



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator

CC: Derek Delacourt, Community Services Area Administrator
Matthew Horning, Interim CFO
Craig Hupy, Public Services Area Administrator
Nick Hutchinson, City Engineer
Brett Lenart, Planning Manager
Molly Maciejewski, Public Works Manager
Marti Praschan, Chief of Staff, Public Services
Tom Shewchuk, IT Director
Colin Smith, Parks & Recreation Manager

SUBJECT: June 15, 2020 Council Agenda Responses

DATE: June 11, 2020

CA-2 – Resolution to Approve FY 21 Allocations to Non-Profit Entities for Human Services - \$1,247,529 (General Fund)

Question: Are recipient organizations required to follow the City’s nondiscrimination ordinance or other equity requirements (e.g. race, religion, sexual identity)? (Councilmember Eaton)

Response: The City Contract’s with Washtenaw County OCED to administer the Coordinated Funding Program. OCED contract’s with Coordinated Funding agencies using the County’s boilerplate contract which includes a living wage section, equal employment section, and equal access section.

Question: Regarding CA-2, the cover memo indicates the United Way is “considering” a reduction in their funding. When will that be known? Also, is the reduction in funding from St. Joseph Mercy under consideration or is that firm? (Councilmember Lumm)

Response: Since the cover memo was drafted, the United Way Board has officially voted to fund their Coordinated Funding commitments at 80% for 6 months. After 6 months,

UWWWC will be revisiting their donations and determine what commitment level they can provide for the second 6 months of the fiscal year. St Joe's has committed to a reduction in funding at 50% for the entire 12 months. Both reductions are in response to the financial impacts of COVID-19.

Question: Also on CA-2, are there any changes in specific allocations year-to-year other than the 8.7% reduction being applied to all? (Councilmember Lumm)

Response: Since the cover memo was drafted, the United Way Board has officially voted to fund their Coordinated Funding commitments at 80% for 6 months. After 6 months, UWWWC will be revisiting their donations and determine what commitment level they can provide for the second 6 months of the fiscal year. St Joe's has committed to a reduction in funding at 50% for the entire 12 months. Both reductions are in response to the financial impacts of COVID-19.

CA-3 - Resolution to Ratify an Emergency Purchase Order Request to CivicPlus, LLC for 2020 Day Camp and Other Program Registrations Cancelled and Reimbursed Due to COVID-19 (NTE \$465,000.00)

Question: Regarding CA-3, beyond this \$465K, do we have an updated forecast of the revenue reductions projected for Parks & Rec due to the pandemic? (Councilmember Lumm)

Response: The revenue projections for FY20 for Parks & Recreation Services forecast a total revenue shortfall of approximately \$1.45 million.

CA-5 - Resolution to Approve a Contract with Ann Arbor SPARK for Economic Development Services (\$75,000.00)

Question: Has Ann Arbor SPARK developed a revised budget or plan to address possible revenue shortfalls due to the recession? If so, does that budget or plan include any salary reductions or reductions in staffing? (Councilmember Eaton)

Response: Given the importance of consistent on-going economic development effort to help the Ann Arbor community recover and experience new economic growth when we have faced past crisis that created job loss, diminished private sector investment and declines in tax revenue like the Pfizer closure and the 2008-09 Great Recession, the Ann Arbor SPARK board has planned prudently to maintain a full and robust program in the event of new potential crisis like the Covid pandemic that may impact financial support from our local government, academic and private partnership members.

Since 2012, the board adopted a policy to grow and then maintain an on-going reserve equal to four months of the unrestricted annual budget. In 2020, this reserve equals 33% of the unrestricted budget of \$2.1M or \$699,300. Please note that the unrestricted budget

does not include ANY LDFA funding that by State of Michigan statute is required to support technology company growth connected with the Ann Arbor-Ypsilanti SmartZone. Unrestricted funds come from funding commitments from private companies, the three higher education institutions in Washtenaw County, Washtenaw County and municipalities in Washtenaw County including the \$75,000 annual support from the City of Ann Arbor. Unrestricted funds support the range of business retention, expansion and attraction activities throughout the City of Ann Arbor and Washtenaw County. As noted above, SPARK will spend \$2.1M on this vital business development work in 2020. We provide detailed reports to the City Administration on the specific companies we work with in Ann Arbor on a semi-annual basis.

Additionally, Ann Arbor SPARK has secured and maintained a \$400,000 credit line from the Bank of Ann Arbor.

