



TO: Mayor and Council

FROM: Jennifer Hall, Executive Director, Ann Arbor Housing Commission

CC: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Ann Arbor Housing Commission

DATE: May 4, 2018

Question #14: Housing Commission support – also on page 3 (one-time requests), \$68K is shown for one-time support for AAHC. How much GF support of AAHC (if any) is included in recurring GF expenditures? (Councilmember Lumm)

Response: The General provides \$364,000 in recurring subsidy to the AAHC (\$160,000 operating support and \$204K for their Information Technology).



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Deer Management

DATE: May 4, 2018

Question #19: On page 143, the deer management forecasted costs for FY18 are listed as \$381K (vs FY18 budget of \$370K) and the FY19 recommended budget is \$150K. Previously, it was indicated by staff that the FY18 program actual costs would be significantly (\$75K - \$100K) under budget and the savings would be added to the FY19 provision of \$150K. Can you please reconcile the FY18 forecast and FY19 proposed budget numbers here with the previous staff communications?
(Councilmember Lumm)

Response: The FY18 forecast is from December prior to the operations in the field. The present FY18 forecast is \$309k in expenditures partially offset by \$32k in unbudgeted revenue for a net impact to the General Fund of \$277k (\$93k under the net budgeted impact).



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Mike Kennedy, Fire Chief
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Fire

DATE: May 4, 2018

Question #7: State Shared revenue, Fire Protection grant – the budget message p. 1 indicates that \$10.9M in state shared revenue is included in the FY19 budget which is a 4.4% increase. Can you please provide the line item detail on that (constitutional, statutory, and fire protection grant). Also on the fire protection grant, at our work session with GCSI in February, they mentioned a Governor’s proposal to increase the Fire protection Grant substantially? Was any of that included in the State budget? If so, how much will Ann Arbor’s increase be and is any of that that incorporated in the proposed budget? (Councilmember Lumm)

Response: The Constitutional revenue is budgeted to be \$9,242,752 and Statutory revenue is budgeted to be \$1,642,436 totaling the \$10.9 million. Fire protection grant is budgeted for \$923,756. We do not incorporate any potential funding into the budget for this item unless there is absolute certainty that the City will receive it.

Question #28: Fire FTE – the FTE budget for Fire is being reduced by one and on p. 292 it indicates that the reduction is planned “in an effort to lower payroll costs.” In what other areas of the City are we reducing FTE’s to “lower payroll costs”? Also, I thought we were adding a third deputy chief and if that’s accurate, how is that offset in the budget? In other words, are we reducing the number of firefighters by two? (Councilmember Lumm)

Response: We are not reducing FTEs in other areas of the City to lower payroll costs. A third assistant chief was hired during FY18. The reduction of 1 FTE in the Fire Department was to offset the additional cost of the third assistant chief versus the cost

of a firefighter. The Fire Department is only reducing the number of firefighters by one in FY19. The reduction will occur through attrition due to retirements.

Question #29: Fire response times – at our January work session, we discussed the need to narrow the significant gaps between Ann Arbor’s actual response times and the national standards. It’s encouraging to see on p. 294 that the 2019 goal is to improve both fire and emergency response times, but I’m concerned it’s not realistic. How can we achieve those improvements for FY19 and is it necessary to add or re-locate stations to achieving the national response standards? (Councilmember Lumm)

Response: A focus of FY19 is ensuring we have accurate and reliable processes for measuring response time. One area of current focus is turnout time, which is the time from FD notification by HVA Dispatch to apparatus responding.

The addition or re-location of fire stations is part of the fire station master plan. This plan has a strong focus on response times. This effort will be continued in FY19. Further information is covered in Q26.

Question #30: Fire Station Master Plan – I may have missed it, but did not see any funding in the FY19 budget for the Station Master Plan. Is there funding in the FY19 budget for the Plan. Also, when do we anticipate completing the plan and beginning to implement the recommended actions? (Councilmember Lumm)

Response: There is no separate funding in the FY19 budget for the fire station master plan. In FY19, the fire administration will work with IT to model responses based on current and potential station locations. IT has GIS data on road travel times to provide accurate projections. Fire administration will work with the City Administrator to provide a recommendation to City Council. Capital funding projections will also be part of this recommendation.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Overall General Fund

DATE: May 4, 2018

Question #5: General Fund recurring expenditure growth – the budget message page 6 states “FY19 General Fund recurring expenditures are projected to increase by \$1,490,442 (1.5%). I think that’s before adjusting for the \$2.5M in engineering personnel expenditures that’s been removed from the General Fund. If I’m correct, the “apples-to-apples” expenditure growth is \$3,990,442 (or 3.9%).

