



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator

CC: Jacqueline Beaudry, City Clerk
Derek Delacourt, Community Services Area Administrator
Craig Hupy, Public Services Area Administrator
Brett Lenart, Planning Manager
Marti Praschan, Chief of Staff, Public Services
Jill Thacher, City Planner
Glen Wiczorek, Engineer, Water Treatment Plant

SUBJECT: May 18, 2020 Council Agenda Responses

DATE: May 14, 2020

MC-1 – Appointments-Confirmations

Question: How do I nominate Janet Lebson for HHSAB? She applied in May 2018. (Councilmember Bannister)

Response: Appointments to the HHSAB are considered Mayoral appointments/nominations. Councilmembers can recommend applicants for nomination to boards & commissions but according to the City Charter the Mayor is the nominating/appointive body.

(Reference to appointments in Ann Arbor City Council Rules 2019-2020, Appendix p.29 Charter Provisions Sec. 4.2 #8) (Reference Ann Arbor City Charter, p.13 Section 4.2)

CA-3 – Resolution to Approve Professional Services Agreements with Fishbeck for \$500,000.00, Stantec Consulting Michigan Inc. for \$500,000.00, and Tetra Tech of Michigan, PC for \$500,000.00 for Water Treatment Professional Engineering Services, (\$1,500,000.00) (RFP #20-18)

Question: Regarding CA-3, can you please provide data on the fee range among the three recommended firms as well as the two firms that bid, but are not recommended? (Councilmember Lumm)

Response: Please see the table below that summarizes hourly rates for key staff.

	Fishbeck	Stantec	TetraTech
Project Manager / Principal	\$212	\$195	\$250
Project Engineer	\$157 - \$198	\$156 - \$190	\$155 - \$190
Electrical Engineer	\$144	\$170	\$225

There were two other proposers whose fee proposals were not opened. One firm was solely an electrical engineering firm and did not meet the qualifications for General Services. The second firm was ranked the lowest based on the proposal evaluation criteria of responsiveness, institutional knowledge and relevant experience. Therefore, their fee proposal was not opened.

CA-5 – Resolution to Approve Fiscal Year 2021 Fee Adjustments for Public Services Area - Engineering, Public Works, Systems Planning, and the Fleet and Facilities- Airport Unit of the City Administrator’s Office

Question: Regarding CA-5, in reading through the cover memo and the basis for the fee increases, it seems all of the increases reflect cost increases the city incurs in providing the service. Can you please confirm that’s correct, and for any where it is not, please provide the basis? Also, what percent increase does the \$92K increase in revenue represent? (Councilmember Lumm)

Response: Yes, that is correct. The \$92K represents approximately a 1.5% overall revenue increase and varies by fund.

~~CA-6 - Resolution to Approve Main Street Area Association Summer Block Closures on Main Street between Liberty and William on Weekends Starting Friday, May 29, 2020 through Sunday August 30, 2020~~

Question: Regarding CA-6, I’m assuming this request/experiment, as proposed (e.g., the agenda item pre-dates the 5/13 DDA/City mtg. w/the business assn. directors), was discussed with and is supported by the four business associations and individual business/property owners – is that correct, and can you provide some texture on the feedback provided? (Councilmember Lumm)

Response: Item deleted from agenda.

CA-7 - Resolution Adopting the Living A2Zero Ann Arbor Carbon Neutrality Plan

Question: At the Council's April 20 meeting a resolution (CA-10) addressing this subject was deliberated, amended and passed. Item INT-1 on the May 18 agenda is responsive to that resolution. Why is the same resolution that was previously amended and passed being offered again? (Councilmember Eaton)

Response: [R-20-138](#) directed staff to develop a funding plan and a framework to evaluate and prioritize actions. In addition, [R-20-138](#) directed the City Administrator to present A²Zero back to Council for further consideration when those documents were created. As such, modest modifications were made to the original resolution to reflect the requested changes, and the resolution is being brought back for Council's consideration.

Question: In the fiscal year 2020 budget, the Office of Sustainability and Innovation was budgeted \$1.6 million. Please provide a rough break out of activities funded in FY 2020 and attribute the amount of carbon reductions estimated as a result of each area of activity. (Councilmember Eaton)

Response: Below is a list of activities that OSI staff worked or are working on FY20. Additionally, below are referenced links to A2 Zero Updates that OSI staff provided to Council during FY20. Estimated GHG savings are provided for things which are easily quantifiable but in general, the impact of actions is not known until the City completes its annual greenhouse gas inventory (which is currently under construction for 2019). As such, the full impact of these activities will be shared as soon as the 2019 GHG inventory is completed.