The availability of support from our government, academic and private partners has enabled us to respond positively during the Covid crisis on behalf of the City of Ann Arbor, Washtenaw County and the surrounding region. The State, County, Pittsfield Township, the Ralph Wilson Foundation, NEI, the Song Foundation and others asked SPARK to process 100s of applications for grant assistance from local businesses and since the beginning of the crisis have distributed \$3.7M on their behalf at no cost (100% of the funds went to the businesses). These entities came to us because we could do this work that they could not do either because of a lack of staff capacity or limitations on how foundations can support private business. We have said yes to every such request. In the case of the State grant program, we led the State in the number of jobs affected in comparison to the other nine regional organizations asked to do this work.

At the present time our pipeline of projects creating new jobs and investment, as might come as a surprise, is full. Coming out of this demand recession, companies in a variety of sectors are considering new investments. Existing clients have over 600 job openings on our job portal and KLA as an example has recently conducted a virtual job fair with SPARK to build their 600 person staff.

Therefore, we have made the decision to maintain our entire staff and keep them focused on this vital work to help our economy recover and grow coming out of this recession as we did with our local Pfizer recession and the national Great Recession filling any gaps from the reserve and line of credit that was described above.

SPARK is on a calendar year budget. Our planning for 2021 will begin in August with the SPARK board adopting a final budget in November. We will clearly take into account the resources our local government, academic institution and private company partners tell us they will make available in 2021 and make programmatic and staffing decisions accordingly.

At this critical moment, SPARK is pressing forward with our belief that economic development in a recession is even more important to help create incomes for our families and revenues for our local government partners.

Question: Please provide an estimate of the expected fiscal year 2021 LDFA revenue from their TIF capture. (Councilmember Eaton)

Response: The budgeted capture is \$4,580,000. Staff still believes this is a reasonable forecast; however, the city could experience more tax appeals than normal so it's particularly difficult at this time to make an accurate forecast.

CA-7 - Resolution to Amend the Installments and Amounts of the Special Assessment Roll for Districts 55, 56, 57, and 60

Question: Regarding CA-7, has the city ever done this before (deferring the due date of the first installment payment)? Also, will the clock start ticking on the interest charges on July 2020 or July 2021? (Councilmember Lumm)

Response: This resolution essentially adds one additional installment and sets the first installment due 7/1/20 at \$0.00. While this particular approach hasn't been taken before, Council has approved additional installments in instances where the standard installment plan would cause a financial strain on property owners. Under this resolution, the July 2021 installment will be principal only. Interest charges will begin after July 2021.

CA-8 - Resolution to Approve an Amendment to the City's Agreement with The Ultimate Software Group Inc. for UltiPro Human Resources and Payroll Subscription Services for FY2021 - FY2025 (\$1,644,163.65) (8 Votes Required)

Question: Regarding CA-8, what is the extra \$43K for that's being requested, is this why 8 votes are required, and is the funding source the IT fund balance? (Councilmember Lumm)

Response: Our annual fee with Ultimate is based on number of employees so they prepped our 5-year costs based on the current employee count. The extra \$43K is a contingency to account for potential increases in employee headcount without needing to go back to Council for approval of additional funds. 8 votes are required because 1) the contingency needs to be appropriated; and 2) we didn't budget enough for the renewal and that also needs to be appropriated. The funding source is IT Fund Balance.

CA-9 - Resolution to Approve a Professional Services Agreement with Davey Resource Group, Inc. for the GIS-Based Inventory Update of City-Owned Trees and Appropriate Funding from the Stormwater Fund (\$152,680.00) and Parks Maintenance and Capital Improvements Millage Fund (\$22,330.00) (8 Votes Required)

Question: Regarding CA-9, is this inventory update (and the Management Plan update) something staff considered for possible deferral due to the financial challenges? (Councilmember Lumm)

Response: Staff did consider deferral but it was decided to move ahead with the project because of the stability of the funding source and the risk and negative impact of deferral. Stormwater Fund revenue is generated from stormwater rates, and because rates are determined by the impervious area of a parcel rather than customer use or tax, the Fund is stable and is not subject to wide fluctuations in revenue.

The tree inventory is used to prioritize maintenance needs such as pruning and removal. Without an updated inventory, maintenance needs may not be appropriately prioritized, increasing the potential for hazardous trees to exist unknowingly. Additionally, the City is scheduled to update the Urban Forest Management Plan in FY21 and the plan depends upon an accurate and up to date inventory. The tree inventory and the management plan support the City's sustainability goals. Results of an updated inventory is needed to guide decisions on the City's tree planting and overall canopy coverage to improve air quality and effectively manage stormwater.

