



TO: Mayor and Council

FROM: Larry Collins, Interim Community Services Administrator
Matt Horning, Interim CFO/Treasurer
Shryl Samborn, 15th District Court Administrator
Tom Shewchuk, Information Technology Director
Cresson Sloten, Systems Planning Manager

CC: Tom Crawford, Interim City Administrator

SUBJECT: Council Agenda Responses

DATE: 2/16/16

CA – 7 – Resolution to Approve January 28, 2016 Recommendations of the Board of Insurance

Question: Are all the premiums covered by the general fund, or is aviation coverage covered by the airport enterprise fund and parking liability by the DDA? (Councilmember Warpehoski)

Response: The General Fund covers approximately 30% of the insurance premiums. Where the premiums cover operation specific policies, like airport, parking, or pension, the premiums for those policies are allocated completely to the responsible funds. Property and General Liability insurance premiums are allocated to various funds by formulas that include percent of budget, value of assets insured, and claims experience.

CA – 8 – Resolution to Approve a Service Contract with Home of New Vision to Provide Mental Health Treatment Services to Mental

CA-9 - Resolution to Approve a Contract with the Washtenaw County Sheriff's Office to provide Drug Abuse Screening Services to 15th Judicial District Court Specialty Court Defendants (\$61,545.00)

Question: Both include requests for a 10% contingency in the event more grant funding becomes available. Does more funding translate to more/different services or service provided to more defendants? Are the contracts structured as fixed price for services or based on the number of people or hours and when were the contracts last put out for bid? (Councilmember Lumm)

Response: The 10% contingency requested would allow 15th District to submit a line-item Grant Adjustment for approval by the State Court Administrator for use of the funds to make additional services available to qualified participants eligible to be served by this grant. The fee structure for the services provided under the grant are based on a negotiated flat fee for the specific service involved. The services provided under this grant are identified as professional services which are not subject to bid. However, The State Court Administrative Office reviews and approves grant budget proposals. That review includes comparing providers' rates for service in prior year's budgets as well as review across courts for similar services under grant agreements. Additionally, for Mental Health Court, the State Court Administrative Office requires pricing for services (identified by billing code) to be set at, or under, the maximum amount allowable in the Mental Health Codes and maximum adjusted FFS Rate by the date of rate change.

CA-13 - Resolution to Approve Schedule 26 to the Interagency Agreement for Collaborative Technology and Services for Annual Cost Sharing and Lease Payment of Data Center Services for Washtenaw County (\$208,644.00 over a 5-year period)

Question: First, it's good to see the City/County collaboration on these Data Center services as both city and county taxpayers benefit from the efficiency. What other IT-related services/functions could be shared and are there specific collaborations we are considering? (Councilmember Lumm)

Response: Future collaboration that has been discussed but not yet in place are:

1. Sharing the City's fiber network that the City is currently designing and will be constructing. This will allow the City to offset costs needed to maintain the fiber.
2. Fax server solution that will allow the county and the city to eliminate numerous older and existing phone lines.
3. The city and county District Court are looking to enhance the utilization of our On-Base document management system.

Staff continue to look for sharing and collaboration opportunities as we implement new and replace existing systems.

Question: Also the cover memo indicates that the County is paying 50% of the Data Center operating, maintenance and utility costs, and an annual lease payment for space. A 50/50 sharing is reasonable, but it would seem that the operating,

maintenance, and utility costs for the Data Center (plus rent) would be more than \$88K annually. Can you please provide some detail? (Councilmember Lumm)

Response: There is an Interagency Agreement attached to this item in Legistar that provides the detailed elements and information used in determining our costs. \$88,000.00 is our annual cost for the elements in the Interagency Agreement. In summary we utilized the costs of our annual maintenance agreements, cleaning services, the actual energy we used per meter readings and invoiced rates from DTE, and current market lease rates in downtown Ann Arbor for specialized office space. Washtenaw County purchases and maintains their own equipment.

CA- 14 - Resolution to Approve a Purchase Order with SeeClickFix, Inc. for 3-Year Software Support and Maintenance Agreement of the City's Mobile Service Request Systems (A2Fix It) FY2016 – FY2018 (\$36,000.00)

Question: I find remembering the A2FixIt URL on the City website to be impossible and searching it to be an added step that seems unnecessary. Has the City considered using a2fixit.org to make finding the service easier? (Councilmember Warpehoski)

Response: To date, this is the first report the Communications Office or IT has received stating that A2 Fix It is hard to locate. The direct URL is <http://a2gov.org/a2fixit>. In addition, there is a link on the city's homepage "report a problem" and when you type "A2" or "Report" into the search field it auto-populates with A2 Fix It link. Staff will explore expanding its promotional efforts to include a2fixit.org.

C-1 – An Ordinance to Amend Chapter 55 (Zoning), Rezoning of 31.7 Acres from R4A (Multiple-Family Dwelling District) to R1D & R1E (Single-Family Dwelling District) and R4B (Multiple Family Dwelling District), NorthSky Development Rezoning, 2701 Pontiac Trail (CPC Recommendation: Approval - 6 Yeas and 0 Nays)

Question: On page 15 of the document below, I found some math issues that just didn't reconcile.

Number of acres per zoning category: $19.4+6.3+4$ equals 29.7, not 31.7 (listed in the resolution) or 31.8 (listed on p. 15). How many acres are there? If it's 31.7 or 31.8, where is the other acreage?

Number of dwelling units proposed: $103+36+56$ equals 195, not the 209 listed on p. 15. (Councilmember Briere)

Response: The correct gross acreage of the parcel is 31.77. The chart on page 15 does not include the 2.07 acres being dedicated as public land. Staff has added the 2.07 acres to page 15, and has changed the council resolution to 31.77.

The 209 is an addition error. Page 15 has been corrected to 195.

Question: (I recognize these are site plan rather than zoning questions, but might as well raise them now while we're looking at the site.) Why does the chart on page 15 of the report say that 10 class A bike spaces are required but only 6 are provided? (Councilmember Warpehoski)

Response: The chart on page 15 of the staff report says that 10 class A and 4 class C bike spaces are proposed. The next column says that 6 class A and 6 class C are required. The site plan proposes two bike parking spaces more than the minimum requirement.

Question: Re P9 of the development agreement, has the location been evaluated to see if an RRFB would be appropriate at the crosswalk? (Councilmember Warpehoski)

Response: The crosswalk on Pontiac Trail near the south entrance at the proposed NorthSky Development does not fall in the category of typical roadway cross-sections for evaluation of an RRFB installation.

Question: Will the association have any obligation to ensure seasonal maintenance of the paths described in the access section of pages 13 and 14 of the staff report? (Councilmember Warpehoski)

Response: Staff will add a requirement for seasonal maintenance of paved paths by the association to the draft that is currently under review by the City Attorney's Office.

