$1.1M determined? (Councilmember Lumm)

Response: Historically, cost sharing arrangements with UM have been determined based on the UM property frontage on a given project; where UM would agree to pay for a proportional share of the street resurfacing costs up to a maximum of 50%. That formula was used to determine the \$1.1M figure that UM is contributing to this project.

Question: Does this project include the removal of on-street parking on Hoover from Greene east to the railroad tracks? If it does, is it possible to reverse the decision to remove those parking spaces without affecting the water, sewer and road improvement construction schedule? (Councilmember Eaton)

Response: Yes, this project includes the removal of eleven metered parking spaces on the north side of East Hoover between Greene Street and the Railroad tracks. The purpose of this is to provide the space to fully connect the bike lanes on Hoover all the way from Main to State – this segment currently constitutes the only gap in the bike lane system on East Hoover. The installation of bike lanes on Hoover is consistent with the City’s Non-Motorized Transportation Plan. While the parking spaces will need to be removed during the project for construction purposes, putting them back in at the end of the project would not affect the construction schedule. However, it would prevent the ability to complete the westbound bike lane on Hoover.

CA – 30 - Resolution to Approve an Agreement with the Downtown Development Authority for the William Street Improvement Project (\$1,329,964.00)

Question: Regarding, CA-30, what is the basis/rationale for the City-DDA cost sharing formula being utilized? (Councilmember Lumm)

Response: The cost breakdown is as follows:

- DDA is paying for 100% of the William Street Bikeway costs and 65% of the road resurfacing costs
- City is paying for 100% of the watermain consolidation costs and 35% of the road resurfacing costs

As the primary entity leading the William Street Bikeway project, the DDA is taking on 100% of the bikeway installation costs, including some related pedestrian crosswalk improvements. The City typically pays for 100% of the road resurfacing costs for streets in need of repair, however, in the case of William Street, the DDA agreed to pay a large share (65%) to allow resurfacing to proceed with the project in 2019. The City asked that the watermain consolidation be added to the construction scope as a way to save on future costs associated with mobilizing, managing, and constructing a stand-alone project. As a result, the City is taking on 100% of the watermain consolidation costs.

Question: Also on CA-30, what is the street condition assessment rating for this street and can you please explain what it means to “consolidate dual water mains”? (Councilmember Lumm)

Response: Street condition (PASER) ratings were last performed formally in 2017. Data from that rating indicates that the majority of the length of William that is being resurfaced as part of this project (State to Ashley) ranged from 2 to 6, with an average score of approximately 4.25. The westernmost stretch (Ashley to First) was rated an 8. The treatments on William vary from a full depth asphalt replacement to a thin mill & fill or surface treatment, depending on the conditions and needs on each block.

There are currently two separate water mains in portions of William Street, whereas only one is needed. The City would like to take this opportunity to abandon one of the watermains so that there is only one main to maintain in the future.

Question: Bike lanes on William will end at the edge of the diag, where bicycle traffic is prohibited. Have the City and DDA considered using Washington Street as an alternative to William Street for the two-way protected bike lane? (Councilmember Eaton)

Response: The William Street Bikeway ends in the City of Ann Arbor ROW at State Street, approximately 30 feet from University of Michigan property. City ordinance does not prohibit bikes on the sidewalk. While the campus transportation website and on-site signage indicates that bicycles must be walked in certain areas of campus, the Diag is not similarly designated as far as we are aware.

The Diag is a prime destination with over 250 bike parking spaces installed by the UM. As a result, the William Street design team observed numerous people on bikes accessing the Diag from William Street using the pedestrian ramp. The design team felt strongly that this unsafe condition creates conflict between pedestrians and people on bikes at a narrow access point. The Bikeway has been designed to improve this existing condition and reduce the conflict at the curb ramp by creating a separate access point where there is more room for people on bikes to dismount and react to pedestrians.