- FY19 GF recurring exp = \$103,543,501 (proposed FY19 p. 6)
 - Plus: engineering personnel expense removed from GF = \$2,500,000 (proposed FY19 p. 3)
 - FY19 GF recurring expense on same basis as FY18 = \$106,043,501
 - FY18 GF recurring expenditures = \$102,053,059 (adopted budget book p. 7)
 - Year-to-year increase on “apples-to-apples” basis = \$3,990,442 (or 3.9%)
- Is this correct? And if so, roughly how much of the \$3.99M increase is related to employee wages/salaries and how much is related to employee benefit costs (in total, and for health care specifically)? (Councilmember Lumm)

Response: Yes, that is correct. With the \$2.5 million removed from the General Fund, wages decreased \$566K. If the \$2.5 million was still included in the costs, wages would have increased \$837K. For benefits, with the \$2.5 million removed from the General Fund, costs increased \$202K overall (with healthcare increasing \$266K). If the \$2.5 million was still included in the costs, benefits would have increased \$1.04 million overall (with healthcare increasing \$468K).

Question #6: GF recurring revenue growth– the budget message p. 2 states that GF recurring revenues are project to increase by 0.79%, but p.6 indicates GF recurring revenues decreased by 0.2%. Can you please reconcile these different numbers? Also, can you please confirm if these year-to-year comparisons also do not adjust for removing

the engineering personnel revenues of \$2.5M out of the GF in FY19? (Councilmember Lumm)

Response: Page 6 reflects a draft of the resolution that had not been updated to match the letter. The year-to-year comparisons do not make any adjustments.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator
Robyn S. Wilkerson, Human Resources and Labor Relations Director

SUBJECT: Human Resources

DATE: May 4, 2018

Question #8: Non-union employee salary and benefits - what salary increase percentage is assumed in the budget for non-union employees? Also, the City Administrator advised Council in early April of changes for FY19 in non-union employee sick leave policy and longevity. Are there any other changes to benefits for non-union employees contemplated in this budget? And related to the sick leave policy change, it was indicated that the increase in the sick time accrual rate would have no budget impact as the maximum payout upon retirement remains the same. A couple of questions on that (1) can you please confirm the liability accrual does not change (2) what is the maximum payout for non-union employees and (3) what was the average employee sick-time payout upon retirement for all city employees retiring in the last year? (Councilmember Lumm)

Response: The salary increase percentage assumed in the budget for non-union employees is 3%, which includes cost-of-living and other equity adjustments needed (as determined by Human Resources in conjunction with the City Administrator). Other than sick leave and longevity, there are no other benefit changes for non-union contemplated in the FY19 budget. The liability accrual is based on a maximum of 960 hours per person and the maximum does not change. The average employee sick time payout upon retirement is 693 hours, including Police and Fire employees who have payout limits greater than 960 hours for sick time. For all other employee groups, the average payout is 538 hours.

Question #9: Non-union compensation study – also on non-union compensation, can you share the finding from the non-union compensation study? (Councilmember Lumm)

Response: The study is currently in progress and results are anticipated for mid-July.

Question #15: Workforce planning carryover funding – page 3 (one-time requests) includes \$262K of carryover funding for overhiring. How much has been spent to date on this and for what positions and what areas/positions do you anticipate the FY19 funding covering? (Councilmember Lumm)

Response: The original overhire program was \$500K, so \$238K has been spent thus far (projected through FY18). The primary recipient of this program was the City Attorney's office for three overhire attorneys. For FY19, we are only aware of the City Attorney's office two overhire employees at this time.

Question #16: Assistant City Administrator position costs – page 3 (recurring requests) also lists \$60K for increased funding for this position. As I recall, the FY18 budget included the FTE but just a half-year of costs (assuming mid-year hiring). Is this increase to fund the position full year, and what is to total budgeted cost (salary and fringes) for the position? (Councilmember Lumm)

Response: The increase is to adjust for the additional salary requirements of the position that were not fully developed at the time the FY18 budget was approved. For FY19, the position is budgeted for the full year and costs \$226,977 (\$170,000 salary and \$56,977 fringes).