Question: The development agreement (dated Oct. 30, 2015) that was part of the staff report attached stipulates that the developer will design and construct improvements to Pontiac Trail including adding a turn lane, bus pullout, pedestrian crosswalk and sidewalk (P-9). Will the developer be paying 100% of the design and construction costs and what is a rough estimate of the costs? Is the October 30 development agreement what Council will be acting on or has it been revised? (Councilmember Lumm)

Response: The developer is paying 100% of design and construction costs. Staff has asked the developer to be prepared to answer the construction cost question tonight at City Council. The October 30 development agreement is a draft and will change before the site plan petition goes to City Council.

Question: Also, can you please confirm the 2.07 acres that would be conveyed to the City (P14 of Development Agreement) is conveyed without cost? Does this conveyance represent/meet the parkland contribution request for the project? (Councilmember Lumm)

Response: The 2.07 acres would be conveyed to the City without cost. The contribution does meet the request by parks staff for the area at the rear of the site that preserves the highest quality natural features and allows future connections to other public land.

Question: In the staff comments of the December 15th staff report, it states that the project's traffic study showed the project will have a "very small" impact on the Nixon/Green/DhuVarren intersection and for that reason, the Developer was not asked to participate in funding the intersection. While it makes sense that many of the vehicle trips from NorthSky will be South towards downtown, it also seems there will be a significant amount of trips heading East that will impact Plymouth and the Nixon Corridor. Can you please provide the data on average daily trip volume impacts on the N/G/DV intersection as well as for Plymouth and the Nixon Corridor? (Councilmember Lumm)

Response: The proposed development is expected to generate 35 vehicles during the AM peak hour, and 33 vehicles during the PM peak hour at the Nixon/Green/Dhu Varren intersection. The additional load on Nixon Road is expected to be 18 vehicles during the AM peak hour, and 16 vehicles during the PM peak hour. The additional load on Plymouth Road is not included in the data submitted to the City as part of this development.

Question: In the staff report, it indicates that "staff strongly encouraged inclusion of a multi-family component to the petition" in order to increase density. In reading the minutes from the neighborhood participation meetings, it seems the developer did not want the higher density. Density downtown is one thing, but since when, and by what authority, is staff "strongly encouraging" higher densities in residential proposals outside the downtown area? With 480 new units at Nixon Farms, 280 for Woodbury Club, and almost 200 here – about 1,000 in total – is there any ceiling that staff sees for the number of new residential units in the NE Ann Arbor area? (Councilmember Lumm)

Response: The City of Ann Arbor Master Plan Land Use Element recommends a mixture of housing types for this site and a density range of 7 to 10 units per acre. The intent of this recommendation is to encourage a diversity of housing types including more affordable housing, support mass transit, provide a jobs-housing balance, and use land efficiently. The minimum residential density recommendation is consistent with best land use practices for a site on a mass transit route that has access to municipal water and sewer service. (Very few sites in Washtenaw County are on transit and public utilities.) The developer originally proposed a single family development project which had a density that was substantially below 7 dwelling units per acres. Staff encouraged the developer to propose a project that would be more consistent with the master plan recommendation. With the inclusion of the multi-family component, the density proposed by NorthSky is 6.36 units per acre. Staff supports the project.

Question: The petitioner has made clear their inclusion was under duress and the completion date is undefined. Would they have to come back for zoning change if they'd prefer to build more SFHs in the future? (Councilmember Westphal)

Response: The current petition is requesting rezoning from multiple-family to single family on most of the site in order to build single-family dwellings. In the future, we

would similarly require them to rezone the multiple-family parcel in the southeast corner to single-family if they desired that use.

C-2 - An Ordinance to Amend and Replace Sections 1:271, 1:272, 1:273, 1:274, 1:275, 1:277, and 1:278 of Chapter 12 (Financing Local Public Improvements) of Title I, Sections 1:281, 1:282, 1:284, 1:286, 1:292, 1:293, 1:295, 1:299, 1:300 and 1:301 of Chapter 13 (Special Assessments) of Title I, Sections 2:21, 2:22b, 2:22c and 2:23 of Chapter 27 (Water Capital Recovery Charges) of Title II, and Sections 2:41.2f and 2:42.4 of Chapter 28 (Sanitary Sewer Capital Recovery Charges) of Title II of the Code of the City of Ann Arbor

Question: Could we see a red-lined version? (Councilmember Briere)

Response: A side-by-side comparison document has been attached to Legistar.

Question: On page 13 [Sec. 2:21(5)] " The only authorized flow through a fire service line is in the event of a test, provided notice to the city has been provided in advance, or in the event of a fire."I have seen water meters connected to fire hydrants for various uses (e.g. the temporary water access for the Produce Station summer market, at Project Grow gardens). Am I correct to assume that since a "The term "fire service line" shall mean a pipe connecting a property or premises to the water service stub at the curb stop solely for providing fire protection" applies to lines connecting to a property that this regulatory language does not apply to such instances? (Councilmember Warpehoski)

Response: Correct.

Question: Page 14: "Premises on which a larger connection or additional connection(s) are installed shall be considered newly connected to the city water supply system. " When a site installs a larger connection, are they charged the full capital recovery fee for the new, larger connection, or are they charged the difference between the larger connection and the current connection? (Councilmember Warpehoski)

Response: They will be charged the difference between larger connection and the current connection.

Question: Since a larger connection may indicate greater sanitary sewer use as well, does such an increase in use also trigger sanitary sewer mitigation such as FDDs? (Councilmember Warpehoski)

Response: Sanitary sewer mitigation is required for any site plan petition that contains an increase in sanitary sewer flow. Therefore, a larger connection would trigger sanitary sewer mitigation if it is part of a site plan petition.

Question: Page 26 describes the regulations for rates outside the City. Is the City's sewer agreement with Scio Township in compliance with these regulations? As I recall, we recently reconciled funding with Scio regarding connection and capital fees. Will Scio's fee structure now align with ours for new connections? Does Scio's ownership of sewer mains within the City of Ann Arbor affect these fees? (Councilmember Warpehoski)

Response: The City's contract with Scio Township is a contract to provide wastewater treatment services to defined service areas in the Township. The Township can then provide sanitary sewer collection services to Township customers within those service areas. The customers in Scio Township who receive sanitary sewer services as a result of that agreement connect to Scio Township sewer lines and are customers of Scio Township, not the City. Scio Township can establish a fee structure for connections and this fee structure is independent of the City's fee structure. The section in Chapter 28 regarding sanitary sewer services to customers outside the City governs connections by individual customers who are within the City service area but are currently still in the township (aka "township island parcels") that are connecting to City sewer lines. Those customers are direct customers of the City, and this provision governs the rate they pay until they annex. This provision does not apply to the calculation of the amount paid by Scio Township to the City for the contracted wastewater treatment services.