- Carbon Neutrality Planning – by far the most time-consuming portion of our year
- Green Fleets (100 metric tons)
- Solarize pilot and launch
 - 17 new arrays installed
 - Over \$50,000 in savings to homeowners participating in the program from the bulk buy discount
 - 2 new arrays in the sales process
 - ~25 more solar arrays starting the quote process
 - Over \$50,000 in savings already to homeowners
 - Working with condo associations to develop parallel offering
 - Working with Solar Faithful program to support nonprofits and houses of worship with replicating the model
- Released an energy efficiency RFP for audits at City facilities (preparing materials for Council approval)
- Created a solar RFP for installing solar on multiple city facilities (not yet released)
- Resilience hubs, including community engagement and pursuing a small grant to install solar at a community center

- Climate impacts work, including work through a National League of Cities grant to begin exploring climate migration scenarios
- Hosting of dozens of public events (see enclosed documents)
- Assisted in LED lighting replacement at Burns Park
- Planning LED lighting replacement at Wheeler
- Organized and administered the Fire Station 6 solar installation
- Advanced the EV readiness ordinance
- Initiated work on a commercial and a home energy disclosure ordinance
- Working with U.S. Department of Energy on EECBG/PACE fund reallocation
- Assisted with LED lighting retrofit at skate park
- Investigating pathways to adhere to Council's direction to transition streetlights to LEDs
- Planned and successfully administered a virtual Earth Day event in partnership with GIVE365
- Conducted a building stock analysis with 2030 district
- Switched City natural gas accounts to constellation; saving money
- Development of work plans for activities slated for actions in A²Zero slated for work in FY21
- Hosted two solar energy forums with solar installers to explore partnerships
- Organizing energy efficiency and electrification forms
- Organized and hosted equity trainings for internal city staff
- Applied for grant to support 2 EV fast chargers and 10 level 2 chargers; working on grant application for up to 90 more
- Laid foundation for Aging in Place Efficiently work
- Hosted state-wide municipal clean energy convening
- Applied for state energy grant to support energy upgrades at city buildings
- Launched A2Zero brand, website, etc.
- Launched landfill solar project
- Partnering with County to explore opportunities to expand weatherization services in the City of Ann Arbor
- Helped organize the Michigan Climate Action Summit and recruit the program to Ann Arbor (which had to be cancelled due to COVID)
- Administered and advertised the Sustaining Ann Arbor Together grant program
- Participation in the University of Michigan President's Commission on Carbon Neutrality
- Appointed the Environmental Rules Review Committee in the State of Michigan
- A²Zero Partner collaboration
- Neighborhood association outreach
- Two virtual town halls post launch of A²Zero and development of Q&A
- Operated a City waste reduction campaign
- Preparing 2019 GHG inventory

- Participated in COVID-19 response
- Administrative and institutional efforts

References: Attached “Office of Sustainability and Innovations Highlights March 2019-July 2019.”

[A2 Zero Report – December 16, 2020](#) (attached to City Administrator’s Report)

[A2 Zero Report – January 21, 2020](#)

[A2 Zero Report – February 3, 2020](#)

[A2 Zero Report – February 18, 2020](#)

[A2 Zero Report – March 2, 2020](#)

[A2 Zero Report – March 16, 2020](#)

Question: In the proposed fiscal year 2021 budget, OSI has a budget of \$1.8 million. Please provide a rough break out of activities funded in FY 2021 and attribute the amount of carbon reductions estimated as a result of each area of activity. (Councilmember Eaton)

Response: Below are the activities which have been budgeted in the FY21 OSI budget along with estimated reduction potentials, where possible. Since many of these are new programs, the first few years will, by necessity, be focused on creating the new program.