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Non-Departmental Fund

DATE: May 4, 2018

Question #13: Governance Plans – on page 3 of the budget message (list of one-time GF requests), there is a \$500K in new FY19 dollars for updating governance plans and carryover of \$167K for FY18 governance plan updates. Which FY18 in-process plans is this \$167K paying for? Also, what new updates are assumed in the \$500K new funding? A9. For FY18, the City budgeted \$250K and for FY19, the amount budgeted is \$500K. The plans for this funding still include the Land Use Master Plan update and the Transportation Master Plan. In FY18, \$83K is projected to be spent on the Hillard Heintze study and the Hydro Dam study. (Councilmember Lumm)

Response: For FY18, the City budgeted \$250K and for FY19, the amount budgeted is \$500K. The plans for this funding still include the Land Use Master Plan update and the Transportation Master Plan. In FY18, \$83K is projected to be spent on the Hillard Heintze study and the Hydro Dam study.

Question #39: Non-Departmental - can you please provide a spreadsheet similar to the one provided last two years that details the expenditure line items for non-departmental “other services” and “other charges”. Also, can you please provide detail on the basis for the \$1.47M provisions included for unsettled contracts in the “personnel services” category? (Councilmember Lumm)

Response: Please see chart below.

Non-Departmental (Include Gen Fund & Debt Serv. Fund)

Description	FY2018 Amended Budget	FY2019 Budget Request	Comments
Other Services			
Telecommunications	\$ 48,561	\$ 48,561	
Training	43,500	43,500	
Downtown Employee Parking Benefit (55%)	71,610	71,610	
Governing Documents Update	250,000	667,200	<u>\$167,200 is projected to carry-forward from FY18 to FY19. FY18 is projected to spend \$82,800.</u>
Bad Debt	200	200	
Total Other Services	\$ 413,871	\$ 831,071	
Other Charges			
Dues & Licenses	\$ 137,135	\$ 137,135	<u>Includes SPARK services (\$75k) plus city-wide dues/memberships.</u>
AAATA Fee	105,009	108,752	<u>Fee is deducted from tax distrib.</u>
Tax Refunds	100,000	100,000	<u>Primarily Michigan Tax Tribunal estimated refund on prior year levies.</u>
ACA Health Care	148,200	48,200	<u>This is set aside for service units that have employees eligible for Health Care under the Affordable Care Act.</u>
Pension Contribution	-	70,376	<u>Portion of pension contribution required to comply with policy that contributions don't decline year over year.</u>
City Admin. Operating contingency	112,226	142,060	
Workforce planning contingency	262,612	262,612	<u>FY18 unused amount will roll-forward to FY19. This is not additive.</u>
Debt Service	8,788,721	8,924,565	
Total Other Charges	\$ 9,653,903	\$ 9,793,700	
Personnel Services			
Severances	31,482	500,000	<u>The majority of FY18 severances have been distributed to departmental budgets</u>
Labor & Contract Settlement contingencies	833,761	968,179	<u>Based on Labor Committee input. This is not additive. FY19 re-budgeted the unsettled labor contracts.</u>
Total Personnel Services	\$ 865,243	\$ 1,468,179	

Question #40: City Hall project – in response to my question for the April 16th council meeting, it was indicated that the renovations to the 3rd floor of Larcom were costing

\$55K+ and were “not funded from a capital budget, but from the City Administrator Unit’s operating budget.” I have a couple of follow-up Q’s on this:

- What are the criteria for a project being a capital project?
- What are the criteria for a project being included in the CIP?
- What account in the Administrator’s budget is being used to fund this?
- The April 16th response indicated that the \$55K did not include any office furnishings or technology upgrades for the conference room. The technology upgrades were listed as optional for about \$15K – are they being done? Are there any office furnishings and if so, what is the estimate of their cost?
- Is there a threshold of total spending amount for something like this that is used to trigger a council notification or can it be unlimited as long as the department finds the money in it’s budget somewhere and there is no individual contract that exceeds \$25K? (Councilmember Lumm)

Response: Typically, a capital project must be over \$100K to receive the designation of capital project and be included in the CIP process. The renovations were planned for in the FY18 budget process in the Risk Fund as one-time costs for security improvements. The office furniture (\$12K) and technology upgrades (\$17K) are both being done and funded by the City Administrator’s contingency. The City Council adopts budget appropriations at the department level in the General Fund and at the fund level for all other funds. The departments may spend the funding as they see fit as long as they do not exceed their budget appropriation. They only need to seek Council approval for contracts valued over \$25,000.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator
Robert Pfannes, Police Chief