Scio Township constructed sanitary sewer lines that are in or partially in the City, and to which City customers can connect. One of these locations is on Wagner Road and another is in the Arborview neighborhood. These are called "joint use mains." If a Scio Township customer connects to the "joint use" sewer main in Wagner, the customer and their connection are subject to the Township's charges and rates. If a City customer connects to the joint use sewer main in Wagner or in the Arborview neighborhood, the customer and their connection are currently subject to City improvement and connection charges, and will be subject to the City's new capital recovery charges. However, because the main was built by Scio Township, the customer will get the same credit as is applied for a developer built main because the main was not built by the City. This practice is outlined in a Joint Use Water Main Agreement between the City and Scio Township for water mains. The same practice is followed for these sewer lines and staff is in the process of memorializing this by a sewer joint use agreement between the City and the Township.

Question: I understand (as the cover memo indicates) that we are adopting a common industry standard approach here for water and sewer capital recovery charges. That's appropriate. What isn't clear to me, however, is if the actual amounts we will be charging are in normal industry ranges as well – can you please provide benchmark information vis-à-vis other Michigan cities on the fees themselves? (Councilmember Lumm)

Response: A summary of the benchmarking analysis performed with the study is attached.

Question: I also understand there is an infinite number of scenarios, but can you please provide for a couple of common connection examples what the water and sewer connection/improvement fee would have been previously and what the new capital recovery fee will be going forward? (Councilmember Lumm)

Response: A comparison chart is attached.

Question: Similarly, the cover memo indicates that these changes “generally result in lower capital recovery-related charge for vacant infill lots” and can you please dimension the range of reduction (percentage and dollars) that would result?

Response: Please refer to the attached comparison chart.

Question: The cover memo mentions that you have engaged the builder and development community in taking a look at this – can you please summarize their views/comments.

Response: The attached meeting summaries include comments from the builder/development community.

DC – 4 - Resolution to Accept Additional Administration Committee Recommendations Regarding City Administrator Search

Question: Has staff gathered any information regarding City Manager and City Administrator salaries in comparable Michigan (or mid-western) cities?

Response: Please see attached comparison chart.

Question: Can you provide such information to Council with an explanation of how staff determined which cities were comparable (such as whether the city has a strong mayor or strong administrator form of government; how the cost of living compares to Ann Arbor's cost of living or other pertinent factors)? (Councilmember Eaton)

Response: Per Jim Nuse of Affion Public,

- Looking at the list Gina prepared for similarly situated college towns, the average salary appears to be in excess of \$200K. (see attached chart)
- The cost of living index for Ann Arbor, Mi. is 111.1 (11.1% above the US average). It looks like the cost of living for Michigan is 88.8, or about 22% below the index for Ann Arbor.
- The current salary range of \$160K - \$175K is about 15-20% below similar cities information (\$200K+). Considering the cost of living is above national and Michigan averages, it may be tough for some candidates to be able to accept the pay even if they really want to perform the job.

- The salary posted in the brochure reflects that compensation will be competitive. I am concerned that the \$160- \$175K is not going to be considered competitive by the well qualified candidates.
- As we discussed, we have not been overwhelmed with a large number of well qualified candidates. We have, however, received several that are promising. Given the low response, there is a concern that the \$165 - \$175 range may deter some of these from going through with the process.
- Bottom line: If we can get the range to the low \$200's, I think we'd be more successful.

Question: I know you have collected benchmark salary information for similar size cities and university towns. Could you also provide (if you have it) any salary data for recent city manager/administrator hires (last year or so) in comparable (size, cost of living, etc.) cities? (Councilmember Lumm)

Response: The most recent and relevant data point is for Lawrence, KS (location for University of Kansas and population of 90,811). The City Administrator was just hired in January 2016 (starts in March 2016) at a base pay rate of \$190,000. This candidate left the role of City Admin in Iowa City, IA where the base salary is \$173,000.

We do not have readily available data for the other cities listed in the comparable cities list from Affion.

DS -1 - Resolution to Approve a Contract with SmithGroupJJR to Develop the Allen Creek Greenway Master Plan (\$199,741.24) and Appropriate \$100,000.00 from the General Fund fund balance for Staff Team Efforts for the Allen Creek Greenway Master Plan

Question: The December 18, 2015 staff memo "Allen Creek Greenway Master Plan Development Staff Resource Needs" explains that "Staff members of the project management team are currently assigned to projects that constitute 100% of their time. Current time commitments and priorities would need to be reevaluated and project reassignments may be required due to staff needs on the Allen Creek Greenway Master Plan development project." If the resolution were not adopted, the staff members would continue to be employed.

If we approve an additional \$100,000 to fund the ACG activities of City staff, would current employees be working overtime; would we be hiring new employees; or would current employees be reassigned from other tasks? (Councilmember Eaton)

Response: Staff would be reassigned from other tasks.

Question: If current staff would be redirected from other activities, what would happen to the funding that would have supported the hours these staff members would have worked on those other activities? (Councilmember Eaton)

Response: The funding would be redirected to other staff to support these assignments, and if unspent at the end of the fiscal year would be placed into fund balance.

Question: Could the funding of the ACG activities be accomplished by shifting the funding from those prior activities to the ACG activities? (Councilmember Eaton)

Response: No, the funding sources for those prior activities are inappropriate for use on the ACG activities

Question: CM Eaton has asked questions related to the staff time and the \$100K in funding for the projected 2,150 hours of staff time. I'm also not clear on why a transfer from the General Fund Fund Balance is necessary. As the staff salaries and benefits are already budgeted, unless additional costs (additional overtime, costs for new employees) are being incurred, there should be no need for additional funding from the GF Fund Balance. What am I missing? Have we ever done this before (used GF Fund Balance to pay for the staff time of budgeted FTE's), and if so, when, and how is it decided which projects use "normal budgeted staff hours" and which projects use GF Fund Balance hours? (Councilmember Lumm)

Response: The salary and benefits of budgeted FTE's that will work on this project are currently paid from funds other than the General Fund. The funding sources for the budgeted FTE's are funds that are inappropriate for use on the Allen Creek Greenway Master Plan activities. The most common situation where GF Fund Balance is used to fund staff time of budgeted FTE's are for sidewalk projects, such as the recent Scio Church Sidewalk and Newport Road Sidewalk projects. When the funding sources for the budgeted staff are not appropriate for the project to be performed by the staff, then GF Fund Balance has been utilized.

