



TO: Mayor and Council

FROM: Craig Hupy, Public Services Area Administrator
Susan Pollay, Executive Director, DDA
Wendy Rampson, Planning Manager
John Seto, Safety Services Area Administrator
Robyn Wilkerson, Human Resources Director

CC: Steven D. Powers, City Administrator

SUBJECT: Council Agenda Responses

DATE: 10/20/14

Item CA-4 – Resolution to Approve Contract with the Clean Energy Coalition for Community Climate and Energy Programs (\$85,000.00)

Question: The resolution indicates there was only one response to the City’s RFP for these consulting services. What other firms did the City invite to bid? (Councilmember Lumm)

Response: RFP-911 was shared through the City’s Bid-Net solicitation system, and was obtained and downloaded by 46 potential bid responders. A list of those firms is attached.

Question: Also, for how long is it expected that the \$85K will fund the consultant’s work, and given that the funding sources in the budget amendment adopted by council were one-time in nature, what is the funding plan for funding after that? (Councilmember Lumm)

Response: The majority of work is expected during the current fiscal year, but a portion may extend through the summer of 2015. City staff is currently evaluating a sustained funding model for community energy work and will finalize this evaluation during the approaching budget cycle.

B-1 – An Ordinance to Amend the Code of the City of Ann Arbor by Repeal of Chapter 112, Non-Discrimination, of Title IX of said Code in its Entirety and Adding a New Chapter 112, Non-Discrimination, of Title IX of said Code (Ordinance No. ORD-14-25)

Question: For first reading I asked the following question that staff was unable to provide the response to: For the new protected classes in the Non-Discrimination Ordinance (Veteran status, political beliefs, and genetic information) the proposal reflects language based on Lansing, Madison and Philadelphia respectively. What do we know about the experience in those cities with their language in terms of any legal or operational issues? (Councilmember Lumm)

Response: Staff has not contacted Lansing, Madison, or Philadelphia regarding any operational issues related to the proposed ordinance language. The ordinance language was drafted by the Human Rights Commission and reviewed by the City Attorney. The Human Rights Commission would be the best resource for information on language used in other cities.

Item DC-4 – Resolution Directing the City Administrator to Negotiate with the Dahlmann Corporation Concerning the Temporary Use of the Former Y Lot and the Allocation of Net Proceeds to the Affordable Housing Fund

Question: I understand that the DDA has already considered a similar request. What was the outcome of that process and the reasons given by the DDA for their decision? (Councilmember Warpehoski)

Response: At the DDA's January 2014 Operations Committee meeting DDA staff reported that a Dahlmann Company representative had contacted the DDA office with a proposal that the DDA lease back the property at 350 S. Fifth Avenue for use as a public parking lot once the property sale from the City had been completed. The Committee was asked for direction regarding this request, and after much discussion, the consensus was to not pursue a lease. In March 2014 a Dahlmann Company representative attended the Committee meeting and set forward a verbal proposal that the DDA lease the site for two years for \$90,000/year. To help it in its deliberations regarding this proposal the committee asked Republic Parking for an assessment of parking demand and supply near this location. At its April 2014 meeting the DDA Operations Committee members heard from its parking operator that the amount of parking in the area around the 350 S. Fifth Avenue property had been increased in the previous few years with the addition of the Library Lane parking structure and new on-street parking meters and there appeared to be ample public parking in the area without need for the spaces provided by this lot. There was also a concern expressed that after many years of use, the porous pavement on the site needed some repair and it wasn't clear what the cost for this repair might be or who would bear the cost of this repair.

The Operations Committee kept the full DDA board informed during this period, and suggested the following reasons for not pursuing a lease with the Dahlmann Companies:

The overall parking system was seen as experiencing increasing demand; however, in this specific location there appeared to be sufficient public parking without utilizing this lot.

Given the amount of available parking in the area it was felt that if the lot were to be reutilized it would draw revenues away from the public parking structures, while at the same time increasing the cost for operating the public parking system by \$90,000/year.

The parking lot had been installed by the DDA as a temporary measure. Given the construction of the Library Lane structure it was felt that the lot could and should be released for private redevelopment.

Question: Is there a plan for how rates would be set for this site? Is the intent hourly or monthly parking? (Councilmember Warpehoski)

Response: Staff is unaware of any plan or the parking intent of the proposal.

Question: I have noticed vehicles parked on this site. Under what circumstances would this use be a violation of city code? (Councilmember Warpehoski)

Response: If the lot is being used as a private parking lot, it would be a violation of the Zoning Ordinance, and the property owner may be ticketed. To operate a privately-owned, principal-use parking lot in the D1 district, the property would first need to obtain special exception use approval from the Planning Commission. If a governmental entity operates a public parking lot on the property, the special exception use requirement would not apply during the time the governmental entity operates the lot.

Item DS-1 – Resolution to Affirm and Approve Coverage Service Contracts for FY2009-2015 with Unum Life Insurance (\$2,063,230.26), Flores & Associates (\$232,562.50), Part D Advisors (\$873,452,75), and Delta Dental (\$1,631,605.39) to Provide Insurance and Administration Services to City Employees, Retirees, and their Dependents

Question: The cover memo indicates that the carriers and administrators “agreed to maintain those rates and fees from July 1, 2009 to present.” Does that really mean that in each case here – Unum, Flores, Part D Advisors and Delta – there has not been a rate increase over the entire six year period and that each firm has remained the City’s provider for the full period? Also, what specific services are provided by Flores and Associates and Part D Advisors? (Councilmember Lumm)

Response: Yes, Flores, Unum, and Part D advisors have maintained their rates for the past 6 years. Delta Dental went to Council in 2011 for a renewal when we moved from a self-funded plan back to a fully-insured plan. They have maintained these rates since 2011.

Flores provides the administration of our Health Care and Dependent Care Flexible Spending Accounts, as well as the administration of our Health Reimbursement Account.

Part D Advisors works on the Retiree Drug Subsidy that we apply for through the Centers for Medicare (CMS). Since the City provides retirees with prescription drug coverage that is better than the coverage available through Medicare, we are able to apply for a drug subsidy through the Federal Government to help reimburse the City for the cost of our retiree prescription drug plan. Part D Advisors goes through all of our drug claims and does all of the analysis and processing to get us every possible reimbursement dollar. Part D is paid via a commission on the total reimbursement received by the city. There are no additional fees paid to Part D Advisors.

Question: The cover memo also indicates that the City's benefits broker (McGraw Wentworth) conducted RFP's in 2010 and 2013 in compliance with PA106. What were the results of those RFP's? Were these providers the low bidders in each of those cases, and, if not, what was the rationale for them being chosen as the City's providers? (Councilmember Lumm)

Response: Attached are the findings of the PA 106 Marketing efforts in 2010 and 2013 conducted by McGraw Wentworth. These findings were based on the responses that we received to the RFP. The presentations are technical in nature and contain a lot of acronyms, so please feel free to contact Human Resources with any questions