CA-11 - Resolution to Approve a Purchase Order for Hot Mix Asphalt (HMA) and Emulsion to Cadillac Asphalt, LLC (\$399,080.00/\$199,540.00 annually; ITB-4628)

Question: Regarding CA-11, I recognize we did an RFP, but with only one bid, what makes us comfortable the price is reasonable (how does it compare with last year)? (Councilmember Lumm)

Response: The annual price (\$199,540.00) is very similar to the previous contract cycle's annual cost of \$193,790.00.

CA-12 – Resolution to Provide Additional Funding for Recycle Ann Arbor's Municipal Resource Recovery Services (Curbside Recycling) and Appropriate Funds in the Amount of \$472,800.00 from the Solid Waste Fund balance. (8 Votes Required)

Question: Q1. Is the entire \$472K additional cost related to vehicle costs? If not, how much is for vehicles and how much is for other costs and what are they? (Councilmember Lumm)

Response: The \$473,000 additional cost estimate is due to maintenance and repair to City trucks that the City provides to RAA, as well as vehicle lease costs for approximately four trucks per month. This amount is in addition to the FY20 base contract cost of \$4.28 per recycling cart tip and \$18.74 per collected ton.

Question: Q2. Since five rental vehicles are about \$40K, what makes up the balance of the additional \$157K per month referenced in the cover memo? (Councilmember Lumm)

Response: The original amount of the FY20 Municipal Resource Recovery Services Contract purchase order was \$2,033,000. After truck repairs and lease costs, as of March 2020 a balance of \$186,713 remained available to pay this contract. Based on previous months' invoices, the City estimated it would need an additional \$473,000 to pay the remaining contract months of April, May and June 2020. The amount of \$473,000 will cover both base contract costs and truck repair, maintenance and lease costs for the remainder of the FY20 contract.

Question: Q3. Has RAA met their contractual obligations in terms of performing required maintenance or other requirements related to the vehicles? (Councilmember Lumm)

Response: The City and RAA meet on a monthly basis to review truck maintenance, repair and lease issues that must be addressed by the City or RAA in service of this contract. During these meetings, the City and RAA collaboratively work on anticipated solutions and identify areas of needed improvement.

Question: Q4. Regardless of who does the collection, is rental the most cost-effective way to provide working vehicles? If not, what plans are there to purchase or lease new vehicles? (Councilmember Lumm)

Response: Under the current contractual arrangement, the City is obligated to provide RAA with ten collection trucks. The City anticipated providing RAA with ten used City trucks for the duration of the contract; however, over time the condition of the trucks deteriorated and with the City unable to provide additional used trucks, RAA has replaced previously-operating City trucks with leased trucks in order to meet service obligations. Moving forward, for FY21, the City is making three recently retired but operational City trucks available to RAA to replace three of the four leased trucks.

Beyond FY21, City staff are proposing to move forward with plans to identify the most cost efficient way to provide this service.

Question: Q5. What is the projected FY20 ending fund balance for the Solid Waste fund? (Councilmember Lumm)

Response: According to the February 24, 2020 Public Services Budget Overview, the projected FY20 Unrestricted Solid Waste Fund Balance is \$8.8 million dollars. This projection does not account for costs associated with the reinvestment in the City's Material Recovery Facility which will result in an impairment to the Solid Waste Fund

Balance or the minimum fund balance requirement per City policy, 25% of operating costs (\$4.6M).

CA-13 - Resolution to Approve Change Order Number 1 to the Construction Contract, with Ideal Contracting, LLC for the Landfill Scale and Entrance Improvements Project for Fiber Optic Network Infrastructure (\$275,382.00, contingency \$25,540.00)

Question: Regarding CA-13, I'm a bit confused about IT's role in this and the funding. The cover memo indicates IT was to coordinate this work, but now can't - why is that? Also, it is not clear if this change order adds to the total project budget and if so, why is that since the work was always contemplated, just being coordinated by another department? (Councilmember Lumm)

Response: IT cannot complete the project in the timeframe needed. The work was planned and budgeted as part of the overall project budget.

CA-14 - Resolution to Authorize Contract Amendment Number 7 with Recycle Ann Arbor for Municipal Resource Recovery Services

Question: Recently, staff posted an Invitation to Bid for Residential Customer Recyclables Collections (ITB 4623). Why wasn't this service bid as a Request for Proposals to allow vendors to both describe potential services and the cost of those services? (Councilmember Eaton)

Response: City staff issued Invitation to Bid for Residential Customer Recyclables Collection (ITB 4623) because it describes the services the City needs in the most fiscally responsible manner and is comprehensive in scope. This competitively procured pricing will be used to identify the best means of providing residential recycling, including specifically identified education components (cart tagging) in Ann Arbor, either by City resources or contracted services.

City staff note that based on a sampling of procurement methods on the [MiTN site](#), ITBs are a common mechanism used by Michigan municipalities to procure collection services.