Specific design elements included to reduce the existing conflict between pedestrians and people on bikes:

- A separate access ramp designed to slow people on bikes as they connect across State Street
- “Bikes Yield to Pedestrians” or “Walk Your Bike” signs and yield pavement marks where the bikeway ramp meets the sidewalk space on east side of the intersection
- A series of delineators to provide a “gate” that slows down cyclists entering the sidewalk space
- Curbing to help guide people on bikes up the ramp and prevent pedestrians from walking into the zone
- Pedestrian-facing bicycle signs north and south of the approach to alert pedestrians that bicycles may be present
- Green paint used on the bicycle ramp / intersection approach to further alert all users that this is a transition zone
- 12-foot wide clear zone in the sidewalk

Best practices have moved toward providing protected bikeways and bike boulevards on downtown and near-downtown streets. The goal is to build a network of these higher-level facilities, with William Street being the first protected bikeway in the City. There will be others. William Street was identified as a good place to begin to strengthen the east-west connection between the Old West Side, Main Street, Library, and State Street. It provides an opportunity to reorganize and improve the street for all users; with parking moved to the south side of the street, drivers will no longer have to shift lanes from block to block. This project will strengthen a corridor that is in need of attention – both from an infrastructure (i.e. resurfacing and watermain consolidation) and safety perspective (300 crashes between 2013 & 2017). Other east-west streets, such as Washington, Ann, and Catherine Street, are all planned to be examined as future bikeways to further improve safety and strengthen the connection between near-in neighborhoods and downtown.

CA – 32 – Resolution to Award a 2-Year Contract for Right-of-Way Mowing and Landscaping Services to RNA Facilities Management ITB # 4572 (up to \$79,443.10/annually; \$158,886.20 for two years)

Question: Regarding contracts like this one, has staff ever explored alternative methods of mowing and landscaping, e.g. services like Project Mow (Katahdin sheep for hire), as Ypsilanti once used for Riverside Park? (Councilmember Nelson)

Response: Alternative methods such as Project Mow were not considered feasible for this contract. The bulk of the mowing and trimming performed under this contract is on traffic islands in the City and in the right-of-way. For traffic safety reasons we cannot utilize animals in these areas. The remainder of the areas covered by the contract are small pieces of non-contiguous parcels, which are also not easily maintained by alternative maintenance methods.

CA – 34 – Resolution to Amend the Criteria for the Residential Parking Program

Question: Regarding CA-34, are there any substantive changes being made to the program and if so, please summarize what they are? (Councilmember Lumm)

Response: This resolution does not suggest any substantial changes to the program. The purpose of the resolution is to clarify and harmonize the language in the criteria.

CA – 36 – Resolution to Approve a Purchase Order for Annual Maintenance and Support of TRAKiT System to Superior, LLC, a CentralSquare Company for FY2019 (\$48,638.00)

Question: Regarding CA-36, the resolution indicates this is for FY19. Is that just a typo and should be FY20? If not, why is the FY19 renewal just being done now? (Councilmember Lumm)

Response: The fiscal year as stated in the resolution (FY 2019) is correct. The contract for the use of the TRAKiT system does not cover fiscal year, but rather covers the period April – March. When the original resolution (R-257-6-07) for implementation of the project was approved in June of 2007, it was paid for with FY 2007 funds. The following year (FY 2008) it was moved into the IT budget for ongoing operating costs. Each year we receive an invoice in March for the upcoming use year and pay for it from the current FY IT budget.

CA – 37 – Resolution to Amend the Budget and Appropriate Funds Not to Exceed \$60,000 from the County Mental Health Millage Fund Balance to the Ann Arbor Housing Commission for Operating Support (8 Votes Required)

Question: Regarding CA-37, the funding source identified is the County Millage. If the original \$228K in support for AAHC was General Fund, why would this additional money not be General Fund as well? (Councilmember Lumm)

Response: The rebate from the county millage was used because the HHSAB recommended 25% of the \$880k be utilized to support the AAHC and the FY2019 funds still have \$60k for use.

Question: Funds received from the County Mental Health Millage are deposited into the City's General Fund. Is it necessary to designate the Millage as the source for this expenditure? (Councilmember Eaton)

Response: The rebate from the County for the millage is recorded in its own fund. The rebate is not deposited into the General fund. The millage is designated as the source of funding because the HHSAB allocated 25% of the \$880k to support AAHC and there are unspent funds available in FY2019.

CA-41 - Resolution to Approve an Interim Right-of-Way License Agreement with Spin, Inc., for the Operation of Electric Scooters in the City of Ann Arbor

Question: How long is the term of this agreement and options to the agreement? (Councilmember Ramlawi)

Response: The agreement is effective for three months, however it allows for the agreement to be renewed for up to one year.