- Staff time to initiative the work around Community Choice Aggregation (no emissions reductions estimated in FY21)
- Staff time to initiative the bulk purchase of renewables (5,000 metric tons)
- Staff time to initiative a community solar program (no emissions reductions estimated in FY21)
- Staff time to advance the landfill solar project (no emissions reductions estimated in FY21)
- Staff time and program resources to initiate bulk buy of electric vehicles (1,000 metrics tons)
- Staff time and program resources to initiate bulk purchase of energy efficiency equipment (25,000 metric tons)
- Resources to support some of City fleet to EV (200 metric tons)
- Support more aggressive building codes (not estimated)
- Resources to implement net zero energy affordable housing program (50 metric tons)
- Staff time and outreach materials to initiate green rental housing program (not estimated)
- Staff time and outreach materials to initiate aging in place efficiently program (not estimated)
- Staff time and resources to launch energy concierge and community education (not estimated)

- Financial resources to expand weatherization program in A2 to serve more families as well as educational and outreach materials (not estimated)
- Staffing support and outreach materials related to resilience hubs (not estimated in 2021)
- Staffing support, materials, and stipends for youth and neighborhood ambassador program (not estimated)
- Staffing support and training dollars related to expanding equity programs in the City and community (not estimated)
- Support for neighborhood grants through the Sustaining Ann Arbor Together grant program (not estimated)
- Staff time, resources, and technical platforms to launch benchmarking (not estimated)
- EV charging infrastructure (not estimated)
- Administrative tasks, community engagement, reporting, etc. (not estimated)

Question: The FY 2020 budget provided funding for 5.0 FTEs and the proposed FY 2021 budget includes 8.5 FTEs. Please describe the activities of the new FTE and provide a summary of the expected reduction in community carbon attributable to the activities of each of the new FTE’s activities. (Councilmember Eaton)

Response: Please see attached staffing plan.

Question: Q1. The investment narrative includes the statement, “As of right now, roughly \$6.8M exists in the FY21 budget”. That number was quite surprising. Obviously, we have the roughly \$2M in OSI, but can you please provide the detail (how much and where in the budget) for the remaining \$4.8M? (Councilmember Lumm)

Response: Below is a matrix that shows the estimated operating contributions for FY21:

	2021
Estimated Existing Operating Costs for OSI	\$1,800,000
Estimated Existing Operating Costs for Solid Waste	\$4,400,000
Estimated Existing Operating Costs from Forestry	\$116,000
Estimated Existing Operating Costs for Planning	\$100,000
Estimated Existing Operating Costs for City Fleet Transition	\$50,000
Estimated Administrator Support for Building Codes and Parking	\$25,000
Estimated Resources Available for Loan Loss Reserve	\$200,000

Question: Q2. The narrative (att 5) also indicates that existing staff are assumed to have a portion of their time allocated to advancing actions in the A2Zero Plan. Can you please elaborate on that including providing some sense of magnitude – how many employees, what portion of their time? (Councilmember Lumm)

Response: It was assumed that all OSI staff are working on A²Zero as well as the following units. If the A²Zero plan is adopted and becomes a guide for City operations,

then the work would be integrated into existing work plans as opposed to presenting extensive new effort:

- Colleagues in solid waste that already have recycling, compost, and work on movement towards a circular economy in their work plan (little to no additional demands placed on their time)
- The City Forester, who already focuses on achieving our goal of planting 1,000 new trees per year
- Support from the Assistant City Administrator in monitoring and advancing the needed state-level legislative policy change
- Support from colleagues in planning to support the land use related elements of A²Zero
- Continued collaboration with fleet and facilities as we collaborate on energy efficiency, renewable energy, and the electrification of city buildings and vehicles
- IT department support in building the sustainability dashboard and helping get automated data tracking and reporting established (this partnership already exists)

Question: Q3. Similarly, the narrative says that, “if not otherwise indicated, gaps were assumed to be filled by re-prioritizing the city budget.” What does that mean, and can you please provide a sense of magnitude on the dollars involved here as well? (Councilmember Lumm)

Response: The scenario presented identified roughly \$6.8 million in existing budget resources to support carbon neutrality efforts. This scenario also projected that nearly every action in the A²Zero plan would start in FY21 or FY22 meaning that the costs for the plan are frontloaded. In this scenario, that leaves the City with an \$11.2 million-dollar gap early in the process, which could be closed through reprioritizing the City budget, delay the start of activities, or through generating new funds. In future years, the estimated budget gap is \$2.2-\$3.0 million.