Question: Please provide a status update on the negotiations with Recycle Ann Arbor to restore the City's material recovery facility. (Councilmember Eaton)

Response: The status of these negotiations is as indicated in the attached update provided to City Council on May 18, 2020 (attached). City Staff and Recycle Ann Arbor continue to work towards finalizing a 10-year service agreement and land and building lease by June 20, 2020 for Council consideration on July 20, 2020.

Question: Q1. How much is the city paying RAA in FY21 under this contract and is there a price escalator in exercising the option? How does this compare with the last ten years of payments? (Councilmember Lumm)

Response: In FY21, the City will pay RAA a base contract fee of \$4.46 per tip and \$18.74 per collected ton. Additionally, the City anticipates paying \$7,300 per month for 12 months for one leased recycling truck.

Question: Q2. How does the amount the city is paying RAA under this contract compare with the projected costs of the city providing the service in FY21? (Councilmember Lumm)

Response: The Cost of Service Analysis performed as part of the Solid Waste Resources Management Plan (SWRMP) determined the cost for City provided services in FY18 at \$2.44/cart. Adjusting for inflation (3% annually) would result in an FY21 cost of \$2.67/cart, compared to the RAA contract cost of \$4.46/cart and \$18.74 per collected ton.

Question: Q3. Previously we were informed that the RFP went out on April 6 and bids were due by April 30 – how many bids were received? (Councilmember Lumm)

Response: Five potential bidders provided questions in response to the City's April 6, 2020 Invitation to Bid (ITB) 4623 – Residential Customer Recyclables Collections. The City has not received formal bids to date because the City moved the bid due date to July 1, 2020. Please see Response 5 for more detail.

Question: Q4. Previously we were informed the RFP process was being conducted now in order to award the contract effective July 1, 2020 (and per SWRMP, realize cost savings as soon as possible). What changed? (Councilmember Lumm)

Response: Planning to issue the Residential Recycling bid was well underway when the COVID-19 pandemic upended business as usual. City were aware of and sensitive to the challenging and evolving business dynamic this pandemic presents for all stakeholders involved. However, the impending June 30, 2020 contract expiration date and cost considerations associated with current recycling collection operations contract made City staff feel it was prudent to issue the Residential Recycling Collection ITB process on April 6, 2020. However, two of the five potential bidders requested an extension to both the bid due date and contract start date. Given the extenuating circumstances with COVID-19 and its impact on lead-time for acquiring necessary equipment, the City agreed to a bid due date extension to July 1, 2020 and a contract start date extension to July 1, 2021.

The City additionally considered feedback from Councilmembers Ackerman and Eaton regarding concerns with the initial due date given the global pandemic and other factors.

Question: Q5. Given that bids were due by April 30, what prevented (or prevents) us from awarding a contract effective July 1 (or mid- fiscal year) rather than waiting a full year? (Councilmember Lumm)

Response: Two of the 5 potential bidders requested an extension to both the bid due date and contract start date and given the extenuating circumstances with COVID-19 and its impact on lead-time for acquiring necessary equipment, the City agreed to a bid due date extension to July 1, 2020 and a contract start date extension to July 1, 2021.

Following the extension of the Residential Customer Recyclables Collections (ITB 4623) start date from July 1, 2020 to July 1, 2021, City staff discussed how best to provide recycling services in the intervening time. City considered the option of providing the service; however, we faced a short-term limitation on staffing and vehicles. City then investigated whether we could extend the current Municipal Recovery Service contract with RAA for a short-term while we addressed staffing and vehicle limitations; however, this contract does not have a provision for termination prior to the year-long extension date of June 30, 2021.

Question: Q6. Perhaps I missed it, but when was council informed of this change in plans to just extend this contract for another full year rather than award a new contract effective July 1st? (Councilmember Lumm)

Response: The City provided an update on April 30 to some councilmembers in response to their inquiry on the topic. The City made a decision to extend the bid due date and start date based on considerations outlined in response 5.

Question: Q7. With this one-year extension, will another RFP be issued and if so, when? (Councilmember Lumm)

Response: The one-year extension to the Municipal Resource Recovery Services contract is due to the City extending the ITB 4623: Residential Customer Recyclables Collections start date to July 1, 2021. The bids for ITB 4623 are due on July 1, 2020. The City will evaluate all bids and additionally consider how these bids compare to the City's own cost of service analysis (please see Response to question 2).

Question: Q8. Does staff continue to recommend consolidating the residential collection activities (as recommended in the SWRMP)? (Councilmember Lumm)

Response: City staff continues to recommend consolidating residential collection activities.