SUBJECT: Police

DATE: May 4, 2018

Question #16: Police FTE's and cost – also on page 3 (recurring requests), adding 2 FTE's in Police (cost of \$99K) is listed. Previously, it was indicated these 2 FTE's were for training and FOIA work and that the cost was less than the normal cost for two officers because there was an offset. Have the officers already been moved to the training and FOIA work and can you explain again what the offset is? (Councilmember Lumm)

Response: A police officer position was moved to a FOIA sergeant position in FY18, and this position will be replaced in operations the FY19 budget. The Training Officer position has not yet been implemented. Up until this point, training management within the department has been an additional duty. With the anticipated achievement of CALEA training this summer, the creation of the Policing Commission, and the implementation of recommendations from the external reviews on community engagement, the department has the need for a full time training officer. The addition of both of these functions will result in additional operational effort.

Question #31: Community Policing – in response to my question at our public safety work session in January related to slide 32 at that work session on community engagement, it was indicated that the FY19 budget would request funds to complete a staffing study and operationalize community engagement. Perhaps I missed it, but I did not see any mention of a staffing study or any other efforts to reinvigorate community policing or operationalize community engagement beyond just the \$25K to support the new Commission. Is that correct? If not, please elaborate on the specific plans, and if

so, does that mean the plans to conduct a staffing study have been abandoned?
(Councilmember Lumm)

Response: AAPD's budget is being augmented by \$25,000 in FY19 to support the Policing Commission. As stated to the task force, this funding is an allowance as the scope and support requirements for the commission will not be set at the time of budget adoption. While specific funding for a staffing study has not been separately requested, we do anticipate that the study will be funded from this allowance and other savings that can reasonably be expected to be realized throughout the year.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: SmartZone and LDFA

DATE: May 4, 2018

Question #3: FY 2019 shows that \$750,000 has been allocated for strategic initiatives. Kindly provide a list of those initiatives and amounts associated with that. (Councilmember Kailasapathy)

Response: The SmartZone is wrapping-up its strategic planning efforts in the next couple of months and will share this with City Council later this year. The strategic plan will describe what goals are necessary to meet the SmartZone's mission and is structured to help prioritize its programs going forward consistent with MEDC guidance. From a budget perspective, a number of the programs align with existing SPARK activities while others are more expansive. The available revenue this year is greater than what the board anticipates providing to SPARK for historically provided programs. Consequently additional initiatives are being identified, which may or may not include SPARK as the lead. At this time, two items are being prepared for SmartZone consideration – Ann Arbor Mobility Transformation request and A2 I-Net Conduit Installation. The SmartZone Board still needs to vet and consider these items.

Question #4: Also marketing budget has been increased by \$100,000. What kinds of marketing initiatives are going to be undertaken? (Councilmember Kailasapathy)

Response: With this funding the SmartZone board would be asking its contractor (SPARK) to execute an integrated Marketing Services Plan, approved by LDFA, which addresses Public Relations, Collateral Materials, and Internet initiatives that support, compliment or advance LDFA funded programs or objectives. This expenditure would be limited to the \$300,000 budget allocation.

Question #36: LDFA expense budget – the FY19 expenditure proposal is \$4.3M, an increase of over \$1M (31%) vs. FY18. The budget proposal includes one line item of \$750K for “Strategic Initiatives”. Obviously, there must be some detail on this ¾ of a million dollars, so can you please provide it (what are the specific initiative(s), how is the money to be spent, who are the recipients, etc)? (Councilmember Lumm)

Response: Please see above response to Councilmember Kailasapathy’s question regarding the strategic plan.

Question #37: LDFA pass through to SPARK – page 329 shows that the amount of pass through to SPARK has almost doubled in four years (from about \$1.7M in FY15 to \$3.3M in FY19). How much of SPARK’s annual budget is paid for by the LDFA and have any other major SPARK funder’s increased their funding by anywhere near this level of increase (dollars or percentage)? (Councilmember Lumm)

Response: The LDFA funding is about 49% of SPARK’s total funding, down from 50% in FY2015. The non-LDFA funding level for FY2019 is not known at this time. Adjusting the requested comparison to FY2018, the LDFA funding increased 77% from FY2015 to FY2018; however this includes the expansion of funds allocated to the City of Ypsilanti. For comparability if the funds allocated to Ypsilanti are excluded, SPARK spent \$1.788 million (FY2015) versus \$2.897 million (FY2018) for Ann Arbor, an increase of 62%. SPARK’s total non-LDFA funds, on a calendar year basis, increased 39% with other grant funding leading the way with 107% increase. SPARK’s total budget for the calendar year 2018 is approximately \$6.5 million. Attached is their recent annual report which provides great detail on their 2017 performance.