Question: How is compensation calculated- As to the figure \$23,400? (Councilmember Ramlawi)

Response: The compensation is the result of negotiations with Spin and is primarily calibrated to recoup costs the City may incur related to the contract. However, the fee is based on a \$1 per scooter per day structure, which is the same arrangement that we came to with Bird Scooters last fall and is a common fee structure for these agreements.

Question: What financial bucket does the money go in? (Councilmember Ramlawi)

Response: These funds will be deposited into the general fund and are legally unrestricted. However, it may be recommended to spend these funds on safety improvements for non-vehicular transportation in the right of way.

Question: Are there any additional regulations being imposed with the new operating agreement? (Councilmember Ramlawi)

Response: In substance, this is the same agreement that the city reached with Bird last fall and that City Council approved.

Question: Does said company have an exclusive agreement with the City of Ann Arbor, so that the University does not compete for like agreement? (Councilmember Ramlawi)

Response: As to its substance, the agreement is not exclusive. However, as to its existence, if it is approved by Council and executed, this will be the only agreement of this nature at this time and therefore the agreement with the City will be exclusive. The City is not seeking an additional scooter operator at this point. Additionally, Spin has

entered into an operating agreement with the University of Michigan which is an exclusive agreement. We would be reluctant to enter into a scooter agreement that is not also shared with the University.

B – 1 - An Ordinance to Amend Chapter 55 (Zoning), Zoning of 0.6 Acre from C2B (Business Service District) to R2A (Two-Family Dwelling District), including 606, 610, 614, 616, 618, 622, and 628 South Ashley Street (CPC Recommendation: Denial - 0 Yeas and 8 Nays) (ORD-19-06)

Question: Regarding B-1, if the C2B zoning is retained, what types of developments would be possible on this relatively small site (0.6 acre) that would include clean-up of the contaminated soil, and are we aware of any developer interest in that regard? (Councilmember Lumm)

Response: C2B allows for retail, office and residential uses. The C2B district would allow a maximum of 43,820 sq. ft. development. However, the site is within the Old West Side historic district and new development would need to be approved by the Historic District Commission as well as City Council. The Historic District Commission would likely be interested in maintaining the historic character of the site including retaining existing historic structures, scale, and character. Currently, no developer has shown interest in assembling parcels in this location for a new development project, the staff and Planning Commission discussion in this regard is speculative.

Assembling and realizing any large scale development on this site is currently challenging given the goals and restraints that would result from Historic District goals and review. Rezoning this site to R2A would likely make such a large scale development impossible.

Question: Also on B-1, there was some discussion at first reading about the statement in the cover memo “that the location of the properties in the historic district can help mitigate neighborhood character issues”, but it was not clear to me how that would be the case. Can you please elaborate on that including the specifics that could help mitigate the character issues? (Councilmember Lumm)

Response: The Historic District Commission has the authority to deny a proposed development project in a historic district. One of the issues that the Historic District Commission typically concerns itself with is maintaining the historic structures and character of a site within a historic district. For instance, it would not be likely for the HDC to approve a 5 story office building on this site because it would require the demolition of historic buildings and substantially change the character of this portion of the historic neighborhood. It would be likely for the HDC to be more receptive to a project that maintains the existing structures and is complimentary to the surrounding neighborhood. This may include things like the height of a proposed project, setbacks, and architectural style, and details like building materials and window treatment.

C – 3 – An Ordinance to Amend Section 2:63 of Chapter 29 (Water Rates) of Title II of the Code of the City of Ann Arbor

C – 4 – An Ordinance to Amend Section 2:64 of Chapter 29 (Sewer Rates) of Title II of the Code of the City of Ann Arbor

C – 5 - An Ordinance to Amend Sections 2:69 of Chapter 29 (Stormwater Rates) of Title II of the Code of the City of Ann Arbor

Question: Q1. The cover memo on C-3 (water) provides the impacts of these water rate increases on the average residential customer and that's relevant information, but the type of comparison shown on slide 10 of the budget presentation is more informative in that it shows the combined impacts of this proposed water rate increase and the rate restructuring put in place July 2018.

Can you please provide a comparison of the average annual water costs of single-family residential customers at the water rates in effect June 2018 and rates proposed to be effective July 2019, and please provide the comparison for customers averaging 18 CCF per quarter and for a representative higher-usage customer. Also, please provide the same water cost comparison for an average multi-family customer and a few representative commercial customers. (Councilmember Lumm)

Response: Please see the attached.