As noted in our October 7, 2019 *Solid Waste Road Map* memorandum, the most contentious component of the Solid Waste Resource Management Plan (SWRMP) is the Cost of Service Analysis findings regarding residential recycling collection and the resulting draft recommendation that the City bring the services in-house. The SWRMP's analysis concluded that bringing residential recycling collections in-house would result in savings of \$775,000 in the first year of operation and create at least three additional City union jobs.

City staff remains confident in our ability to provide excellent and efficient residential recycling collection service, but given the contentious nature of this SWRMP finding, the final draft SWRMP recommendation is to competitively procure this service to identify the best means of providing residential recycling in Ann Arbor, either by City resources or contracted services.

Invitation to Bid #4623: Residential Customer Recyclables Collections (Residential Recycling ITB) targets single-family and multi-family homes with individual 32, 64, or 96 gallon curb carts serviced from driveways or street curbs.

The Residential Recycling ITB does not include multi-family homes currently serviced with 300-gallon carts or multi-family units serviced with shared-use carts. The City believes these sites will be more appropriately and effectively serviced with dumpsters under a different collection contract.

By making these changes to current collection practices, the City anticipates the following service enhancements:

- **Consistency** providing appropriate collection containers as regulated by the City's Municipal Code and solid waste regulations and informed by site-specific conditions. For example, currently some multi-family units are inefficiently serviced by an excessive number of carts even though dumpsters are required by City Code and better suit the sites. This bid would also make residential recycling collection practices consistent with residential compost and trash collection.
- **Operational efficiency**, including coordinated route planning to eliminate interference between collection vehicles from different collection service providers. The City anticipates improved route coordination will result in Greenhouse Gas savings.
- **Improved customer service** where customers have a single point of contact to address service issues. Under the current structure, service issues must be routed to multiple points of contact.

At the January 6, 2020 tabling of the SWRMP by Council, it was noted by Councilmembers and the Assistant City Administrator that direction from Council would need to be provided to staff regarding the SWRMP. City staff have not yet received direction from Council regarding next steps related to the SWRMP and associated elements including recycling collection.

Question: Q9. The SWRMP also recommended consolidation of commercial collection activities to realize cost savings. Are those RFP's being pursued or will all the contracts that were set to expire June 30th also be extended for a year? (Councilmember Lumm)

Response: The City will address commercial and multi-family sites not included in the ITB 4623 with a yet to-be-developed collections contract. The City has extended both the Municipal Resource Recovery contract and Waste Management's Commercial Refuse Collection Services contract until the end of FY21.

Question: Q10. The A2Zero plan assumed realization of the savings in the SWRMP as a key funding source. What impact will not realizing those savings have on the A2Zero plan and if alternative funding sources for A2Zero are contemplated, what are they? (Councilmember Lumm)

Response: At the January 6, 2020 tabling of the SWRMP by Council, it was noted by Councilmembers and the Assistant City Administrator that direction from Council would

need to be provided to staff regarding the SWRMP. City staff have not yet received informal or formal direction from Council regarding next steps related to the SWRMP.

Once City staff has formal direction from Council, staff will be better able to respond to anticipated impacts on solid waste management and closely related A2 Zero initiatives.

Question: Q11. Why is it necessary for council to approve (resolved clause #2) what kind of trucks (new or used) RAA is provided? (Councilmember Lumm)

Response: City staff considers that by making revisions to the existing contract terms—including an updated list of specific City-provided trucks and truck rental lease length—it is necessary to seek Council approval of these revisions.

Question: Q12. Does the city have any other substantive contracts that have not been competitively bid for 17 years and if so, what are they? (Councilmember Lumm)

Response: The City's current list of best and sole source contract (non-competitively bid) lists 14 contracts between \$100,000 - \$450,000.

Question: Q13. The cover memo states that "The current contract calls for the City to provide ten trucks for use by RAA, with seven of those trucks for collection routes and the other three being reserved in case the route trucks need to be repaired. RAA has modified their operations such that all ten trucks are used for daily collections. " When did RAA modify their operations and for what reason? Also, if the current contract calls for RAA holding 3 of the trucks in reserve, on what basis does the contract allow RAA to do that (or did they ask and the city agree)? (Councilmember Lumm)

Response: The contract initially allocated ten City trucks for RAA to service seven recycling cart collection routes. Of the ten trucks, three trucks were intended as reserve in the event that any of the seven route trucks required repair. Over time, RAA increased cart service to new developments and businesses which resulted in expanding existing routes and adding new routes. With RAA's expanded cart service they began to use all ten trucks as a standard practice.

