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TO: Mayor and Council

FROM: Howard S. Lazarus, City Administrator

CC: Derek Delacourt Community Services Area Administrator  
Craig Hupy, Public Services Area Administrator  
Nicholas Hutchinson, City Engineer  
Brett Lenart, Planning Manager  
Marti Praschan, Chief of Staff, Public Services  
Cresson Sloten, Systems Planning Manager  
Brian Steglitz, Water Treatment Plant Manager  
Robyn S. Wilkerson, Human Resources and Labor Relations Director

SUBJECT: Council Agenda Responses

DATE: January 16, 2018

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**AC-1 - Memorandum from City Administrator: Prevailing Wage Update - January 9, 2018**

**Question:** The report concludes with a recommendation that “that the effort continue for 2018.” Would that continued effort require Council action or approval?  
(Councilmember Eaton)

**Response:** The requirement in the Council resolution is for the City Administrator to report back after one year. While there is no requirement for continued reporting, enforcement of prevailing wage and living wage rates remain an ongoing requirement and priority.

## **CA-1 - Resolution to Approve the 2017 Washtenaw County Solid Waste Management Plan Amendment**

**Question:** Regarding CA-1 (County Solid Waste Plan), what is the current status of the City's Solid Waste Five-year Plan Update? Also what is the status of the two feasibility studies referenced in the County Plan (Drop Off Station and Regional Recycling Authority)? (Councilmember Lumm)

**Response:** The RFP for the Solid Waste Resource Management Plan 2018-2022 has been issued with proposals currently due on February 8, 2018. The *Waste Diversion Site Feasibility Study* that evaluated potential locations for various drop-off facility across the county was completed in October, 2017. The City has a copy of the final report and can provide it if desired. The County's examination of potential options for a regional approach to recycling and solid waste services is anticipated to be completed this coming March.

## **CA-2 - Resolution to Approve a Professional Services Agreement with Stantec Consulting Michigan, Inc. for the Water Treatment Plant SCADA System Modernization Project (\$376,796.00)**

**Question:** Regarding CA-2, of the 5 responses to the RFP, Stantec was selected as the most qualified firm. Was their price competitive with other qualified firms? (Councilmember Lumm)

**Response:** Yes. Stantec's proposal was competitive. The City opened the fee proposals from three of the five firms. Stantec's proposal was within \$2,000 of the lowest cost proposal.

## **CA-7 - Resolution to Approve the Amendment and Renewal of the City's Contract with Blue Cross Blue Shield of Michigan to Provide Administrative Claims Processing Services for the City's Health Care Plan on Behalf of Employees and Retirees and Their Dependents, and to Authorize the City Administrator to Execute the Necessary Documentation (\$1,595,344.00)**

**Question:** Regarding CA-7, the third whereas clause states that "the administrative fees and stop loss premium will increase." How much did they increase? (Councilmember Lumm)

**Response:**

- The base administration fee increased by +3.01%.
- The specific stop loss premium increased by +21.01%. This increase is due to upward medical trend. The BCBS renewal is well within benchmark in terms of cost increase, where a 20-25% increase is industry standard. We did go out to bid for this benefit and did not receive a

financially competitive proposal for 2018, therefore BCBS remains the best carrier for this coverage.

**Question:** Also on CA-7, the attached Schedule A indicates the monthly administrative fee is \$87,667 which is \$1.05M a year. The resolution references the annual cost as \$1.59M. Is that difference the stop-loss payment and what is the stop-loss threshold? (Councilmember Lumm)

**Response:** Yes, the difference between the figures is the annual stop loss premium. They are combined for purposes of the resolution, as fixed fees encompass both administrative fees and stop loss premiums. The stop loss threshold is set at \$350,000 deductible.