Question: Can you please provide a bit more detail on the rationale for recommending SmithGroupJJR for this project? Also, can you please remind me what other city projects SmithGroupJJR have provided professional services for in the last couple of years? (Councilmember Lumm)

Response: Staff prepared and issued a Request for Proposal (RFP) to provide the following services:

- Task 1 Project Initiation
- Task 2 Planning Objectives and Options
- Task 3 Master Plan Recommendations and Strategies
- Task 4 Master Plan Documentation and Adoption

Four firms submitted proposals in response to this RFP #948: ENP; OHM, Hamilton Anderson, and SmithGroupJJR. Following review of the proposals, Hamilton Anderson and SmithGroupJJR were selected for interviews. Staff and three members of the Citizen Advisory Committee interviewed and selected

SmithGroupJJR to prepare a final scope of services and contract for City Council consideration. The primary reasons for selecting SmithGroupJJR were:

- Demonstrated experience in developing greenway master plans and implementation including the Inner Circle Greenway (Detroit RiverWalk, Dequindre Cut, South West Detroit Greenlink), Link Detroit, and Belt Line Greenway in Detroit, MI; Eastside Greenway in Cleveland, Ohio; and Mill Creek Park in Dexter, Michigan.
- Demonstrated experience in working with rail companies including the North-South Commuter Rail Feasibility Study for Livingston and Washtenaw Counties and the West Lake Rail Corridor Environmental Impact Statement in Lake County, Indiana and Chicago and Cook Counties, Illinois.
- Multi-disciplined services specializing in non-motorized planning, landscape architecture, environmental planning, civil engineering, rail engineering, and sustainable design.

The City has issued one Purchase Order (PO) to SmithGroupJJR since February 16, 2014. This PO is in the amount of \$75,900.00 and is for Design Services for Universal Access Playground at Gallup Park. This PO was issued under a larger Professional Services Agreement for Engineering Services (RFP# 907) approved by the Council on 9/15/2014 (Resolution No. R-14-329).

Capital Charge Comparative Analysis

A comparative analysis, or benchmarking, for public agencies is a process of comparing one agency's processes and/or fees to best practices within an industry or to other agency processes and/or fees. Such an analysis also includes an internal comparison of current charges to proposed charges for different development scenarios within the City's service area or sphere of influence. For purposes of this report, the City asked Black & Veatch to compare the City's proposed charges to current charges for different types of development as well as to compare the City's proposed water and sanitary sewer capital cost recovery charges to like agency charges (other cities that exact similar types of capital charges). While there are obvious benefits to making such inter-agency comparisons, there are also several caveats that should be considered during this process.

Fee surveys are reliant on the availability of other agency fee data. In many cases, the city data collected as part of this benchmarking effort were found on agency web sites. Where data did not exist, Black & Veatch placed telephone calls with the agencies to obtain data. In many of these cases, the municipalities simply did not charge a capital fee for a particular utility. One agency simply did not respond to our survey request despite numerous requests.

Another caveat is that many agencies will not charge the maximum cost-based fee, choosing instead to subsidize capital investment through other sources, most often customer utility rates. The primary reason that agencies do not implement full cost-based charges is concern about the impact that high capital charges will have on economic development with their communities. Contrary to popular opinion, there is little empirical analysis that demonstrates a causal effect between the amount of capital charges collected and the level of economic development activity. Yet, many agencies continue to support the notion that lower charges will stimulate growth in their communities.

A final consideration in drawing capital charge comparisons with other communities is that the cost bases for Ann Arbor may be much different than those of the other agencies. Other agency capital assets may be older or newer on average compared to Ann Arbor. Also, other agencies may employ different methodologies and approaches in calculating fees and/or existing asset values. One or a combination of these considerations can have a significant effect on the level of capital charges an agency decides to implement and collect from its new connections. All of these caveats should be kept in mind when reviewing the proposed Ann Arbor fees with those of other agencies.

Tables 41 and 42 present the comparison of proposed Ann Arbor water and sanitary sewer capital cost recovery charges with those of several agencies. The agencies selected fit a profile of being well-established communities that have a major university situated within its utility service area. Also, Black & Veatch attempted to keep the agencies centered within the Midwestern to Eastern part of the United States whereby these communities are not experiencing or have

not experienced a significantly high rate of growth. Growth-oriented communities tend to have a high level of capital expansion requirements that can skew charge level comparisons.

Table 43 is the intra-agency charge comparison. This chart presents nine different development scenarios and relates current charges (improvement and connection) with the proposed charges detailed in this report. The combined total charges include both water and sanitary sewer charges.

Finally, we included in Table 44 a national survey of utility capital charges that was conducted in 2012 by Duncan and Associates, a professional consulting firm located in the State of Texas. It is the most comprehensive survey of its kind and includes hundreds of agencies from many of the states throughout the country. The water and sewer charges listed in the survey are representative of single-family residential connections, presumably with 5/8 inch or 3/4 inch meters. For purposes of this report, Black and Veatch lists the highest and lowest water and sewer capital charges within each state to give the reader an idea of the range of charges found throughout the U.S. While the survey was conducted three years ago, many agencies do not update or increase capital charges on a regular basis, therefore the data are likely still relevant for comparison purposes.

Table 41 – Comparison of Proposed Ann Arbor Water Capital Charges to Other Agencies

Line No.	Meter Size (in)	Proposed Ann Arbor	Grand Rapids, MI	Lansing, MI	Columbus, OH	Cincinnati, OH	Bloomington, IN	Ft. Wayne, IN	Madison, WI	Charleston, SC	Columbia, SC	Fort Worth, TX	Lawrence, KS	
Displacement Meters														
1	0.75	\$2,696 - \$5,274	\$2,992	plus \$76/foot to \$108/foot of front footage for distribution system	\$1,000	\$1,345 - \$2,018	\$4,690	No capital charge for capacity	\$749	Information not available from City	\$2,590	\$2,512	\$704	\$1,580
2	1.00	\$4,348 - \$8,644	\$4,880	plus \$76/foot to \$108/foot of front footage for distribution system	\$1,000	\$2,245 - \$3,363	\$4,922	No capital charge for capacity	\$1,129	Information not available from City	\$4,050	\$3,468	\$1,173	\$3,940
3	1.50	\$8,476 - \$17,067	\$9,730	plus \$76/foot to \$108/foot of front footage for distribution system	\$2,194	\$4,483 - \$ 6,725	\$8,178	No capital charge for capacity	\$1,570	Information not available from City	\$7,380	\$4,350	\$2,435	\$7,880
4	2.00	\$13,429 - \$27,176	\$15,574	plus \$76/foot to \$108/foot of front footage for distribution system	\$3,900	\$7,174 - \$10,760	\$12,861	No capital charge for capacity	\$2,953	Information not available from City	\$11,600	\$8,490	\$3,752	\$12,600
Fire Line Leads														
14		Ranges from \$3,369 to 12" fire line connection @ \$526,608			Information not available from City	50% of capacity charge	Information not available from City	None	Information not available from City	None	None	4-inch line w/ 1.5-inch meter: \$3,161; 6-inch line w/1.5-inch meter: \$4,210; 8-inch line w/2-inch meter: \$5,967; 10-inch line w/2-inch meter: \$8,279	None	None