To the best of current City staff's knowledge, RAA has not formally notified the City of a change in truck use patterns that might alter contract terms. However, as of FY20 the City and RAA have informally and collaboratively adjusted truck repair, lease and maintenance procedures to ensure that RAA has access to ten contractually-provided trucks regardless of whether those trucks are considered as backup or in use as part of their regular routes.

Question: Q14. Under the extension, assuming RAA will continue to use all 10 trucks for operations and there is still the need to hold three in reserve, does that mean there are now 13 total trucks dedicated to this service rather than the 10 in the past? (Councilmember Lumm)

Response: As of FY20 the City and RAA have informally and collaboratively adjusted truck repair, lease and maintenance procedures to ensure that RAA has access to ten contractually-provided trucks regardless of whether those trucks are considered as backup or in use as part of their regular routes.

Question: Q15. Can you please provide a summary of the previous 6 amendments to the 2003 contract? (Councilmember Lumm)

Response:

- Original Contract (December 15, 2003)
 - City Council approved Resolution R-517-12-03 approving a 10-year contract with Recycle Ann Arbor (RAA) “negotiated in response to the approved Solid Waste Plan, which recommended a Performance Based contract as an effective way to establish a long term recycling collection contract with RAA” for collection of recyclable material throughout the City.
 - The contract rewarded RAA on the recycling tonnages they collected (\$19.30 to \$102.58 per ton, depending on the annual tons) and also paid a per-service unit fee (\$2.41 per service unit (total of 48,886 service units).

- Amendment #1 (March 2, 2005)
 - Modified Article A-6 of the contract regarding Compensation Incentives and Additions.

- Amendment #2 (March 15, 2010)
 - City Council approved Resolution No. R-10-071 authorizing Amendment #2 as part of the conversion to single-stream recyclables.
 - Extended the contract for 5 additional years from 2013 to 2018.
 - Modified provisions for compensation to RAA by revising the tonnage rate to \$18.74 - \$30.00 per ton in recognition of increased efficiencies with the automated collection program. Additionally replaced the per (dwelling) unit service fee with \$3.25 per cart fee
 - Expected less carts than service units as most multi-family units will share carts
 - Estimated 32,779 recycle carts

- Amendment #3 (July 5, 2011)
 - City Council approved Resolution No. R-11-326 authorizing Amendment #3 to adjust RAA’s compensation per service unit.
 - Current (pre-amendment) structure was “based on projections for the single stream recycling program that have not fully materialized”:
 - Anticipated 32,779 cart being deployed; actual deployment of 29,734 (9.2% less)
 - Consultant anticipated 18,425 tons of recyclables for FY11; approximately 10,800 tons collected (40% shortfall)

- Adjusted monthly per-cart tip fee from \$3.25 to \$3.55 and made no change in tonnage. City staff anticipated this change would result in additional \$107,042.00 annually to RAA, but still \$230,458.00 less than projected in 2010.
- Amendment #4 (August 17, 2015)
 - City Council approved Resolution No. R-15-286 authorizing Amendment #4 to modify annual adjustment factor by removing the Annual Price Adjustment Factor that used obsolete indices from the United States Department of Labor, Bureau and Statistic (BLS) and adding a flat fee price adjustment factor of 4%.
- Amendment #5 (June 4, 2018)
 - City Council approved Resolution No. R-18-218 authorizing Amendment #5 to extend the termination date one year to June 30, 2019, with the City having an option to extend for up to two additional five-year terms if City Council elects to do so. City Council also approved the addition of provisions for RAA to lease trucks to allow for needed repairs to existing City-owned trucks used by RAA, with the City reimbursing RAA for the lease payments.
- Amendment #6 (June 4, 2018)
 - City Council approved Resolution No. R-19-256 authorizing Amendment #6 to extend the contract one year with an option for one more one-year renewal. The approved resolution additionally acknowledged that downtown pedestrian (sidewalk) containers will be transitioning to manual containers serviced by the City.

CA-17 - Resolution to Award a Construction Contract to P.K. Contracting, Inc. for Pavement Marking Maintenance (\$560,088.25; Bid No. ITB No. 4631)

Question: Regarding CA-17, I appreciate the city tried to competitively bid and also appreciate the explanation in the cover memo about just the one response. Have the year-to-year increases from PK Contracting been reasonable? (Councilmember Lumm)

Response: Yes. Prices from P.K. Contracting continue to be reasonable with year-to-year increases averaging slightly under 1-1/2 percent per year for the last five years.

