



Legislation Text

File #: 08-0488, **Version:** 1

Resolution to Establish the Footing Drain Disconnection Funding Cap at \$4,100.00 per Individual Home In Accordance with Section 2:51.1 (3) of Chapter 28 of Title II of the Code of the City of Ann Arbor

Attached for your review and approval is a resolution to establish the Funding Cap at \$4,100.00 in accordance with Section 2:51.1(3) of Chapter 28 of Title II of the Code of the City of Ann Arbor.

On August 20, 2001, the City Council approved Chapter 28, Section 2:51.1 of the City Code (Ordinance No 32-01), which details the implementation of a citywide footing drain disconnection (FDD) program. In addition, an Administrative Consent Order (ACO) was signed with the Michigan Department of Environmental Quality (MDEQ) to work toward the elimination of sanitary sewer overflow and compliance with Natural Resources and Environmental Protection Act, 1994 PA 451, Part 31.

The SSO Task Force and City Council recognized that implementation of the FDD Program would not be without challenges. Construction on private property requires effective program management, including community engagement and education, an adequate funding mechanism, responsible contractors, and flexibility to work with individual homes and homeowners. The project management team strives to provide the best possible solution for each home and funding is provided for not only the basic installation components but for restoration of finished basement areas and yards. A number of installation alternatives have been developed to help minimize disruption to the home. An ongoing monitoring program is in place to verify that the flows being removed from the sanitary sewer system are at the magnitude expected. In addition, homeowner feedback is frequently compiled and posted on the project website to help identify areas of improvement.

The City currently provides funding for qualifying footing drain disconnection (FDD) work, which includes the material and labor costs for the following items: standard sump and sump pump installation; new electrical circuit and outlet; discharge pipe to the curb drain or other discharge location; and basic restoration of interior and exterior work areas. This qualifying work must be completed in accordance with specifications developed during the initial pilot study. Through the initial pilot study of the project in 2000, it was found that \$3,700.00 was the average cost for qualifying FDD work, including the installation of a backflow preventing check valve to further protect the high risk homes that had suffered basement backups in the past. In 2001, the FDD ordinance defined the funding cap as \$3,700.00. Since 2001, construction costs, material costs, fuel costs, labor costs and minimum program installation requirements have changed enough to warrant an increase in the reimbursement limit for current and future qualifying footing drain disconnection work.

The general consumer price index for urban areas per the Bureau of Labor Statistics has increased by roughly 19% since 2001 through April of 2008, or at an annual average of 2.7%. The total labor costs to an employer in the Midwest region have increased by about 21.5% from the 4th quarter of 2001 through the 4th quarter of 2007, which is an annual rate of about 3.3%, or 0.5 percent above general inflation. The average construction cost of \$3,700.00 in 2001 indexed to a 2008 level based

on the consumer price index would be approximately \$4,470.00. A majority of the homes that had suffered basement backups had been disconnected; therefore check valves are no longer a required element of the project resulting in a reduction of approximately \$500. In addition, the project specifications have been reviewed and upgraded resulting in an increase of approximately \$130.00, which would justify an increase to an average cost of \$4,100.00.

The City's adopted FY09 Capital Budget includes the approved project budget in the amount of \$1,200,000.00. Funds will be advanced from the Sewage Disposal System Operating Fund Balance pending the sale of Sewer Revenue Bonds. In an attempt at reducing the overall project cost of the FDD Project the City is applying for Strategic Water Quality Initiatives Funds (SWQIF) from the State of Michigan.

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Reviewed by: Sue F. McCormick, Public Services Area Administrator
Approved by: Roger Fraser, City Administrator

Whereas, On August 20, 2001, the City Council approved Ordinance No. 32-01, to provide for implementation of a citywide footing drain disconnection process and defined the funding cap as \$3,700.00 per individual home;

Whereas, The City and the MDEQ agreed to enter into an Administrative Consent Order ACO-SW03-003 on September 4, 2003;

Whereas, The City of Ann Arbor is required to remain in conformance with the Michigan Department of Environmental Quality, Natural Resources and Environmental Protection Act, 1994 PA 451, Part 31;

Whereas, The Footing Drain Disconnect Program is included in the 2008-2013 Capital Improvements Plan as a multi-year citywide program; and

Whereas, Construction costs and modifications to the minimum program installation requirements warrant establishing the funding cap at \$4,100.00 per individual home;

RESOLVED, That City Council establish the Funding Cap at \$4,100.00 per individual home in accordance with Section 2:51.1 (3) of Chapter 28 of the Title II of the Code of the City of Ann Arbor; and

RESOLVED, That the City Administrator is authorized to take the necessary administrative actions to implement this resolution.