



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
Brett Lenart, Planning Manager
Molly Maciejewski, Public Works Manager
Marti Praschan, Chief of Staff, Public Services
Cresson Sloten, Systems Planning Manager
Robyn Wilkerson, Human Resources Director

SUBJECT: Council Agenda Responses

DATE: May 21, 2018

CA-9 – Resolution to Close Streets for the Townie Street Party - Ann Arbor Mile-Dart for Art on Monday, July 16, 2018

Question: Why does the street closure notice for the race not include pro-active notice of affected homes, businesses, and nonprofits? Is there any monitoring of notice? (Councilmember Warpehoski)

Response: The route for this particular race mostly impacts the University of Michigan, which is part of the notification process. The State Street District notifies impacted businesses on this route as well. At times, this is a duplication of effort as some on this list are also notified via the road/lane closure subscription. Residents and businesses are encouraged to sign up for this subscription via this link:

http://service.govdelivery.com/service/subscribe.html?code=MIANNA_3

CA-10 –Resolution to Approve the Collective Bargaining Agreement with the Command Officers Association of Michigan (COAM), effective January 1, 2018 - December 31, 2020

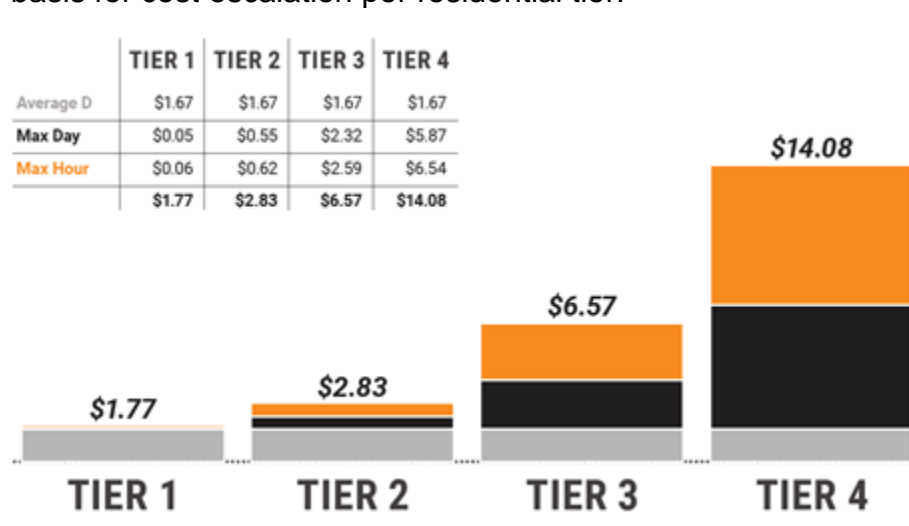
Question: Regarding CA-10, how many employees are in this bargaining unit and is this unit under the city’s new dual pension plan structure for new hires?
(Councilmember Lumm)

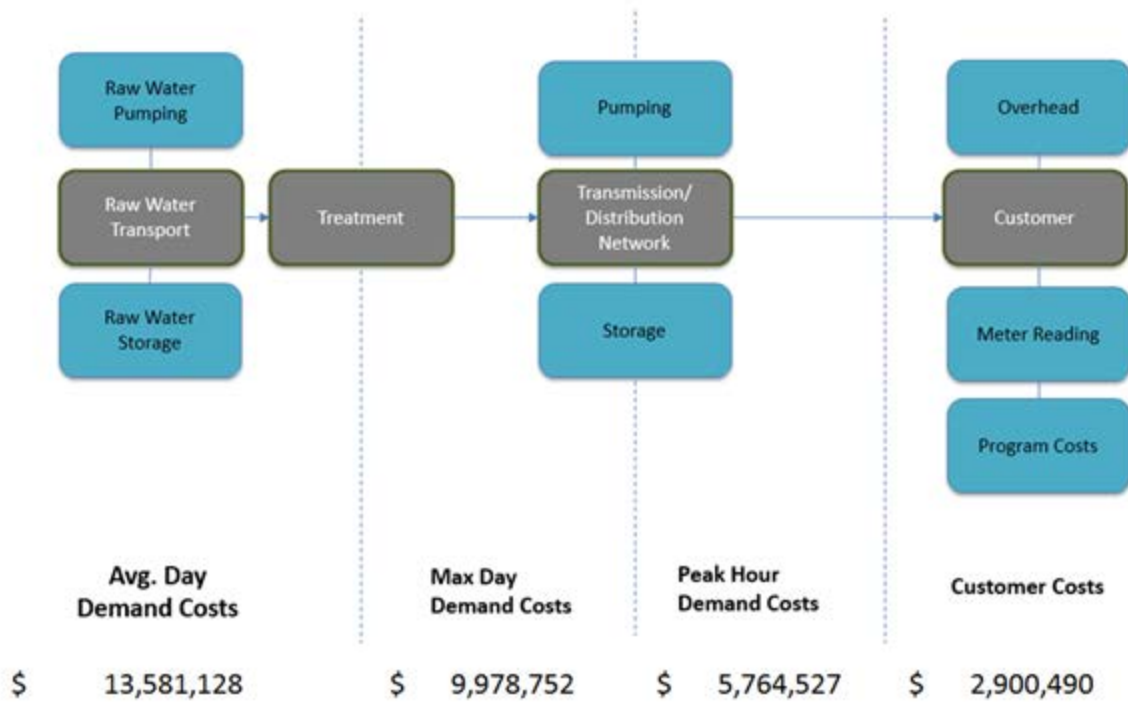
Response: There are currently 23 members of this collective bargaining unit. This unit is not under the hybrid plan, as they are a promotional only group who can only take members from the AAPOA. As you remember, the AAPOA is not under the hybrid.