Question: Q2. Similar to Q1, can you also provide those same cost/bill comparisons (at proposed rates vs. June 2018 rates for each customer class and including average and higher-volume water users in residential) for the total bill (water, sewer, and stormwater combined)? (Councilmember Lumm)

Response: Please see the attached.

Question: Q3. The cover memo on C-3 indicates the annual incremental revenue generated from the proposed water rate increase is \$1.3M. Can you please provide the actual water system revenues (in total and from rate-paying customers) over the last 10 fiscal years and the revenue projections for FY20? (Councilmember Lumm)

Response:

Water				
	Charges for Services	Metered Service	Misc. Service	
FY2009	\$ 18,403,080	\$ 17,125,087	\$ 1,277,993	
FY2010	\$ 19,897,796	\$ 17,700,840	\$ 2,196,956	
FY2011	\$ 21,160,437	\$ 19,702,757	\$ 1,457,680	
FY2012	\$ 22,017,955	\$ 20,486,248	\$ 1,531,707	
FY2013	\$ 23,746,197	\$ 22,328,458	\$ 1,417,739	
FY2014	\$ 22,725,289	\$ 20,961,495	\$ 1,763,794	
FY2015	\$ 22,697,619	\$ 20,141,174	\$ 2,556,445	
FY2016	\$ 24,053,723	\$ 21,591,638	\$ 2,462,085	
FY2017	\$ 26,602,226	\$ 24,457,563	\$ 2,144,663	
FY2018	\$ 27,002,482	\$ 24,082,566	\$ 2,919,916	
FY2019	\$ 27,369,826	\$ 24,986,034	\$ 2,383,792	est.
FY2020	\$ 28,376,949	\$ 26,319,660	\$ 2,057,289	est.

Question: Q4. The sewer (C-4) and stormwater (C-5) increases are projected to increase annual revenues by \$1.7M and \$1.5M, respectively. Can you also please provide the sewer and stormwater system revenues (in total and from rate-paying customers) over the last 10 fiscal years and the revenue projections for FY20? (Councilmember Lumm)

Response:

Sewer				
	Charges for Services	Metered Service	Other Revenue	
FY2009	\$ 19,053,462	\$ 18,678,532	\$ 374,930	
FY2010	\$ 19,256,455	\$ 18,874,369	\$ 382,086	
FY2011	\$ 21,738,747	\$ 19,688,301	\$ 2,050,446	
FY2012	\$ 21,103,955	\$ 20,360,612	\$ 743,343	
FY2013	\$ 21,456,653	\$ 21,020,148	\$ 436,505	
FY2014	\$ 22,639,231	\$ 21,560,027	\$ 1,079,204	
FY2015	\$ 22,137,470	\$ 21,535,812	\$ 601,658	
FY2016	\$ 23,926,479	\$ 22,781,664	\$ 1,144,815	
FY2017	\$ 27,363,541	\$ 24,973,159	\$ 2,390,382	
FY2018	\$ 28,329,519	\$ 21,701,798	\$ 6,627,721	
FY2019	\$ 29,587,084	\$ 28,100,044	\$ 1,487,040	est.
FY2020	\$ 32,614,599	\$ 29,856,577	\$ 2,758,022	est.

Stormwater				
	Charges for Services	Metered Service	Other Revenue	
FY2009	\$ 5,316,391	\$ 5,257,946	\$ 58,445	
FY2010	\$ 5,942,812	\$ 5,371,201	\$ 571,611	
FY2011	\$ 7,512,536	\$ 5,396,396	\$ 2,116,140	
FY2012	\$ 5,861,194	\$ 5,733,859	\$ 127,335	
FY2013	\$ 5,956,093	\$ 5,630,328	\$ 325,765	
FY2014	\$ 6,466,776	\$ 6,123,062	\$ 343,714	
FY2015	\$ 6,343,928	\$ 6,205,358	\$ 138,570	
FY2016	\$ 6,915,370	\$ 6,672,491	\$ 242,879	
FY2017	\$ 7,404,199	\$ 7,131,140	\$ 273,059	
FY2018	\$ 9,444,063	\$ 9,126,923	\$ 317,140	
FY2019	\$ 12,684,292	\$ 12,220,875	\$ 463,417	est.
FY2020	\$ 14,374,074	13,764,855	\$ 609,219	est.