Question: Q4. I’m a bit confused on the line called “city debt service” which has \$14M in 2021 and about \$2.5M in the following years. In total, how much would we borrow, when, and for how long? Also, would it be standard general obligation bonds or some other form of borrowing? (Councilmember Lumm)

Response: The presented scenario projects borrowing nearly \$46.5 million. For nearly all of this debt, we estimated a 20-year payback with 4% interest. In the “notes” column (P), we provided our assumptions for each action for which we proposed issuing debt.

Question: Q5. Not a big deal obviously, but when a year is referenced, is it meant to be the city’s fiscal year or a calendar year? (Councilmember Lumm)

Response: We used FY as an estimate so we could align with the budgeting process.

Question: Q6. I recognize the assumption is that federal dollars will build the park & rides and that the \$87M shown in “other” in 2022 is largely that. Is the \$41M in 2024 and

\$45M in 2026 also external federal funding for park & rides or is it something else?
(Councilmember Lumm)

Response: For this assumption, we based our projections on past experience – meaning that federal dollars have largely funded our existing park and ride infrastructure. As such, our estimates are for federal dollars in all years with some support from MDOT.

Question: Q7. How much DDA support – by year - is assumed in the investment plan?
(Councilmember Lumm)

Response: In this investment scenario, we only modeled \$2,000,000 in upfront capital from the DDA for the EV infrastructure investments and then continued support of \$1,000,000 a year thereafter.

Question: Q8. The operating credits are shown as \$1.3M in 2021. Can you please provide some detail on those credits and what actions are generating them?
(Councilmember Lumm)

Response: The operating credits noted in FY21 come from the electrification of City buildings (net additional operating cost of electricity compared to savings from natural gas), the City EV fleet transition (net savings of operating cost of electricity compared to gasoline), the bulk purchase of energy efficiency (savings seen in City buildings of electricity and natural gas), LED streetlights (savings seen in reduced electrical consumption), net zero affordable housing (savings from reduced operational expenses), emergency kits (emergency operational savings), sensors (which allow for proactive action that reduces disaster-related costs), and the internal carbon tax (the dollars paid into the program are allocated instantly back out to implement energy saving programs).

Question: Q9. The investment narrative also includes the statement that charges to the solid waste fund can be absorbed by other structural changes per the SWRMP – I'm assuming that refers to the savings generated from service consolidation – correct?
(Councilmember Lumm)

Response: That is correct.

Question: Q10. Can you please remind me when U-M will have their plan finalized and do you know if the UM Regents will be formally acting on it? (Councilmember Lumm)

Response: The Plan is slated for completion by end of calendar year 2020. My understanding is that the Plan will be presented to the President and then eventually to the Regents for formal consideration.

Question: Q11. In the detailed investment plan pages there was a line called “city capital” that included four 2021 items (\$4.9M in 2021 for electrification of city facilities; \$29M for EV infrastructure; \$2.5M for LED lighting; and \$1.6M for non-motorized plan). Those

were not in the proposed FY21 capital budget that was presented so would they be incremental to the FY21 proposal or planned for FY22? (Councilmember Lumm)

Response: This was the total amount of debt the investment scenario proposed issuing. These figures were used to calculate the “city debt service” estimates and are integrated into the “net city operating costs” rows.

Question: Q12. Also on capital, can you please provide a bit of detail on the \$3.6M shown in 2022 for resilience hubs? (Councilmember Lumm)

Response: The estimated costs for this assume that we have one hub in each ward by 2030. It assumes an upfront cost of \$750,000 per hub to retrofit or install new equipment to get the Hub ready to serve its purpose (i.e., solar, battery, efficiency, redundant systems, stormwater filtration).

Question: Q13. In terms of the prioritization matrix (scoring), the two land-use related actions (housing density “by right” and neighborhood mixed use) both scored relatively poorly (bottom half). Given that, and that they are also controversial, would staff agree it might make sense to remove them from the plan? (Councilmember Lumm)

Response: In response to this question, there are two points to share. First, nearly every action proposed during the A²Zero planning process was run through the matrix. The final list of actions included in the A²Zero Plan are those that scored the highest and aligned with the emissions reductions needed, in each sector, to achieve community-wide carbon neutrality. That said, even though an action may score lower than another, the 44 actions in the Plan are those that collectively performed the best. We fully expect we’ll replace some actions with others, but we propose that all potential actions be run through the prioritization framework to make sure they are held to the same standard as existing actions. We also need to ensure that actions are impact the most appropriate sector (largely transportation in the case of the land use strategies).