Table 42 – Comparison of Proposed Ann Arbor Sewer Capital Charges to Other Agencies

Line No.	Meter Size (in)	Proposed Ann Arbor	Grand Rapids, MI	Lansing, MI	Columbus, OH	Cincinnati, OH	Bloomington, IN	Ft. Wayne, IN	Madison, WI	Charleston, SC	Columbia, SC	Fort Worth, TX	Lawrence, KS	
Displacement Meters														
1	0.75	\$5,982 - \$6,707	\$2,992	plus \$85/foot to \$107/foot of front footage for distribution system	Information not available from City	\$3,044	\$3,700	\$1,000	Information not available from City	Information not available from City	\$2,940 per ERU	\$3,940 per ERU	\$678	\$2,050 - \$4,280
2	1.00	\$9,890 - \$11,098	\$4,880	plus \$85/foot to \$107/foot of front footage for distribution system	Information not available from City	\$5,074	\$6,710	\$4,000	Information not available from City	Information not available from City	\$2,940 per ERU	\$3,940 per ERU	\$1,129	\$2,050 - \$10,690
3	1.50	\$19,661 - \$22,076	\$9,730	plus \$85/foot to \$107/foot of front footage for distribution system	Information not available from City	\$10,147	\$15,340	\$10,000	Information not available from City	Information not available from City	\$2,940 per ERU	\$3,940 per ERU	\$2,258	\$2,050 - \$21,380
4	2.00	\$31,386 - \$35,250	\$15,574	plus \$85/foot to \$107/foot of front footage for distribution system	Information not available from City	\$16,236	\$27,620	\$19,000	Information not available from City	Information not available from City	\$2,940 per ERU	\$3,940 per ERU	\$3,612	\$2,050 - \$34,200
5	3.00	\$86,101 - \$96,728	\$34,100	plus \$85/foot to \$107/foot of front footage for distribution system	Information not available from City	\$32,472	\$62,630	\$26,000	Information not available from City	Information not available from City	\$2,940 per ERU	\$3,940 per ERU	\$9,820	\$64,130 Commercial Only
6	4.00	\$136,907 - \$153,814	\$61,362	plus \$85/foot to \$107/foot of front footage for distribution system	Information not available from City	\$50,737	\$111,850	\$58,000	Information not available from City	Information not available from City	\$2,940 per ERU	\$3,940 per ERU	\$16,932	\$106,880 Commercial Only
Fire Line Leads														
16		\$0			Information not available from City	None	None	None	Information not available from City	Information not available from City	None	None	None	None

Utility Charge Comparisons
2/11/2016

Scenario Description	Water				Sanitary	
	Current*		Proposed		Current*	Proposed
	Domestic	Fire	Domestic	Fire		
Single Family Home						
A1 - House built on vacant lot connects to existing mains constructed in 1920 ¹	\$ 11,827	-	\$ 2,696	-	\$ 19,130	\$ 5,982
A2 - House built on vacant lot connects to existing mains constructed in 1960 ¹	\$ 7,951	-	\$ 2,696	-	\$ 12,016	\$ 5,982
A3 - House built on vacant lot connects to existing mains constructed in 1980 ¹	\$ 6,012	-	\$ 2,696	-	\$ 8,459	\$ 5,982
A4 - House built on vacant lot connects to existing mains constructed in 2010 ²	\$ 18,172	-	\$ 5,274	-	\$ 26,900	\$ 6,707
A5 - House built on vacant lot connects to mains constructed by City after 2014 ³	\$ 18,172	-	\$ 20,971	-	\$ 26,900	\$ 25,954
A6 - House as part of site plan development connects to mains newly constructed by developer ⁴	\$ 2,620	-	\$ 2,696	-	\$ 2,235	\$ 5,982
Large Scale Residential/Commercial Development						
B1 - Downtown re-development site ⁵	\$ 35,206	\$ 94,320	\$ 56,743	\$ 45,426	\$ 38,973	\$ 134,714
B2 - Downtown re-development site ⁶	\$ 70,740	\$ 167,680	\$ 89,985	\$ 218,384	\$ 96,105	\$ 212,998
B3 - Downtown re-development site ⁷	\$ 88,425	\$ 167,680	\$ 57,787	\$ 218,384	\$ 111,191	\$ 136,788
B4 - Downtown re-development site ⁸	\$ 28,820	\$ 94,320	\$ 30,326	\$ 82,137	\$ 33,525	\$ 72,183

*amount shown includes both 2015 improvement charges and connection charges

Notes:

¹ 3/4" displacement meter; historic improvement charge or special assessment previously paid

² 3/4" displacement meter; property has not paid historic improvement charge or special assessment; applies to mains built by City between 2004-2014

³ 3/4" displacement meter; property has not paid historic improvement charge or special assessment

⁴ 3/4" displacement meter

⁵ 3" mag meter; 6" fire lead; developer upsized water main from 6" to 12"; credits provided for existing 5/8" meter, 3/4" meter, 4" fire lead

⁶ 4" mag meter; 8" fire lead; credit provided for existing 2" meter

⁷ 3" mag meter; 8" fire lead; developer extends public sanitary sewer; credit provided for existing 1" meter

⁸ 2.5" mag meter; 6" fire lead; developer upsized water main from 6" to 12"; credits provided for existing 5/8" and 1 1/2" meters

Water and Wastewater System Capital Cost Recovery Study

City of Ann Arbor District Library
Downtown Location - 343 S. Fifth Avenue

Wednesday, March 18, 2015
4:00 p.m. to 5:30 p.m.