### **C-1 – An Ordinance to Amend Chapter 55 (Zoning Ordinance) of Title V of the Code of the City of Ann Arbor to add Section 5:83 (Solar Energy Systems)**

**Question:** Q1. The January 11<sup>th</sup> memo states that “Unfortunately, as the city does not maintain surveys for every property, it is not possible to determine the number of sites for which front yard solar placement may be possible.” That’s understandable and I’m not looking for a property by property listing, but is it possible to at least provide a map or listing of neighborhoods/areas (based on the majority of properties in that area) that could/could not have front yard solar systems? (Councilmember Lumm)

**Response:** No, the same data that would determine the number of properties impacted would be necessary for this. Nonetheless, larger residential parcels would be more likely, so R1A zoning would be most likely, R1B, less likely, and so on. Zoning information can be found here: <https://www.a2gov.org/departments/planning/zoning/Pages/Zoning-Maps.aspx>

**Question:** Q2. The January 11<sup>th</sup> memo recommended considerations of two options (1) the ordinance as originally proposed and (2) a substitute ordinance that does not allow systems in front yards. I’m assuming the alternative considered by the Planning Commission (of allowing solar equipment in front yards only when it’s demonstrated it can’t be placed elsewhere) was not a recommended option to consider because of its subjective nature. Can you please confirm/elaborate on that? (Councilmember Lumm)

**Response:** Confirmed. While the Planning Commission discussed “only when demonstrated” language, they did not recommend such language, based on it being a subjective standard.

**Question:** Q3. In the verbatims from the public meeting at the Westgate Library Branch, one was “only 2 of 45 cities allow this, why would Ann Arbor?” Is staff aware what the source of that data is? Is there any additional benchmark data that can be shared beyond what was given to Council previously? (Councilmember Lumm)

**Response:** No. This was mentioned by an attendee at the first meeting. Presumably this was based on the individual’s own research. Apart from the data included previously staff has consulted with two additional communities, Boulder, CO (no front yard solar permitted) and Columbus, OH (front yard solar permitted).

### **DC-1 - Resolution to Approve the 1540 White Street Brownfield Plan**

**Question:** Q. Regarding DC-1, the cover memo states that the Brownfield Plan does not authorize TIF financing, just establishes eligibility for Revolving Fund dollars. What is the source of the funds/revenue in the revolving fund and would the funding for AAHC be a grant or subsidized loan? (Councilmember Lumm)

**Response:** The source of LBRF funding is the Brownfield Authority’s Local Brownfield Revolving Loan fund. This fund is capitalized through additional capture on all County Brownfield projects with a TIF component. An initial award of a \$200,000 grant has been awarded by the Brownfield Authority, with the possibility for increased funding, through a loan, after full project financing is secured.

### **DS-1 - Resolution to Approve Construction of an Additional Drive Approach on Huron Parkway, South of Hubbard Street to Service the DTE Apex Substation**

**Question:** Regarding DS-1, Mr. Kosteva has requested a postponement until the February 5<sup>th</sup> meeting to provide time for UM and DTE to compile and prepare the requested materials/information related to the curb cut and driveway access to the new Apex substation. Can you please confirm there is no immediate need to act on this item tonight and that postponement until February 5<sup>th</sup> will provide staff adequate time to assess both the feasibility of a Hubbard access alternative and the effectiveness of the proposed landscape plan? (Councilmember Lumm)

**Response:** Provided that a review meeting can be held with staff by January 26<sup>th</sup> with the topographic and landscaping information necessary for staff to make these determinations, then a postponement to February 5<sup>th</sup> is adequate. Staff is not aware that action on this item is required by DTE on January 16<sup>th</sup>.

**DS-2 - Resolution to Amend FY2018 Budget Resolution and Authorize the Addition of Two Full-Time Employee Positions within the Sustainability and Innovation Office of the Systems Planning Unit of the Public Services Area**

**Question:** Q1. The cover memo indicates that “Currently, the Sustainability and Innovation Office consists of two full-time employees and two temporary employees.” I was not aware the City had a “Sustainability and Innovation Office”. When was that office created, what are the Office’s responsibilities and please confirm if it’s correct there are 4 FTE’s in the office? (Councilmember Lumm)

**Response:** The sustainability group resides in the Systems Planning Unit of the Public Service Area and currently has 2 FTE’s and utilizes temporary and/or contract support. This resolution adds 2 positions to further our community sustainability goals. The office responsibilities include the following:

- Support a resolution committing the City to use 100% Clean and Renewable Energy for all City operations by 2035.
- Background research and analysis for a new green building policy which requires LEED Silver minimum standards and a solar potential analysis for any new City facility construction and for major renovations of any City-owned building.
- Background research and analysis for the revised City Green Fleets policy.
- Support for reporting on Mayors Compact with the Carbon Disclosure Project to track GHG emissions, Climate planning, and Climate Adaptation Vulnerability and Risk Assessments.
- Research and analysis to update community-wide GHG emissions. The City exceeded its 2015 Climate Action Plan target to reduce emissions by 15%.
- Staff worked across multiple city agencies and community organizations to identify data for 508 metrics under the STAR Community Index – Sustainability Tools for Assessing and Rating Communities. The City achieved certification as a 4-star STAR Community in June. Ann Arbor is the first Michigan city to be rated under STAR.
- As part of the Department of Energy’s SolSmart project, the City streamlined permit processing for new, small-scale solar and waived the associated building permit fees for residential solar systems.
- Improvements to energy- and environmental-related Sustainability Framework Dashboard indicators published on a2gov.org.
- New Solar Faithful project works to evaluate and develop sustainable funding models to assist local houses of worship to install solar. Solar Faithful is a partnership with the Michigan chapter of Interfaith Power and Light. The project was accepted into the US Department of Energy’s Solar in Your Community Challenge.

- Staff initiated a microgrid/solar feasibility project with the University of Michigan Energy Institute. UM students presented their findings to staff and the Energy Commission.
- Support RFP for energy audits for 14 of the city's buildings.
- Completed preliminary solar assessments on all of the City's buildings.
- Participated in the Ann Arbor Climate Partnership.
- Drafting a community Electric Vehicle Strategy Paper.
- Worked with Washtenaw County to advertise their low-income weatherization services to Ann Arbor homeowners, including bill-insert mailers.
- Staff put on the sixth season of Sustainability Forums in partnership with the Ann Arbor District Library that attracted 228 attendees. Topics included: Green your Home DIY; Driverless Vehicles Coming Down the Pike; Sustainable Kids; and Grow Your Own.
- Conducted community sustainability outreach at the Ann Arbor downtown Farmer's Market.
- Supported a project through the Urban Sustainability Director's Network to develop hazard mitigation plans that incorporate climate adaptability.
- Supported reporting to MML - Ann Arbor achieves "gold" status with the Michigan Green Communities program.
- Worked on Zero Waste event policies.
- Developed Ann Arbor's first green purchasing policy.
- Partnered with DTE to promote adoption of the DTE Energy Efficiency Services and Insight app by Ann Arbor residents through the Power Together contest. The Bryant Community Center is receiving \$15,000 to fund solar panels as a result of this project.
- Supported development of the Ann Arbor 2030 District to help community energy data benchmarking and resources to aid commercial building owners in improving their facilities.
- Assistance with managing city energy bills and analysis.
- Maintain the city A2Energy.org website
- Staff support for community events (e.g., Earth Day, Green Fair, and Huron River Day)
- Staff support for Energy and Environmental Commissions
- Put on the fifth season of Sustainability Forums in partnership with the Ann Arbor District Library. Topics included: Climate and Energy; Resource Management; Land Use and Access; and Looking to the Future: Ann Arbor in 2025.
- Support implementation of the anti-idling and coal tar ordinances.
- Support fiscal year Council Priority updates through the City Administrator's Office.

- Conducted local market research and surveyed Ann Arbor-area solar installers.
- Support metric reporting to MML - Ann Arbor achieves “gold” status with the Michigan Green Communities program.
- Support analysis for successful intervention on DTE rate case involving the City's streetlight program.
- CERL loan to Bivouac to upgrade lighting
- PACE third party financing option research on expanding the role of local banks
- Support for potential PACE project applications and inquiries
- Solar Workshop with USDOE Sunshot program to raise awareness with residents regarding solar installations
- Climate Action Plan update report.
- Participate with Ann Arbor Climate Partnership
- Assistance with managing city energy bills and analysis.
- Maintain the city A2Energy.org website
- Staff support for community events (e.g., Earth Day, Green Fair, and Huron River Day)

**Question:** Q2. The cover memo also states that no new funding is required to convert the temporary positions to permanent positions. Do temporary positions typically receive similar pay and benefits as permanent positions of the same type? Also, please provide the direct pay and benefit amounts that make up the \$82,500 position total cost? (Councilmember Lumm)

**Response:** Non-recurring funding has been budgeted by City Council for Community-Facing Climate Action Programs in FY 15, 16, and 17. Recurring funds were budgeted in FY18 that can now be used to support permanent FTEs to support community-facing climate action programs. Each position costs include \$52,000 for salary and \$30,500 in benefit costs.