Question: Q5. Are the water and sewer rates charged to other jurisdictions outside the city also being increased effective July 1, 2019? If so, what are the percentage increases and if not, why not? (Councilmember Lumm)

Response: Yes, the rates for outside service agreements are adjusted annually. The increases this year are 8.75% for Water and 9.04% for Sewer.

Question: Q6. When is second reading and the public hearing planned for the utility increases and is it at the same time as the public hearing will be for other proposed fee increases? (Councilmember Lumm)

Response: The second reading for the utility increases is scheduled for the May 6th agenda along with the public hearing for proposed fee increases.

Question: Q7. On stormwater, if I'm reading the attached ordinance properly, it appears that the discharge rates are being increased 13%, but the offsets for rain barrels etc are not being increased. Is that correct, and if so, what is the rationale for holding these constant? Also, what is the rationale for increasing the customer charge by 2% and the discharge rate by 13%? (Councilmember Lumm)

Response: No, it is not correct. The credits have been updated. Thank you for bringing this oversight to our attention. The discharge rate is associated with increased maintenance and capital needs, which necessitates a 13% increase. The customer charge is reflective of the costs associated with Customer Service/Billing, and is reflective of the 2% increase in customer service costs.

Question: Q8. The percentage increase (7%) is not specifically referenced in C-4 (sewer) as it is in C-3 (6% for water) and C-5 (13% for stormwater). I'm assuming that's an oversight and can you please add it to the ordinance? (Councilmember Lumm)

Response: C-4 has been updated to reflect the percentage increase of 7%.

Question: Does DC-5 impact these proposals in any way? (Councilmember Nelson)

Response: As a resolution that does not actually change the water rate structure, the answer is no, DC-5 does not affect C-3, C-4 or C-5, at least not in any legal sense. Should, however, the Council ultimately adopt an ordinance amending the water rate structure, it could affect the City's rate needs in the future. The City would likely need to recalculate what the rates would have to be to ensure that the change in structure remains revenue neutral. In terms of non-legal impacts, staff's view is that DC-5 contains statements that are inaccurate or misleading as matters of fact (e.g., there is no "penalty" here), that adoption of the resolution would make these statements "of record," and that the statements could later be used against the City, including to attack its existing or even future rate structures and rates.

DB – 2 - Resolution to Approve 327 E. Hoover Site Plan (CPC Recommendation: Approval - 7 Yeas and 0 Nays)

Question: Regarding DB-2, the staff report indicated that no objections/issues were raised prior to the Planning Commission meeting March 5th. Has staff received any comments since then and if so, please summarize? (Councilmember Lumm)

Response: No objections/issues have been raised since the March 5th meeting.

Question: Also on DB-2, has the developer indicated what type of retail is contemplated for the first floor? (Councilmember Lumm)

Response: No.

DS – 1 - Resolution No. 3 Establishing a Public Hearing on May 20, 2019 for the Northside STEAM Safe Routes to School Sidewalk Gap Special Assessment Project

Question: Regarding DS-1, at the last meeting there was a discussion of project timing and need to move forward with this Resolution No. 3 and the subsequent steps. Can you please remind us of the next steps in the process and required deadlines (if any) on those steps? (Councilmember Lumm)

Response: The project is being advertised for a June 7, 2019 MDOT bid letting. The City will receive the City/State Agreement sometime prior to the Bid Letting and this will need to be approved by City Council, signed, and returned to MDOT prior to MDOT awarding the contract to the responsible low bidder. Resolution #4 (and the Public Hearing which is set by this Resolution) will need to go to City Council prior to, or along with, the City/State Agreement. If the Public Hearing does not happen on May 20th or June 3rd; and Resolution #4 and the City-State Agreement are not approved at one of these meetings, the start of the project will definitely be delayed. The current schedule is to start the sidewalk installation after June 17, 2019, when Ann Arbor Public Schools are out of session for the summer.

Question: Also on DS-1, have there been any new developments in terms of discussions/negotiations with neighbors and if so, can you please provide a summary? (Councilmember Lumm)

Response: City staff has not received additional requests or comments from affected property owners since the last revision to the plans, which included measures to reduce tree removal, reduce impacts to properties, and maintain space for snow storage between the sidewalk and the curb. Staff had heard from residents on Traver in January/February that they were discussing amongst themselves some additional requested revisions to the plans. Staff had provided a deadline for these requests to be submitted, however nothing was received from residents prior to the deadline, and plans were submitted to MDOT as scheduled.