Additionally, every action in the A²Zero Plan was included for its importance in reducing greenhouse gas emissions. The Prioritization Framework aims to highlight actions that reduce greenhouse gas emissions, are supported by market forces, can feasibly be achieved in the near future, and have significant co-benefits beyond greenhouse gas reductions. One shortcoming of the Matrix is that it does not highlight strategies that are interdependent. The two land use actions do contribute to reducing greenhouse gases, but unfortunately, they are complex actions that are difficult to account for in our community greenhouse inventory. We are currently working on finding a methodology to quantifying these actions, but in the absence of that, we believe it’s important to have them on the table for discussion.

Question: Q14. Similarly, two other items that may be perceived negatively by residents (tiered parking rates and energy disclosure) also scored poorly (in fact, these two were both ranked close to the bottom). Does staff agree it may make sense to remove these from the plan as well? (Councilmember Lumm)

Response: Supporting energy efficiency improvements ranked first out of all the actions, due to its economic feasibility and co-benefits to the community. Many strategies in Strategy 3 support this action. A limitation of the matrix is that it doesn't show interconnected actions meaning that the true value of benchmarking, for example, is under-estimated in the matrix since it is an enabling action that allows the critical energy efficiency work to proceed. Indeed, community-wide energy benchmarking and transparency is foundational to energy efficiency improvements, increasing awareness amongst building owners, operators, and tenants, providing granular data to inform targeted policies across sectors, and allowing energy efficiency to be considered as one of the many factors in buying or renting property. As such, staff believe this is a critical piece of the work.

Additionally, the prioritization matrix favors actions that do not increase operating costs to the community. Inherent to incorporating demand management into parking rates is an increase in cost, though likely small, to many, in order to change behavior. As we seek to reduce greenhouse gas emissions in the transportation sector, strategies focused on reducing vehicular miles traveled, including carrots and sticks, will likely need to be considered. As such, staff are fine removing tiered parking rates but would be very eager to hear what other ideas might replace it.

Question: Q15. Strategy 5 as a whole did not score highly in the prioritization matrix. Given that, and the assumption that implementing the SWRMP with its service consolidations will pay for it (and approval is far from certain), does staff agree it may make sense to remove that strategy from the plan? (Councilmember Lumm)

Response: The City's current greenhouse gas emission inventory only accounts for only a small percentage of emissions associated with the materials our community consumes, only accounting for the waste and compost generated each year. The inventory does not look at the upstream emissions associated with producing these materials. As such, the City's greenhouse gas emissions inventory currently underestimates the true impact of consumption. This is a limitation staff are looking to rectify. Given this limitation, however, it is clear that the GHG impact estimated is far lower than what is included, making these actions look artificially low. Secondly, because waste and consumption are GHG contributors, the community's carbon neutrality work needs to have some actions focused on addressing emissions from this area if we are to achieve our goals. Lastly, changes in consumption patterns, recycling, composting, and similar practices had high community support. In particular, the community noted how much of their relationship with climate action and sustainability is through what they purchase, what they use, and what they do with those materials when they are no longer using them. Given these points, staff believe it is critical to keep Strategy 5 in the plan.

Question: Q16. The landfill solar project did not fare well in the scoring either and of the criteria, the only one where it did score well was feasibility. It would seem that the city should not be undertaking big ticket, lower leverage actions simply because they are possible. Can you please speak to that? (Councilmember Lumm)

Response: Achieving carbon neutrality requires significant buy-in across all the community, including all sectors and residents with varying levels of current participation. We know that is important for the City to lead by example, proving tangible examples of action. This includes focusing on our own municipal operations in addition to community-wide strategies. One branch of this is powering municipal energy with 100% clean and renewable energy, with an opportunity to demonstrate large-scale solar locally, providing an image for our community to identify with. Moreover, the A2Zero community engagement process uncovered strong community interest in local projects. The landfill solar site has the potential to be one, if not the largest, local solar installation in the City.