CA-18 - Resolution to Award a Construction Contract to Strawser Construction, Inc. (ITB-4630, \$2,367,983.83) and to Appropriate \$3,642,400.00 for the FY2021 Street Preventative Maintenance Project (8 Votes Required)

Question: Regarding CA-18, it's good that the bids came in much lower than expected. I'm assuming that allows us to do additional streets – correct? (Councilmember Lumm)

Response: The cost savings associated with the lower bids prices should allow for additional street work under this contract; however, that will rely in part on the availability Act 51 (gas and weight tax revenues) monies received from the State of Michigan and the related impacts to the Major and Local Street Funds Operations and Maintenance and Budgets as a result of COVID-19. These budgets are major revenue sources for the project.

Question: Also, does staff feel the lower costs here is indicative of a cooler construction market or just a one-time occurrence? (Councilmember Lumm)

Response: That is uncertain. The most significant cost savings were related to just a few of the subcontracted work items, which it appears most bidders pursued aggressively since their pricing was in very close proximity to one another. At this time, the sample size is too small to draw any conclusions.

CA-20 - Resolution to Approve Optional Coronavirus-Related Distributions from the City's Deferred Compensation Retirement Plan

Question: Regarding CA-20, this certainly seems appropriate, but can you please confirm there is no incremental cost to the city, the Retirement Plan, or to individuals who take the distributions? (Councilmember Lumm)

Response: There is no cost to the City, or to AAERS. These coronavirus-related distributions (CRD) are made without the standard costs that are typically associated with early 457 distributions. See attached CRD information sheet for additional details regarding the distributions.

C-1 – An Ordinance to Amend Chapter 55 (Unified Development Code), Zoning of 4.5 Acres from PUD (Planned Unit Development) to C3 (Fringe Commercial district), MMG Plymouth Road Mixed Use Rezoning, 3611-3621 Plymouth Road, (CPC Recommendation: Approval - 9 Yeas and 0 Nays)

Question: Q1. The November 19, 2019 staff report indicated that “ *In staff's opinion, it does not make sense for the existing PUD district to be amended and to adopt modern supplemental regulations when the C3 district suits the needs of the applicant, land owner, and community, and provides more flexibility for future uses.*” Can you please

remind us what uses are permissible in C3 zoning, and expand on how C3 “suits the needs of the community”? (Councilmember Lumm)

Response: The C3 (Fringe Commercial) district is the City’s version of a “big box store” commercial district. It allows vehicle-oriented uses that should not be near the pedestrian-intense downtown, and assumes that each store is separate with its own parking lot. Every category and type of use of residential, office, and commercial use is allowed in the C3 district. The C3 district is the only district where fueling stations and vehicle washes are permitted principal uses. The C3 and C2B districts are the only districts where warehouse storage, vehicle repair, contractor yards, wholesale and supply sales, auto sales, and outdoor recreation are permitted principal uses.

“Suits the needs of the community” is a jargon phrase found in some zoning ordinances for intent and purpose statements and rezoning standards of approval. Upon reflection, staff should have written that the permitted uses in the C3 district provide the same, and more, functionality as the current PUD district; the other half of the Bolgos PUD was rezoned the C3 in 2015 to allow Plum Market to open, and the proposed rezoning would continue the emerging pattern; and the most appropriate place for C3 zoning is immediately adjacent to major transportation corridors and highways.



Question: Q2. The proposal includes a planned project modification to increase the hotel building height to 6 stories and 76 feet vs the C3 allowed maximum of 4 stories and 50 feet. A 50% variance on height is a lot. What is the rationale for supporting this modification, and also, does the need for a 50% variance suggest the C3 zoning may not be appropriate? (Councilmember Lumm)

Response: Staff support the modification as it provides four times the number of hotel rooms on the same footprint as the existing hotel building. Enabling all of the proposed floor area to be stacked vertically also allows the possibility that other development may be proposed on the surface parking lot in the future. The need for the planned project modification speaks more to how antiquated the C3 district standards are compared to modern construction practices. The most efficient buildings are more vertically oriented, allowing for a smaller footprint and less surface to volume ratio. The low height limit of the C3 district, with a generous FAR allowance, encourages big box style development of low, long, wide buildings taking up lots of ground area. With the planned project modification, the site plan increases the FAR from 12% to just 47%, when a maximum of 200% is permitted, and provides 30% open space outside of it's broad surface parking lot.

Question: **Q3.** Would this project be allowed if the Transit Supported zoning district as drafted in the Fall were in place? If not, why not? (Councilmember Lumm)

Response: No, because it does not include any residential uses. Hotels are considered commercial land use.

Question: **Q4.** A May 12th memo from Mr. Lenart regarding the use of the Red Roof Inn as an extended shelter was included. Can you please update us on the current status and the County's plans? (Councilmember Lumm)

Response: Currently SAWC and the County are using the entire hotel for non-congregate shelter, except for one room in each building which is used for staff and storage. The contract goes through the entire month of June with the ability to extend. The County expects to extend the contract and continue use of the hotel in all or in part through the summer and potentially into fall if feasible.