Public Meeting Summary

1. Welcome and Introductions – Troy Baughman, City of Ann Arbor

- **Participant List** – see Attachment #1
- **Meeting Summary** -- posted on the City's project website at:
<http://www.a2gov.org/departments/systems-planning/Pages/Water-and-Wastewater-System-Capital-Cost-Recovery-Study.aspx>

2. Capital Cost Recovery Charge Approach for Study – Brian Jewett, Black & Veatch

- Core principles were followed in the development of the Capital Cost Recovery Program:
 - a. Defensible
 - b. Cost recovery for system investment
 - c. Equitable
 - d. Simple to administer
 - e. Simple to understand
- Capital Cost Recovery Approach for Ann Arbor
 - a. Step 1 – Buy-in and Extension Approach for:
 - i. Existing assets
 - ii. Extension costs – City
 - iii. Asset valuation
 - iv. Credits
 - b. Step 2 – Selected Demand Based Approach to address:
 - i. Current and future customers
 - ii. Water/Sewer Peak Demand
 - iii. Maintaining Same Level of Service
 - c. Step 3 -- Facility Costs
 - i. Existing Assets = assets still in use and construction-in-progress
 1. Value = today's cost to replace assets
 2. Depreciation recognizes that existing customers have used the useful life of older assets

3. The value of assets at today's replacement cost with depreciation backed out was calculated using the Engineering News Record – Construction Cost Index, the "ENI-CCI" is an industry standard tool used to value assets.
- ii. Extension Assets = to serve areas where new assets are required
 1. City constructed assets
 2. Value based on 1998 Utility Service Plan assets then forwarded to today's dollars.
- d. Step 4 – Credits
 - i. Past special assessments and improvement charges
 - ii. Past contributed capital deducted from existing assets
 - iii. Current capital contributions (e.g. main extension)
 - iv. Current system outstanding debt
- e. Step 5 – Charge Mechanism
 - i. Current connection charges in Ann Arbor are based on tap size.
 - ii. Industry standard is to charge by a meter size charging mechanism because:
 1. It is a good measure of demand on the system
 2. It is easy to explain and administer
 3. Customer rates are based on meter size

3. Preliminary Capital Charges for Water & Sewer – Brian Jewett

- a. Preliminary Baseline Water Capital Charges – Existing Assets
 - i. Capital cost recovery charge elements = meter size, existing asset buy-in meter equivalent, flat cost per meter.
 - ii. Proposed capital charge schedule would apply to a connection to an existing main that has not contributed previously to the system.
 - iii. Non-capacity generating items such as fleet are included in flat cost component.
- b. Preliminary Water Capital Charges - City Constructed Extensions
 - i. Build-out project cost is divided by Residential Equivalent Unit (REU) to arrive at a cost per REU.
 - ii. One REU = (1) ¾" displacement meter
- c. Preliminary Baseline Sewer Capital Charges -- Existing Assets
 - i. Capital cost recovery charge elements = meter side, meter equivalents, existing asset buy-in component per meter equivalent, flat cost per meter.
 - ii. Proposed capital charge schedule would apply to a connection to existing infrastructure that has not contributed previously to the system.
- d. Preliminary Sewer Capital Charges - City Constructed Extensions
 - i. Build-out project cost is divided by Residential Equivalent Unit (REU) to arrive at a cost per REU.
 - ii. One REU = (1) ¾" displacement meter

4. Development Scenarios

- a. City Constructs Water/Sewer Lines to Serve New Area

Water

Meter Size (in)	Development Project Meters	Number of REUs	Total Extension Cost	Total Capital Cost Recovery Charges	Total Project Charges	Maximum Cost per Meter
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Displacement Meters

0.75	20	20.00	\$365,499	\$105,480	\$470,978	\$23,549
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Sewer

Meter Size (in)	Development Project Meters	Number of REUs	Total Extension Cost	Total Capital Cost Recovery Charges	Total Project Charges	Maximum Cost per Meter
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Displacement Meters

0.75	20	20.00	\$399,438	\$134,136	\$533,574	\$26,679
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- b. Developer Constructs Water Assets to Serve New Development Site

B. DEVELOPER CONSTRUCTS ASSETS – WATER CONTRIBUTED UTILITY ASSETS

Line No.	Meter Size (in)	Development Project Meters	Gross Capital Cost Recovery Charges	Contributed Asset Credit	Net Capital Cost Recovery Charges
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Displacement Meters

1	0.62	0	\$0	51.4%	\$0
2	0.75	5	\$26,370	51.4%	\$12,825
3	1.00	0	\$0	51.4%	\$0
4	1.50	0	\$0	51.4%	\$0
5	2.00	5	\$135,881	51.4%	\$66,087

Magmeters

6	0.75	0	\$0	51.4%	\$0
7	1.50	0	\$0	51.4%	\$0
8	2.00	5	\$186,424	51.4%	\$90,669

Total Project Fee: \$169,582

- c. Developer Constructs Sewer Assets to Serve New Development Site

B. DEVELOPER CONSTRUCTS ASSETS – SEWER CONTRIBUTED UTILITY ASSETS

Line No.	Meter Size (in)	Development Project Meters	Gross Capital Cost Recovery Charges	Contributed Asset Credit	Net Capital Cost Recovery Charges
Displacement Meters					
1	0.62	0	\$0	11.0%	\$0
2	0.75	5	\$33,534	11.0%	\$29,845
3	1.00	0	\$0	11.0%	\$0
4	1.50	0	\$0	11.0%	\$0
5	2.00	5	\$176,250	11.0%	\$156,862
6	3.00	0	\$0	11.0%	\$0
7	4.00	0	\$0	11.0%	\$0
Magmeters					
8	0.75	0	\$0	11.0%	\$0
9	1.50	0	\$0	11.0%	\$0
10	2.00	5	\$242,119	11.0%	\$215,485
Total Project Fee:					\$402,192

5. Next Steps

- a. Changes to the program will require changes to city code. The goal is to have fees in effect January 2016.
- b. Next steps - March to July:
 - i. Hold 3/18/15 Stakeholder meetings
 - ii. Complete revisions and prepare report
 - iii. Seek City Council approval as part of budget process

6. Questions/Answers:

- a. Q: In general, do the fees go up or down? A: It depends on the scenario.
- b. Q: If there are pipes in the ground and assessments have been paid previously, will there be a credit? A: Yes, the City wants to recognize costs already contributed to the system.
- c. Q: What do you do if there are no records regarding improvement charges paid previously? A: Those details are currently being worked on.
- d. Q: Where did the 51.4% come from in contributed water asset credit? A: It is a mechanism to recognize when developers put in new mains. In some cases there isn't information regarding improvement costs paid. Contributed capital credit represents the percentage of total assets for distribution mains (i.e.12" and below).
- e. Q: Could developers provide actual cost for credits? A: The City tried this in the past and didn't work out well.