**Question:** Q3. Why is it necessary/appropriate to do this now (mid-year) as opposed to part of the FY19 budget process/proposal? (Councilmember Lumm)

**Response:** The Chairs of the Environmental and Energy Commissions as well as the Executive Policy Advisor for Sustainability requested and recommended to the City Administrator that the conversion of the two part-time temporary positions to regular full-time positions take place this fiscal year, and that recommendation was supported by the City Administrator.

**Question:** Q4. Are the two temporary positions currently filled and what is the plan in terms of permanently hiring the incumbent(s) vs. opening up the positions to new hires? (Councilmember Lumm)

**Response:** One of the positions is currently filled, and the other is not as that employee began his two-month employment break in December, 2017. If the positions are converted to regular full-time positions a standard job posting and interview process will be undertaken to fill the two positions.

**Question:** Q5. Assuming this is approved, the FY18 FTE budget will be 742.64 or 20.76 FTE's more than FY16 if I'm doing the math correctly. How much total annual cost (pay and benefits) has been added to the General Fund for these FTE's? How much to other funds? (Councilmember Lumm)

**Response:** Of the approximately twenty (20) FTE's added, nine (9) were not included in the General Fund. The remaining eleven have added approximately \$1,085,011 to the General Fund and include the following positions:

- 1 – Assistant City Administrator
- 1 – Human Resources Recruiter
- 1 – Boards and Commissions Coordinator
- 1 – Budget Analyst (resulting from the conversion of one higher salaried individual into two more junior staff)
- 1 – Courts Probation Officer
- 2 – Police Officers
- 2 – Sustainability Specialists
- 1 – Planning Administrative Assistant
- 1 – Cell Tower Contract Manager (note: the goal is that this position will recover its costs through contract revenues)

The nine (9) positions not in the General Fund include the following:

- 2 – Building and Rental Inspectors
- 2 – DDA Staff
- 1 – Water Utility
- 2 – Housing Commission
- 2 – Public Services

The costs of the non-General Fund positions require a larger analysis that will require the involvement of the Finance Department and will be forwarded separately.

**Question:** In the past, the budget included non-recurring funding for “Community-Facing Climate Action Programs”. Can you provide a summary of the activity accomplished with that funding for each of the years the funding was provided? (Councilmember Eaton)

**Response:** Non-recurring funding has been budgeted by City Council for Community-Facing Climate Action Programs in FY15, FY16, and FY17. For FY18 this was budgeted as recurring funds to support community-facing climate action programs. The funding was split between temporary staff (i.e., working 29 hours per



week for 10 month periods) and consultant support for the following list of activities accomplished in FY15 – FY17:

#### FY 15

- Established UM Dow fellow funded energy efficiency rental housing loan fund for landlords.
- Closed out the HUD green rental housing grant opportunities, including surveys with rental properties and rental inspection unit.
- Facilitated DTE multi-family pilot sweep of 32 properties reaching 98 units.
- Provided Energy Efficiency brochures and info magnets for rental housing residents.
- Supported the restart the City's PACE program and CERL loan program.
- Researched benchmarking on Commercial Building ordinances.
- Developed community solar model project for non-profit community solar.
- Held the fourth season of Sustainability Forums in partnership with the Ann Arbor District Library in January, February, March, and April – reaching between 50-100 residents at each forum.
- Assisted with managing City energy bills and analysis.
- Maintained the City's A2Energy.org website.
- Provided staff support for community events (e.g., Earth Day, Green Fair, and Huron River Day).
- Provided staff support for Energy and Environmental Commissions.

#### FY 16

- Held the fifth season of Sustainability Forums. Topics included: Climate and Energy; Resource Management; Land Use and Access; and, Looking to the Future: Ann Arbor in 2025.
- Supported development and implementation of the anti-idling and coal tar ordinances.
- Supported fiscal year Council Priority updates through the City Administrator's Office.
- Conducted local market research and surveyed Ann Arbor-area solar installers.
- Supported metric reporting to MML leading to Ann Arbor achieving "gold" status with the Michigan Green Communities program.
- Supported analysis for successful intervention on DTE rate case involving the City's streetlight program.
- Supported the City's PACE program and CERL loan program.
- Worked on Solar Workshop with USDOE Sunshot program to raise awareness with residents regarding solar installations.
- Supported development of Climate Action Plan update report.
- Assisted with managing city energy bills and analysis.
- Maintained the city A2Energy.org website.
- Provided staff support for community events (e.g., Earth Day, Green Fair, and Huron River Day).
- Provided staff support for Energy and Environmental Commissions.