Question #38: LDFA tax revenue – over the last six years, the tax revenue collected by the LDFA has grown by 2 ½ times – yes, 2 ½ times - from \$1.5M in FY13 to \$3.9M in FY19. Has the LDFA Board discussed capping their tax revenue growth like the DDA or reducing it? If so, can you please share the gist of the discussion and the rationale for the necessity of roughly 40% a year growth? Also, does Ann Arbor city council have the authority to reduce or cap the revenue? (Councilmember Lumm)

Response: The extension of the SmartZone was approved at the June 5, 2017 Council meeting. The revised agreement between the City and the MEDC took a couple of years to complete in order to satisfy the State’s expectations and limitations. The LDFA captures a portion of the State Education Tax and the School Operating millage. The State, in essence, holds the schools harmless from this capture via its General Fund appropriations. As part of the revised agreement the State required the level of growth in tax capture to be cut in half starting in FY2019. In addition if the funds are not spent (or are not reserved for an approved project), they are automatically remitted back to the State each year. Similar to the DDA, the SmartZone board recommends a budget to the City Council. The expenditure of the Council approved budget is the responsibility of the SmartZone Board within the guidance from the MEDC.



DRIVING

i n n o v a t i o n

ANN ARBOR SPARK 2017 ANNUAL REPORT





a letter from the chair

It has been a privilege to serve as Ann Arbor SPARK's board chair. The work of the Ann Arbor SPARK team and fellow board members has supported our economic expansion and success; it is exciting to think about what has been accomplished and what's still ahead.

Two years ago, Ann Arbor SPARK celebrated its 10-year anniversary. From its humble beginning, bringing together the Washtenaw Development Council and the Ann Arbor IT Zone – now officially known as the SPARK Central Innovation Center – the mission of Ann Arbor SPARK has been to attract the jobs and investment critical to economic development in this region. From Pittsfield Township to Howell, Brighton to Ann Arbor, from Ypsilanti to Saline, and every community in between, that work has continued to evolve with the demands of businesses and job seekers alike.

A visible example of this work was the creation of two marquee talent events: Tech Trek and Tech Homecoming. Both of these events were created in direct response to employer demand for more opportunities to meet jobseekers. In four short years, Tech Trek has grown to be an incredibly popular community event that not only brings together companies and job seekers, but also students, community leaders, and more.

Another example is the economic benchmarking report released last year. The report helped to catalyze a way for Ann Arbor SPARK to look at competing regions around the U.S. with a strategic and critical eye, to measure where we are succeeding and where we need to improve.

This past year, the State of Michigan recognized the impact of Ann Arbor SPARK's work with a remarkable funding extension. We are one of only three SmartZones to be extended for 15 years. It is a clear sign of our success growing entrepreneurial activity – in Ann Arbor and Ypsilanti – and illustrates the supportive culture that startups will experience here. As a region, we are serious about helping the earliest stage companies to grow and scale here.

Finally, our region's growing prominence in the mobility sector has been an incredible opportunity to attract industry, jobs, and investment in the greater Ann Arbor area. From hiring a mobility expert at Ann Arbor SPARK to the opening of the American Center for Mobility, 2017 was a banner year and builds our confidence that this critical sector will continue to grow.

Looking back at the progress we have made, the new programs we have implemented, and the opportunities that have been created, I am enthusiastic about our future opportunities for economic growth. I thank you for the opportunity to lead this dynamic organization during the past three years. I am beyond impressed with the commitment of so many who are passionate about our region's success.

Sincerely,

Cynthia H. Wilbanks

CHAIR OF THE BOARD, ANN ARBOR SPARK



a letter from the president and CEO

What an incredible year! A few notable highlights:

- The American Center for Mobility at Willow Run opened its doors
- The Ann Arbor/Ypsilanti SmartZone was renewed for 15 years
- Global brands Toyota, Ford, Lear, and Applied Dynamics International all expanded here
- Livingston County renewed its partnership with Ann Arbor SPARK
- Services offered at the SPARK Central Innovation Center are now available at SPARK East

The grand opening of the American Center for Mobility was certainly an exciting highlight, cementing our region's preeminence in the future of transportation. In this coming year, Ann Arbor SPARK will work to attract businesses – from powerhouse brands to startups – to locate at the new site. We will also continue our work to make sure the emerging mobility companies receive full support in attracting and training talent.