Question: Q17. Also on the landfill solar project, why is a construction cost estimate not included as part of the analysis? (Councilmember Lumm)

Response: The upfront cost for construction is not included because it is anticipated that the City would pay for these costs through what is known as a levelized cost of energy. This means that we would incorporate a repayment of the construction costs into our monthly energy bill. It would also mean that the City would receive a monthly credit on its bills for the value of the solar (i.e., a credit reflecting the amount of energy generated through the solar installation). In the investment plan, we incorporated additional operating costs for the landfill solar project.

Question: Q18. Finally, I noticed that the “rank” did not completely align with total points so can you please elaborate on the basis for the “rank”? (Councilmember Lumm)

Response: The Matrix accounted for the estimated greenhouse gas emission reductions, the financial feasibility and the implementation feasibility, and the co-benefits of each action. In the A²Zero Plan, some actions did not have an estimated greenhouse gas reduction for multiple reasons. As a result, when populating the matrix, some actions did not have a score for the estimated greenhouse gas emission reductions. To correct for this, staff applied a weighted average to all actions in order to have a more accurate comparison between actions.

B-1 - An Ordinance to Amend Chapter 55 (Zoning), Rezoning of 0.20 Acre from C1B (Community Convenience Center District) to PUD (Planned Unit Development District), The Garnet PUD Zoning and Supplemental Regulations, 325 East Summit Street (CPC Recommendation: Approval - 8 Yeas and 0 Nays) (Ordinance No. ORD-20-11)

DB-1 - Resolution to Approve The Garnet PUD Site Plan and Development Agreement, 325 East Summit Street (CPC Recommendation: Approval - 8 Yeas and 0 Nays)

Question: Regarding B-1 and DB-1 (Garnet), have there been any discussions with the petitioner regarding the affordable housing contribution or other items since this was postponed May 4, and if so, can you please provide a summary? Also, has staff received any additional public comments or objections since then? (Councilmember Lumm)

Response: There have been some discussions between City Council members and the petitioner regarding the affordable housing contribution. The summary of these discussions were that the petitioner has proposed an affordable housing contribution of \$88,200. No additional public comments or objections have been provided since May 4th.

B-2 – An Ordinance to Amend Section 2:64 of Chapter 29 (Sewer Rates) of Title II of the Code of the City of Ann Arbor

B-3 – An Ordinance to Amend Section 2:63 of Chapter 29 (Water Rates) of Title II of the Code of the City of Ann Arbor

B-4 - An Ordinance to Amend Section 2:69 of Chapter 29 (Stormwater Rates) of Title II of the Code of the City of Ann Arbor

Question: Q1. If you compare pages 7 and 8 which show the additional budget cuts (beyond just the COVID-related cuts) required if the rates were not increased on July 1st, the difference in the revenue decreases for water between the two are \$1.2M (\$4.8M vs \$6.0M). The cover memo on water says the revenue impact of the increase is \$755K, not \$1.2M. What am I missing? (Councilmember Lumm)

Response: The differences are due to the use of FY 19 consumption/revenue (pre-COVID) vs. COVID-period consumption use projections.

- Cover Memo – FY 19 Consumption data/revenue with a 6.5% increase
- Slide 7 – FY 20 & FY 21 COVID revenue impacts with the proposed 6.5% increase
- Slide 8 – FY 20 & FY 21 COVID revenue impacts and no 6.5% increase

Question: Q2. For sewer, the recommendation if there were no rate increase would be to use fund balance to make up the difference, but for water it's to defer projects. Can you please explain why that is and provide the required and projected fund balance levels for both water and sewer? (Councilmember Lumm)

Response: Generally, the sewer and water fund are in different phases of their lifecycle of their assets – most significantly the treatment plants. Sewer underwent the major plant rehabilitation in the last decade and water is now preparing for a rehabilitation in the upcoming decade. This fundamental difference is causing different techniques to manage the financial plans and stabilize the resource fluctuations to keep exceptional services for Ann Arbor customers.

The Sewer Fund rate increases have been driven by the need to maintain the target debt coverage ratio (dictated by both best practice and bond covenants). The benefit to that mandate is that there is fund balance which is allocated for use on capital investments. The sewer fund has an excellent credit rating, however, it also has nearly \$11 Mil in debt obligations in FY21 alone, which is nearly 1/2 of the annual operating expenses. The required fund balance for each fund is 25% of operating expenses or \$6.4

Mil. for sewer in FY21. Ending unrestricted fund balance for FY21 in sewer is projected to be \$21.6 Mil, which deducts cash funded capital and annual debt payments. These figures are without the COVID impacts.