## FY17

- Performed background research and analysis to support a resolution committing the City to use 100% Clean and Renewable Energy for all City operations by 2035.
- Performed background research and analysis for a new green building policy which requires LEED Silver minimum standards and a solar potential analysis for any new City facility construction and for major renovations of any City-owned building.
- Performed background research and analysis for the revised City Green Fleets policy.
- Provided support for reporting on Mayors Compact with the Carbon Disclosure Project to track GHG emissions, Climate planning, and Climate Adaptation Vulnerability and Risk Assessments.
- Provided research and analysis to update community-wide GHG emissions.
- Worked across multiple City agencies and community organizations to identify data for 508 metrics under the STAR (Sustainability Tools for Assessing and Rating) Community Index, in which the City achieved certification as a 4-star STAR Community in June. Ann Arbor is the first Michigan city to be rated under STAR.
- As part of the Department of Energy's SolSmart project, worked to streamline the City's permit processing for new, small-scale solar and waived the associated building permit fees for residential solar systems.
- Developed improvements to energy- and environmental-related Sustainability Framework Dashboard indicators published on a2gov.org.
- Initiated the Solar Faithful project works to evaluate and develop sustainable funding models to assist local houses of worship to install solar. Solar Faithful is a partnership with the Michigan chapter of Interfaith Power and Light. The project was accepted into the US Department of Energy's Solar in Your Community Challenge.
- Initiated a microgrid/solar feasibility project with the University of Michigan Energy Institute. UM students presented their findings to staff and the Energy Commission.
- Supported RFP process for energy audits for 14 of the City's buildings.
- Completed preliminary solar assessments on all of the City's buildings.
- Participated in the Ann Arbor Climate Partnership.
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- Conducted community sustainability outreach at the Ann Arbor downtown Farmer's Market.

- Supported a project through the Urban Sustainability Director's Network to develop hazard mitigation plans that incorporate climate adaptability.
- Supported metric reporting to MML leading to Ann Arbor again achieving "gold" status with the Michigan Green Communities program.
- Supported development of draft Zero Waste event policies.
- Partnered with DTE to promote adoption of the DTE Energy Efficiency Services and Insight app by Ann Arbor residents through the Power Together contest. The Bryant Community Center is receiving \$15,000 to fund solar panels as a result of this project.
- Supported development of the Ann Arbor 2030 District to help community energy data benchmarking and resources to aid commercial building owners in improving their facilities.
- Assisted with managing City energy bills and analysis.
- Maintained the city A2Energy.org website
- Provided staff support for community events (e.g., Earth Day, Green Fair, and Huron River Day).
- Provided staff support for Energy and Environmental Commissions.

By converting the two part-time, temporary positions to regular, full-time positions, 1600 more hours per year will become available internally to devote to program implementation and eliminates the 2-month down-time experienced when temporary staff must stop work and later re-integrate. This will allow for enhancing efforts by the City in sustainability and innovation, including:

- Supporting the development and implementation of strategies to utilize the anticipated County millage funding for City sustainability efforts
- Overall Climate Action Plan implementation beyond City impacts (30 % of GHG emissions are U-M based; 1% are municipal operations)
- Monitoring and advancing progress on meeting new City Council targets/goals, including: 100% Renewable Energy Resolution; Green Fleets; Solar Goals.
- DTE pilots and long-term agreements to further greening rental housing and other mutual interests, with the ability to maintain relationships with key community partners (e.g., landlords, low-income housing organizations, associations)
- Neighborhood green grants program support
- Launch a vehicle electrification program
- Innovation opportunities, such as: Smart Cities; Transportation; Stormwater Management for climate adaptation
- Dedicated staffing for community outreach: energy efficiency, solar, climate change, solid waste, transportation
- Support U-M projects so that one-time class work becomes a continuing City/University "laboratory"
- Sustainability Framework and other community metrics reporting to track progress on goals and inform the community

- Integrate information across units to monitor innovation achievements and future opportunities, and to develop strategies to implement new innovation initiatives