- f. Q: What about credit in a situation where there is an existing main that the developer was asked by the City to replace? In this case there was a main existing already. A: The City is looking into the details of providing a credit for this contribution.
- g. Q: What is top price for connection to the sewer being planned in Geddes Ave.? A: It is within a couple hundred dollars of the current combined improvement charge and connection charge amount. The proposed sanitary cost based on a ¾" equivalent meter is \$26,679.
- h. Comment: I commend the fact that depreciation is being recognized in this approach.
- i. Q: If you change the cost fees in January, what is the trigger? A: The capital charges are assessed when the meter is set in place.
- j. Q: What is the cost for fire protection? A: The City is currently looking at determining a meter equivalency for fire lines to measure approximate flow.
- k. Q: There is no significant flow for fire protection, why would you charge for capacity at peak demand? A: The capital charge is for capacity to ensure flow is available on demand and when needed. The proposed fee structure is based on the average peak demand.
- l. Q: Why is the charge so high if the likelihood of flow going through the meter is so low? A: Currently there is a charge for a sewer fire lead, that charge will be eliminated and only a water fire lead connection will be charged.
- m. Comment: Request that you look at this charge closer and consider a lower fire protection only charge.
- n. Q: In the past, the improvement charges have been very high. There are pipes being used for many years, new people are paying 2-3 times the improvement charges as the current customers. How do you assume that this is fair for the new party? A: The accounting life is less than the design life of the infrastructure. The City CAFR's highest useful life is 50 years, this approach is fully depreciated in 1960 and older pipes.
- o. Q: If fees are subject to final review, these fees should be reviewed to refine the costs to be in line with other City fees. A: These costs are noted as the maximum that could be charged. Benchmarking against other utilities must be done carefully. The policies, development demands, and accountable formulae are likely very different.
- p. Q: On an existing lot in an old neighborhood, there are currently an improvement charge, connection charge, tap fee, and meter set fee. With the new model what is included? A: The current improvement and connection charge would be included together with a credit provided for any previously paid improvement charge/historical special assessments.
- q. Q: How will on-going construction be assessed? A: Current connections will pay the current fees. The timing of fees for connection is based on when the meter is installed.
- r. Q: How will Geddes Ave. historical fees be handled? A: Since sanitary sewer currently does not exist in Geddes, there would not be a historical special assessment/improvement charge that could be credited.

- s. Q: Is the maximum charge what is being proposed? A: No.
- t. Q: Will Riverview costs be the same in a few years when utilities are extended to serve this area? A: The fee model will be adjusted annually on a cost forward basis. Assets and depreciation will be updated annually.
- u. Q: Is the City Utility Operating Budget online? A: It should be in the Budget Book the Financial Services area of the City's website. The three utility systems each have their own funding sources. They are Enterprise systems that can only use funds received for specifically for each one.
- v. Comment: Approximately 7 years ago, there were no improvement charges for in-City lots. Weren't the charges implemented to raise money for the City?
- w. Q: How is this an equitable program when the older users have paid less than new users? A: This study did not address prior charges, it is based on creating an equitable approach going forward using industry standards.
- x. Why not raise the water rates so everyone pays uniformly? Can you address this in your approach? A: Many agencies raise water rates when they reduce connection charges. This raises new issues in terms of equitability.
- y. Comment: The City should look at lowering the connection charges to encourage more connections to the system.
- z. Comment: People that moved in earlier actually paid the charges back to the developer with the cost of the house sale.
- aa. Q: The new Mayor is concerned about providing affordable housing. The existing homes on Geddes Ave. will pay \$80,000 to connect to the sewer system. How is this affordable housing and will there be affordable options to this capital fee? A: This is something that the governing body would address.
- bb. Will the city loop back to inform stakeholders regarding new information? A: Those that have expressed interest in being placed on the Stakeholder list will receive an email. All updates will be posted on the City project website at:
<http://www.a2gov.org/departments/systems-planning/Pages/Water-and-Wastewater-System-Capital-Cost-Recovery-Study.aspx>
- cc. Who do I talk to at the City to suggest that the new charges be pulled ahead sooner than January? A: Speak with your city council member.
- dd. How will the credits be derived? A: This is a decision made by the City Utility Administration.

Participant List – Attachment #1

James & Catherine Allen	Homeowners
Daniel Barry	
Alissa Beveridge	Homeowner
Marcel Bonnewit	First Martin Corp.
Alex deParry	Ann Arbor Builders
Jennifer Hall	Ann Arbor Housing Commission
Benedict Ilozor	
Greg Kacvinsky	Homeowner-Geddes
Darren McKinnon	First Martin Corp.
Eric Organek	
Angela Pantazatos	AIA
Julie Seagraves	
Steve Sivak	
Konstantin Tanin	
John Teeter	First Martin Corp.
Richard Timmons	Colliers
Troy Baughman	Ann Arbor Systems Planning, Project Manager
Cresson Slotten	Ann Arbor Systems Planning, Unit Manager
Brian Jewett	Black and Veatch, Project Manager
Teresa Weed Newman	Project Innovations

Ann Arbor Water and Wastewater System Capital Cost Recovery Study

Public Engagement Stakeholder Meeting Summary

September 30, 2014 – 4:00 p.m. to 5:30 p.m.

Participant List (see attachment)



1. **Welcome and Project Background** – Troy Baughman, Project Manager, City of Ann Arbor
 - a. The City has retained Black and Veatch to conduct a water and wastewater system capital cost recover study. This study will review the way charges, paid by builders, developers, and residents are currently calculated for connection to the city’s water and sewer system.

2. **Introduction to Project Team** – Brian Jewett, Black & Veatch
 - a. Black and Veatch have local knowledge and experience working in Ann Arbor.
 - b. The Black and Veatch Project Team includes:
 - i. David Koch – Black and Veatch, Engagement Lead
 - ii. Brian Jewett – Black and Veatch, Project Manager
 - Brian is currently working with American Water Works Association (AWWA) to update the M1 Manual (national guidebook for utility rates and fees).
 - iii. William Zieburtz – QA/QC Lead
 - Bill is the former Chair of the AWWA Rates and Charges Committee.
 - iv. Teresa Weed Newman – Project Innovations, Public Engagement Lead
 - c. The Black and Veatch team is dedicated to a collaborative approach to meeting project objectives.

3. **Project Concepts and Approach** – Brian Jewett
 - a. Michigan does not have a formal statute defining how capital costs are set. Some states do dictate the charge payment structure. The primary job is recovering capital cost for past system investment and providing for system improvements in the future. The selected method for recovering capital charges will comply with the Bolt Test.
 - b. The five elements to be considered in defining a new method for capital cost recovery charges are:
 - i. Defensibility
 - ii. Equitability
 - iii. Cost Recovery
 - iv. Simple Administration
 - v. Customer Understanding
 - c. Why Capital Cost Recovery Charges?
 - i. Needed to maintain existing level of service in the system.