B-2 - An Ordinance to Amend Sections 2:61 through 2:64, and 2:69, and to Repeal Section 2:73 of Chapter 29 (Change Water, Sewer, and Stormwater Rates) of Title II of the Code of the City of Ann Arbor

Question: Q1. In the May 7 response to my Q10 on the actual cost of service data that demonstrates why the cost of service for a residential customer is so dramatically different at Tier 4 volumes than at Tier 1 volumes, the response indicated that “we are currently working on material that is able to communicate this information to you and will be provided as soon as it is complete.” Is it complete? If so, can you please send it today and if not, when do you expect it will be complete? (Councilmember Lumm)

Response: Below please find the breakdown of the cost allocation that reflects the basis for cost escalation per residential tier.





Question: Q2. On May 7, you spoke of a “bulk rate” for Scio and Ann Arbor Townships. For the most recent 12 month period you have data for, can you please provide the total gallons (or CCF) of water provided and the payments received for both Scio and Ann Arbor Township as well as the total gallons (or CCF) provided, and payments received, for City of Ann Arbor customers? (Councilmember Lumm)

Response: The information provided below is from FY 2017 usage data:

	Consumption (ccfs)	Billed Amt (@ Gross)	Billed Amt (@ Net)*
Ann Arbor Twp	201,552	\$846,518	\$761,866
Scio Twp	441,039	\$1,852,364	\$1,667,128
City of Ann Arbor	5,642,408	\$21,289,239	\$19,160,315

*Net includes early payment discount.

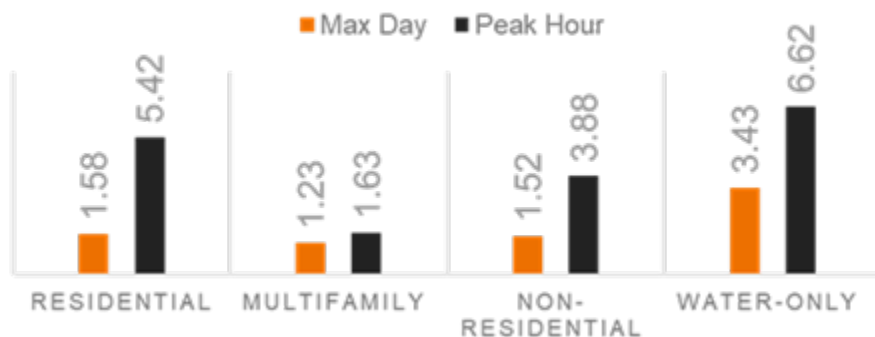
Question: Q3. Thank you for the May 18 response. As mentioned, I was quite surprised to hear it said a few times at the May 7 meeting that commercial volume is constant and does not peak and appreciate your confirming now that commercial

volume – like residential – does in fact peak in the summer months. Although your May 18 response is detailed and perhaps I missed it, I did not see an explanation of what causes the commercial summer peak demand – can you please clarify? Is it outdoor use like residential or something else? You cite an example of an office where there is “no notable peak demands in the summer”, but something is causing commercial demand to peak in the summer – what is it? (Councilmember Lumm)

Response: Because non-residential customers have no standard activity or usage that can be identified, due to the variations among non-residential customers and uses, the data does not exist to be able to allocate the cost of service in the pricing structure as is done for residential customer. This includes the ability to determine essential or non-essential usage.

Question: Also, your May 18 response did not answer my question whether my interpretation of slide 9 from March 12 was accurate – that commercial summer peaking is larger than residential in both absolute and percentage terms. Can you please confirm if that is accurate, and if not, what do I have wrong? (Councilmember Lumm)

Response: The intention of the graphic on slide #9 was to demonstrate that each class has unique trends in water usage. When viewing the graph of total volume summarized by month, the non-residential difference is proportionately greater; however, each proposed rate class was developed using automated meter data for average day, maximum day, & peak hour. The graphic summarizes the data on a monthly basis whereas peaking factors are determined on a more granular basis using daily and hourly information as indicated below.