In the Water Fund, the capital needs that are on the horizon far exceed the available fund balance and cash, so the financial plan is optimized to build up fund balance (and cash) to balance the funding of projects with cash and debt to maintain intergenerational equity for this upcoming period of large re-investment. As we delay rate increases and decrease fund balance, we are delaying when we would have enough cash funding for the design phases of major projects such as the Water Treatment Plant rehabilitation. The capital projects postponement are short-term stop gap measures being taken as it does not reduce the overall need for any of these projects. The required fund balance is \$5.85 Mil. for FY21. Ending unrestricted fund balance for FY21 in water is projected to be \$8.6 Mil, which deducts cash funded capital and annual debt payments. These figures are without the COVID impact.

Question: Q3. If the water rates were not increased, the recommendation is to defer the State Street water main and Barton raw water main condition analysis. What are the risks if these projects are not done this year? (Councilmember Lumm)

Response: The risk of deferring both of these projects are substantial breaks, service disruptions, and additional costs associated with repairs/disruptions. The Barton Raw Water Main condition analysis is the review of the condition of the main that brings river water to the treatment plant, which is a highly critical pipe. Delaying the analysis and necessary rehabilitation increases the risk for city-wide service disruptions.

B-5 - An Ordinance to Amend Section 9:42 of Chapter 107 (Animals) of the Code of the City of Ann Arbor

Question: Regarding B-5, has staff received any comments or objections regarding this ordinance change since first reading? If so, can you please summarize. (Councilmember Lumm)

Response: No.

Office of Sustainability and Innovations Highlights

March 2019 - July 2019

Accomplished	Category
100% CLEAN AND RENEWABLE ENERGY POWERING MUNICIPAL OPERATIONS (Goal: 100% of City Operations are Powered by Clean and Renewable Energy by 2035)	
Worked with Ann Arbor Housing Commission to size solar installations for Broadway and Platt Road. Currently finalizing technical requirements before installation	
Secured all safety equipment and developed a safety plan for solar installation at Fire Station 6	
Sized solar system for Fire Station 6 and conducted preliminary energy assessment of facility	
Launched an energy efficiency RFP to identify energy efficiency improvements at 12 city facilities	
Initiated discussion with DTE about the feasibility of a solar installation on the landfill and on the Wheeler compound	
Filed interconnection paperwork with DTE to connect 13 city facilities to solar PV systems	
Began drafting an RFP for onsite solar at 13 city facilities	
Hosted four Sustainability Lunch and Learns (30 average attendees).	
Started exploring efficiencies for our current landfill natural gas system	
Finalizing the municipal and community-wide greenhouse gas inventories for 2016, 2017, and 2018.	
Started exploring the feasibility of geothermal at select municipal facilities	
Worked to re-energize and begin re-advertising the revolving energy fund	
Launched an internal solid-waste reduction campaign	
GREEN FLEETS POLICY (Goal: 25% Greenhouse Gas Emissions Reduction Target by 2025, related to 2017 Baseline Levels)	
Co-leading City's Green Fleets Team, including conducting research on viable EV and hybrid fleet options	
Organized two electric vehicle "ride and drives" to expose staff to EVs	
Helped police department purchase the first hybrid police interceptor	
Worked with Council to pass a ban on 2-stroke engines in the downtown	
Worked with the state to conduct an evaluation of where EV charging infrastructure should be to facilitate greater uptake and ease of use	
Initiated conversations with DTE about EV charging infrastructure around the City	
ENVIRONMENTALLY PREFERABLE PURCHASING (Goal: Encourage the Purchase and Use of Materials, Products, and Services that Best Align with the City's Fiscal, Environmental, Climate Change, Community, and Performance Goals)	
Revised the City's Environmentally Preferable Purchasing Policy (EPP) to add in more aggressive environmental and local requirements, including the banning of Styrofoam and single-use plastics.	
Hosted a national webinar to share our EPP policy with peers	
Organized a staff wide training on the EPP	
Identified green cleaning alternatives for major city facilities – will be meeting with cleaning teams to discuss making the switch	
Started process of getting composting services at city facilities	
Created process to engage with vendors on how to conform with the new EPP	
25% REDUCTION IN COMMUNITY-WIDE EMISSIONS BY 2025 (Goal: 25% Reduction in Community-Wide Greenhouse Gas Emissions by 2025)	
Participating in 2030 District formation	
Participated in a peer learning exchange on low-income electric vehicle car sharing programs	
Hosted 3 Power Hours in collaboration with Michigan Saves and DTE (over 100 individuals attended)	