DC-3 - Resolution in Support of More Substantive Civilian Review of Policing Practices and Incidents

Question: Regarding DC-3, the last whereas clause states that "The Ann Arbor City Council acknowledges that to permit LEIN access for civilian police oversight commissions there will need to be coordinated efforts and agreements between local, state and federal agencies that support and provide information into the LEIN system." Can you please elaborate on what that means and what agreements would be necessary for this to happen? (Councilmember Lumm)

Response: It would not be enough for the Governor to change the LEIN policy and allow groups like ICPOC to have access. It is however, the first needed step. LEIN also includes a network of other states and federal information systems like CJIS, which is a database run by the FBI. The Step 2 would be for the feds to make accommodations for groups like

ICPOC to have some form of access to get information necessary for their review to hold law enforcement accountable. For ICPOC's everywhere, it will take local willingness (like this resolution), a state EO or statute affording the ability to review this confidential information, and finally permission from federal agencies to make administrative changes on their end as well.

DC-8 - Resolution Authorizing Amendment Number One to Agreement with Ann Arbor Summer Festival, Inc. for FY20 Community Event Funding

Question: Please provide information and an update on the free use of the Michigan Theater for up to ten times a year. (Councilmember Bannister)

Response: The City has the right to use the theater for up to 12 times per calendar year for meetings and events held by the City at no charge to the City. This right was included in the deed restriction for the property when the City deeded the property to the Michigan Theater Foundation in 2007.

Question: Is there any way to strengthen and clarify the unique community benefits of Summer Festival? Would it be possible for the Summer Festival and other Community Events to meet and discuss their funding needs in light of all of their events being cancelled, and look for ways to combine and support the events (such as the African American Festival, Juneteeth, Earth Day (multiple events), Center of City, Treeline Trail, Chimney Swifts, Jaycees, Rolling Sculpture Car Show, Art Fair, etc.)? (Councilmember Bannister)

Response: Ann Arbor Summer Festival staff will be available at the Council meeting for questions. Staff are not in a position to organize a funding needs meeting.

Question: On slide 8 of the Summer Festival COVID Response, it offers to select a tiny pop-up from the list of musicians, but please send the list which seems to be missing. This list would be useful to show the community benefits and benefits to our musician community. (Councilmember Bannister)

Response: This information is not yet available as these engagements are in varying places of negotiation and confirmation.

CORONAVIRUS-RELATED DISTRIBUTIONS (CRDs)

If you have been adversely affected by the coronavirus (COVID-19) pandemic, you may qualify for an in-service withdrawal from your retirement plan called a Coronavirus-Related Distribution (CRD).

What is a CRD?

The new Coronavirus Aid, Relief, and Economic Security (CARES) Act allows qualified employees to withdraw up to \$100,000 total from their retirement plans.*

As a participant, you are eligible to take advantage of the new provision if:

- ▶ You have been diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention; or
- ▶ Your spouse or dependent is diagnosed with COVID-19 by such a test; or
- ▶ You have experienced adverse financial consequences as a result of being quarantined, furloughed, or laid off; having work hours reduced; being unable to work due to lack of child care due to COVID-19; or closing or reducing hours of a business owned or operated by the individual due to COVID-19; and
- ▶ You will acknowledge when completing the withdrawal form that you meet one of the above qualifying criteria.

Additional Details

- ▶ The maximum withdrawal amount is \$100,000 across all retirement plans and IRAs combined held by the participant.
- ▶ CRDs are exempt from the 10% penalty tax that typically applies to early withdrawals from qualified plans.
- ▶ The income tax liability can be spread over three years.
- ▶ A mandatory 20% federal withholding tax does not apply.

You also have the ability to repay the amount withdrawn back to a plan or an IRA over the next three years, in which case the distribution would not be subject to income tax. Note that the repayments will not count towards the contribution limits in effect for the year.

**Maximum withdrawal amounts of \$100,000 is total amount across all retirement plans. Reach out to your employer to verify the plans offering CRDs as well as the maximum withdrawal amount for your plan(s).*

AC: 46893-0420



To take advantage of this provision, log in to Account Access at www.icmarc.org/login or contact us at (800) 669-7400.

You can also visit our Coronavirus (COVID-19) Resource Center at www.icmarc.org/resourcecenter for updates.

ICMA RETIREMENT CORPORATION | 777 NORTH CAPITOL STREET, NE | WASHINGTON, DC 20002-4240
TEL: 202-962-4600 | FAX: 202-962-4601 | TOLL FREE: 800-669-7400 | WWW.ICMARC.ORG