B-5 - An Ordinance to Amend Sections 7:604 and 7:606 of Chapter 96 (Medical Marijuana Facilities) of Title VII of the Code of the City of Ann Arbor (Ordinance No. ORD-18-15)

Question: Regarding B-5 (cap on number of Medical Marijuana Provisioning Centers), the response to my Q at first reading seemed to suggest there are 25 applications (not 28) that were in the queue and met the requirements. If that's true, and the number in the ordinance cap stays at 28, how will it be decided which other 3 are allowed to move forward – would it be date received or something else? (Councilmember Lumm)

Response: As of today, there are 25 petitions that are either approved (11) or under consideration for approval and not within the 600 foot separation requirements of another provisioning center(14).

The City has received 38 total petitions for provisioning centers. The total breakdown is as follows:

- 11 approved petitions (for special exception use)
- 14 petitions under review
- 3 petitions that are closed/denied/or no longer eligible
- 8 petitions on hold as they do not meet the 600 foot separation requirement with another petition under consideration.
- 2 petitions on hold as they were submitted post-moratorium

A cap of 25 would limit the number of provisioning centers to the number of current approvable petitions. Petitions that are on hold, or new petitions may be considered if any of the remaining 14 petitions under review are denied. A cap of 28 would allow three additional petitions to be approved, which may include petitions submitted post-moratorium or other petitions that the City has not received as of today.

The City has continued to accept applications, and will continue to process completed applications in the order received.

DC-4 – Resolution to Provide Direction to the City Administrator on the Provision of Solid Waste Services

Question: What is the total current staffing of solid waste collection? How many of these positions are being filled by temps currently? (Councilmember Warpehoski)

Response: We have we have 15 total Public Works Technician vacancies across all work areas in the Public Works-Infrastructure job classification. There are 15 budgeted FTE Public Works Technicians assigned to Solid Waste. 8 of those 15 vacancies are in solid waste. Some of these vacancies are filled by temps, when we have available trained temp employees (the number varies). Any vacancies in solid waste not filled by temps are being filled by diverting Public Works Technicians from other work areas.

Question: How would the 243 AFSCME head count number reported to Council on May 10 change if all solid waste positions currently filled by temps were filled by represented employees? (Councilmember Warpehoski)

Response: There are currently 8 vacancies in solid waste. In addition, we are currently holding some other regular positions (7) open in order to provide opportunities for those who currently work in solid waste and may eventually get displaced. So, the total is 15.

DC-6 - Resolution to Accept Settlement Offer to Resolve Dahlmann v City of Ann Arbor, 22nd Circuit Court, Case No. 18-133-CK.

Question: Q1. The first resolved clause “City Council accepts Dahlmann’s settlement offer” coupled with the signed settlement offer attached to the resolution that states “the City shall pay Fifth Fourth LLC, in care of Steven Zarnowitz, its Manager, an additional \$1,000,000 (the “Settlement Payment”)” seems to establish a firm commitment of the city to make a \$1,000,000 payment/expenditure. Assuming that’s correct, why isn’t it necessary to identify the funding source as part of the resolution? (Councilmember Lumm)

Response: The proposed settlement may only be completed after the FY19 budget is approved. A budget amendment that would allow the funding needed for settlement is before the City Council. If it’s approved, the source of funding will be clear.

Question: Q2. Has council ever approved an expenditure of this magnitude (\$1M) where the funding source was not identified in the resolution or cover memo? If so, please provide the details? (Councilmember Lumm)

Response: The size of an expenditure does not control disclosure of its funding source (see the answer to Q1). If disclosing the funding source in the resolution is important to Council, that can be done when the resolution is before Council.

Question: Q3. If Council passes the resolution, how will the transaction be reflected in the City’s FY18 financial statements? (Councilmember Lumm)

Response: The \$4.2 million reversionary payment for the property will be shown as an FY18 expenditure as a reduction to the unassigned fund balance, reducing it to approximately 11%. The \$1 million would be shown as an expenditure in FY19.

Question: Q4. In the last ten years, what have been the largest City payments to settle lawsuits? Please provide the case and settlement amount? (Councilmember Lumm)

Response: Over the past 10 years, since May, 2008, two injury cases exceeded \$100,000 in settlements. The Rosenberg case, involving a garbage truck hitting an elderly man, settled for \$100,000. The Handley case, involving a sidewalk defect causing an injury, settled for \$135,000.

Question: Q5. It seems to me that regardless of which fiscal year the \$1M settlement payment is made, the financial impact is the same – a \$1M cash outflow and a \$1M reduction to fund balance. Is that correct? (Councilmember Lumm)

Response: Yes.

Question: Q6. The resolution does not mention the settlement amount (only a “separate payment”) and there is no mention of the new city plan to delay payment until

next fiscal year to create a 6 vote requirement. For the sake of public transparency, can the cover memo please be revised to include the settlement amount of \$1.0M and an explanation of the new delayed payment plan and its effects? (Councilmember Lumm)

Response: Yes. The revision has been made. As background, the intent of the cover memo was to only summarize the settlement offer at a high level, but to otherwise incorporate and attach the proposed agreement, the terms of which speak for themselves, and which is available to the public.