				% Δ	\$ Δ			% Δ	\$ Δ
		Jun-18	Jun-19	Quarterly	Quarterly	Jun-20	Quarterly	Quarterly	
Residential									
Average residential user	Water Customer Charge	\$ 11.25	\$ 20.89			\$ 22.14			
18CCF Water	Water Volume	\$ 47.92	\$ 41.40			\$ 43.92			
	Sewer Customer Charge	\$ 11.25	\$ 14.01			\$ 14.99			
	Sewer Volume	\$ 82.44	\$ 99.90			\$ 106.92			
	Storm Impervious Area	\$ 38.62	\$ 44.03			\$ 49.75			
	Storm Customer Charge	\$ 3.91	\$ 3.99			\$ 4.07			
	Subtotal before discount	\$ 195.39	\$ 224.22			\$ 241.79			
	Total Bill	\$ 175.85	\$ 201.80	14.76%	\$ 25.95	\$ 217.61	7.84%	\$ 15.81	
Representative higher-user customer									
45CCF Water	Water Customer Charge	\$ 11.25	\$ 20.89			\$ 22.14			
	Water Volume	\$ 181.75	\$ 286.38			\$ 303.48			
	Sewer Customer Charge	\$ 11.25	\$ 14.01			\$ 14.99			
	Sewer Volume	\$ 82.44	\$ 99.90			\$ 106.92			
	Sewer Volume w/out Summer sewer discount	\$ 206.10	\$ 249.75			\$ 267.30			
	Storm Impervious Area	\$ 38.62	\$ 44.03			\$ 49.75			
	Storm Customer Charge	\$ 3.91	\$ 3.99			\$ 4.07			
	Subtotal w/ summer sewer discount	\$ 329.22	\$ 469.20			\$ 501.35			
	Subtotal w/out summer sewer discount	\$ 452.88	\$ 619.05			\$ 661.73			
	Total Bill w/ Summer Sewer Discount	\$ 296.30	\$ 422.28	42.52%	\$ 125.98	\$ 451.22	6.85%	\$ 28.94	
	Total Bill w/out Summer Sewer Discount	\$ 407.59	\$ 557.15	36.69%	\$ 149.55	\$ 595.56	6.89%	\$ 38.41	

Multi-family				% Δ	\$ Δ			% Δ	\$ Δ
		Jun-18	Jun-19	Quarterly	Quarterly	Jun-20	Quarterly	Quarterly	
	Water Customer Charge	\$ 30.30	\$ 25.26			\$ 22.14			
	157 CCF Water Volume	\$ 190.50	\$ 106.50			\$ 113.00			
	Commercial subclass 1 Sewer Customer Charge	\$ 30.30	\$ 14.96			\$ 14.99			
	in FY18 Sewer Volume	\$ 229.00	\$ 99.90			\$ 106.92			
	1" Meter Storm Impervious Area	\$ 256.51	\$ 292.42			\$ 330.44			
	18,765 BIA Storm Customer Charge	\$ 3.91	\$ 3.99			\$ 4.07			
	Subtotal before discount	\$ 740.52	\$ 543.03			\$ 591.56			
	Total Bill	\$ 666.47	\$ 488.73	-26.67%	\$ (177.74)	\$ 532.40	8.94%	\$ 43.67	

6" and 3" Meters Water Volume	\$ 53,012.34	\$ 53,290.62		\$ 56,490.84
13,914 Sewer Customer Charge	\$ 613.00	\$ 104.95		\$ 112.30
CCF Sewer Volume	\$ 63,726.12	\$ 77,222.70		\$ 82,649.16
540,900 BIA Storm Impervious Area	\$ 7,393.91	\$ 8,429.03		\$ 9,524.86
Storm Customer Charge	\$ 3.91	\$ 3.99		\$ 4.07
Subtotal before discount	\$ 125,557.28	\$ 139,316.51		\$ 149,062.36
Water/Sewer Bill	\$ 113,001.56	\$ 125,384.85	10.96%	\$ 12,383.30
				\$ 134,156.12
			7.00%	\$ 8,771.27