- ii. New growth pays equitable share.
 - iii. Encourages disciplined capital improvement planning.
 - iv. Promotes comprehensive planning and growth management.
 - v. Guarantees level playing field.
- d. The industry standard steps for developing a new method for capital cost recovery are:
- i. Determine method of approach.
 - Is Plan Based (increased level of service and master plan driven) or Demand Based (same level of service and CIP driven) approach most appropriate for Ann Arbor?
 - Is Buy-In (to existing assets) or Incremental (growth related) approach most appropriate for Ann Arbor? A combination of Buy-in and Incremental methods reflects both past investments and future needs and is common to have a combination of these scenarios at water and wastewater utilities.
 - ii. Determine system demand using Master Planning documents, City Planning documents, SEMCOG data, and Census data.
 - Low growth, moderate growth, and high growth scenarios will be reviewed when determining system demand projections.
 - iii. Determine facility costs.
 - Common methods for identifying facility costs include:
 - OC = Original Cost
 - OCLD = Original Cost Less Depreciation
 - RC = Replacement Cost
 - RCLD = Replacement Cost Less Depreciation
 - iv. Determine credits.
 - Past special assessments
 - Past contributions
 - Dedicated revenues, e.g. grants
 - Current outstanding debt & potential future debt
 - Present Value_approach on debt service payments – use nominal interest rate on debt
 - Real Interest Cost_approach – nominal interest rate less inflation rate
 - v. Determine fee mechanism.
 - Tap size vs. Meter size
 - May result in lower charge for residential connections
 - Equivalency unit (REU)
 - Progressive
 - Persons per household
 - Square footage for non-residential
 - Plumbing Fixture Units (as established by building code)

- Usually in current dollars
- vi. Calculate charges.
 - Benchmarking in “apples to apples” method
 - Cash flow analysis
 - Phase-in charges / Payment installment plans
 - Accounting of charges
 - Annual reporting
 - Indexing

4. **Next Steps** – Brian Jewett

- a. **September 2014**
 - i. Data review and analysis
 - ii. Initial stakeholder meetings
- b. **October - November**
 - i. Capital charge methodology development
- c. **December - January**
 - i. Stakeholder meetings to discuss findings/recommendations
 - ii. City Council workshop
- d. **February - April**
 - i. Finalize recommendation & report
 - ii. Seek City Council approval
- e. **July 2015**
 - i. Ordinance adoption by Ann Arbor City Council.

5. **Question and Answer** – All

- a. Q: What is the Bolt Test? A: This refers to a judgment in the Bolt v. City of Lansing case in the 1990s. The case involved a property owner challenging Lansing’s newly imposed stormwater utility fee, arguing that the fee was a tax levied without voter approval. The Michigan Supreme Court ruled against the utility and developed a test for user charges. In order to avoid classification as a tax, a user charge must serve a regulatory purpose rather than a revenue-raising purpose.
- b. Q: Will you benchmark against other utilities? A: Fee calculations will be benchmarked against other similar utilities in an “apples to apples” comparison closest to Ann Arbor.
- c. Q: Will today’s presentation be posted on the City’s website? A: Yes, the location of the information will be announced when it is available.
- d. Q: Is it your belief that growth is paying more than their share? A: The team hasn’t begun to analyze the data.
- e. Q: Will closer homes in the Township Islands have to connect to the system immediately? A: This is a policy decision related to Council’s decision to annex.
- f. Q: How can you lower fees when some people have already paid higher fees? A: Ann Arbor’s current fee structure is based on buy-in to the existing system. The consultants will do the study

and recommend a method for assessing charges. The method for assessing charges going forward will be based on the input provided by the consulting team.

- g. Q: Will the evaluation consider fire suppression systems? A: The foundational question for setting capital cost recovery fees is the size of system that is required to supply peak demand including fire flows. The cost is based on the system being ready to serve these demands. The peak demand and fire suppression requirements will be reviewed in depth.
- h. Q: New connection charges are assessed to users and rate payers. Is it inequitable to charge to rate payers? A: Redevelopment is still occurring and the challenge is to not double dip.
- i. Q: Did connection fees quadruple in the last few years? A: The purpose of this study is to examine the current charges and most equitable way to go forward.
- j. Q: What is the difference between improvement charges and connection charges and can they be amortized? A: Improvement charges include the cost to install pipes in the street fronting the property and currently can be amortized up to 20 years for residential depending on the amount of the cost. The improvement charges are amortized based on a sliding scale at 1% above the City's finance charge. Connection charges include the cost for treatment plants, pump stations, reservoirs, and infrastructure built to handle peak demand. Connection charges cannot be amortized.
- k. Q: What is considered past contribution? A: Previously donated assets by developers will be examined as part of this study.
- l. Q: When will decision regarding Geddes Rd. neighborhood sewer charges be made? A: Preliminary recommendations from this study are anticipated in early 2015. City Council will be the ultimate approving body which we are planning to seek in February-April 2015 timeframe.
- m. Comment: The Geddes Rd. and Riverview neighborhood residents that are not part of Ann Arbor now have paid for their own water/sewer systems and improvements. We are looking at having to connect to Ann Arbor's water/sewer system, pay higher utility fees, and pay higher taxes. A: It is important to remember that the utility is self-sustaining and is not in any way supported by taxes.
- n. Comment: We paid several hundred thousand dollars in improvement charges to connect to the city system and it is inequitable for developers and has a snowball effect for future residents. Give and take is necessary, please look at this carefully.

PARTICIPANT LIST

Name	Representing
Catherine Allen	
Scott Betzoldt	
Melissa Beveridge	Homeowner
Sue Cutler	Homeowner
Jeff Fessler	
Jay Holland	
Jerome Johnston	Homeowner
Daniel Ketelaar	Urban Group
Mike Martin	First Martin Corp.
Darren McKinnon	First Martin Corp.
Julie Seagraves	
Ryan Stanton	Ann Arbor News
Richard Timmons	Colliers
Anca Trandafirescu	
Troy Baughman	Ann Arbor Systems Planning, Project Manager
Craig Hupy	Ann Arbor Public Services Administrator
Cresson Sloten	Ann Arbor Systems Planning, Unit Manager
Brian Jewitt	Black and Veatch, Project Manager
Teresa Weed Newman	Project Innovations
Bill Zieburtz	Black and Veatch

Similar sized cities and/or college towns (base salary w/o perks)

Cambridge, MA	347
Fort Collins, CO	250
Olathe, KS	243
Berkeley, CA	232
Bellevue, WA	225
Boulder, CO	216
Eugene, OR	208
Fayetteville, NC	208
Evanston, IL	206
Overland Park, KS	204
Lawrence, KS	190
Tempe, AZ	185
Upper Arlington, OH	180
Gainesville, FL	175
Iowa City, IA	173
Bloomington, IL	171
Flagstaff, AZ	170
Asheville, NC	168
Greenville, NC	167
Columbia, MO	165
	204.15