Participating in the Solid Waste Resource Management Planning process
Participating in the Transportation Plan Update process
Participating in the Land Use and Master Plan consultant selection process
Supported a grant application to install 2 electric vehicle chargers, with solar and battery storage in the downtown
Co-sponsored a picnic for the climate community
Continued to support the electric vehicle (EV) readiness sub-committee of the Energy Commission to help prepare an EV readiness ordinance while also working internally to identify locations for solar powered EV car charging.
Continued to support the Time of Marketing (Home Energy Disclosure) sub-committee
Drafted a Home Energy Disclosure Ordinance and shared draft with Ann Arbor Board of Realtors for Comment (organizing a meeting in September to discuss)
Started working on Earth Day 2020 festivities in partnership with community groups and the University of Michigan
Created the solar access sub-committee of the Energy Commission
Attended Rocky Mountain Institute renewable energy boot camp to learn how to advance onsite solar installations (grant funded)
Began designing the Green Business Challenge
ONE COMMUNITY: ADVANCING RACIAL EQUITY IN WASHTENAW COUNTY (Goal: Creating a Just and Equitable Community for all Washtenaw County Residents)
Secured a Equity Fellow from the University of Michigan to help advance the Office's equity work over the summer
Collaborating with IT to develop a visualization tool on climate change and socio-economic variables that can be integrated into all city decision making.
Started the second round of race and equity training via the Urban Sustainability Directors Network / Government Alliance on Race and Equity program for staff
Worked with County to explore how to expand weatherization services in Ann Arbor to serve more at risk individuals
Initiated discussions with Ann Arbor residents to understand their experience with County weatherization services
Worked to get two new youth seats approved by the Energy and Environmental Commissions. Will be coming to Council for consideration soon
AN ENGAGED COMMUNITY (Goal: Ensure Our Community is Strongly Connected Through Outreach, Opportunities for Engagement, and Stewardship of Community Resources)
Hosted a Sustainability Forum on climate change 201 on March 21 st (104 attendees).
Hosted a Sustainability Forum on racial and income equity in Washtenaw County on April 18 th (126 attendees).
Awarded Sustaining Ann Arbor Together (SA2T) grants to: The Neutral Zone (capacity building program); Ann Arbor Open @ Mack (accessible playground); Recycle Ann Arbor (A-Z zero waste guide); We are the Forest (sustainability curriculum); Cobblestone Farm (farmers market); Common Cycle (repurposing bikes); Eberwhite Elementary (sustainability-based playground);
Hosted a table at the Earth Day celebration at the Leslie Science and Nature Center
Hosted a table at the Mayor's Green Fair
Hosted a table at the Huron River Day (May 19 th)
Working on re-design of City's Sustainability website.
Hosted a booth at Summerfest on June 15 th and June 29 th
Initiated capacity building program in partnership with the Neutral Zone
Continued to provide full support for the City's Energy and Environmental Commissions
Hosted a community discussion on climate-related migration (7/31)
Organized a series of community resilience events – will hold in August
ENHANCED COMMUNITY RESILIENCE / SOCIAL COHESION (Working Goal: All Residents are Prepared for Shocks and Stressors and Bounce "Forward" After Disruption)
Attended a resilience hub workshop with peers around the nation (grant funded)
Hosted Dr. Matt Hauer to discuss climate-related migration impacts in Ann Arbor - held multiple internal city meetings to discuss and explore
Finished 3-week Center for Social Engaged Design (CSED) student support work related to resilience hubs
Secured updated information on projected changes in climate for integration into City's Capital Improvement Planning process

Continued collaborating with IT to develop a visualization tool on climate change and socio-economic variables that can be integrated into all city decision making.

OTHER

Appointed and working to co-develop updated sustainability standards for the American Society of Civil Engineers

Appointed and helping to co-develop adaptation guidance for the National Sierra Club

Hosted National Science Foundation workshop on practitioner-led urban sustainability research

Supported the natural features sub-committee of the Environmental Commission

Supported the solid waste sub-committee of the Environmental Commission