The unparalleled talent base in the Ann Arbor region continues to compel companies to choose Ann Arbor for their most technical operations. FordLabs, a new dedicated mobility software office, opened in downtown Ann Arbor. Lear opened a cybersecurity-focused office. Toyota – celebrating its 40th anniversary in our region – underwent a 135,000 sq. ft. expansion.

In a move that acknowledges the collaborative efforts of many partners, the State of Michigan awarded a 15-year funding extension of the Ann Arbor/Ypsilanti SmartZone. With this funding, services available through the SPARK Central Innovation Center are now also available at our SPARK East business accelerator in Ypsilanti. The extension by the state deepens the foothold we have on being Startup City USA.

The 40 company growth projects Ann Arbor SPARK facilitated in 2017 resulted in more than \$120 million in investment commitments, 800+ new jobs, and 2,050 retained jobs. We assisted 217 startups and incubated 85 innovation workers at the SPARK Central Innovation Center and SPARK East. It is on that solid foundation that Ann Arbor SPARK will implement its updated strategic plan we are unveiling today. This plan, at its core, is focused on continuing to create opportunity for businesses and talent alike in Washtenaw and Livingston counties and southeast Michigan.

Regards,

Paul Krutko

PRESIDENT AND CHIEF EXECUTIVE OFFICER, ANN ARBOR SPARK

accelerated growth

innovation in

ON THE ROAD TO SUCCESS

Growing from startup to profitable company – and sustaining that growth – is not an easy path. The hard work, dedication, vision, and patience it takes is remarkable. Even more remarkable: when a density of these businesses choose to navigate the road to success from the same location.

Ann Arbor has long been a hotbed of innovation, and innovative businesses continue to accelerate our economic prosperity. Driving industries are being fueled by new innovations across all sectors, including mobility, virtual reality, cybersecurity, and manufacturing. This diversity of businesses and jobs collide here to pave the road forward for companies, talent, and our economy.

SPARK
@nn arbor usa



HYUNDAI

Invests \$5M in ACM, begins testing CAVs on-site



warmilu

Raises \$222,000, on track to save 7,200 babies with Kenya Kericho Hospital Project



Raises \$70M, valued at \$1.17B, Ann Arbor's first "unicorn"



may mobility

Establishes Ann Arbor headquarters, raises \$11.5M



nav

Invests \$1M in manufacturing



FordLabs

New specialized software office opens



IndustryStar

Increases revenue 60%



ann arbor



Opens new cybersecurity office



Groundspeed

Raises \$2.4M, expands to new Ann Arbor office



Relocates back to Ann Arbor from Austin



Find Your Dittō

Founder named one of 10 People to Know by American Diabetes Association's *Diabetes Forecast*



Reaches 175,000+ members and \$1.7B in assets



Ameritrade

\$5.75M expansion creates 75 new jobs



LYONSCG

Continues growth, builds on previous \$1M expansion



new Saline ing plant



Molly McFarland



- Doubles staff and revenue
- Launches new website
- Signs exclusive agreements with new inventor partners



Mi Padrino

• 50,000+ users in first year

• \$100K Accelerate Michigan Innovation Competition winner

• \$50K Chloe Capital Pitch Competition winner

\$25K Detroit Creative Corridor grant



Kim Gamez

- Graduates to the fourth floor of the SPARK Central Innovation Center
- Gains 16 hospitals as customers
- Attracts Invest Detroit as first institutional funder



Christina York

- Wins "People's Choice" at Accelerate Michigan Innovation Competition



SPELLBOUND™

women in tech



augmented reality



software



cyber



mobility



virtual reality



tech



health & medicine



Invests \$154M in regional expansion

EMERGING COMPANIES have found a home in Ann Arbor's tech sector. As an area of innovation, the high-knowledge talent required to support and inspire new level thinking and testing lives here.



Grows to 200+ employees



TECH TREK, TALK & HOMECOMING

"It's all here" includes talent, and by showcasing the variety and density of innovation-based businesses and job opportunities in the Ann Arbor region, these marquee events attract and retain talented knowledge workers. These events are a fundamental way Ann Arbor SPARK's work creates economic growth and prosperity.

ACM Now open, the American Center for Mobility is an opportunity to attract attention – and investment – from global automotive and technological companies. It's also an opportunity to grow emerging industries driving the development of connected and autonomous vehicle technology. The Ann Arbor region is the nation's epicenter for mobility, and ACM is accelerating our success.



American Center for Mobility
CONNECTED. AUTOMATED. VALIDATED.



start. grow. exit. repeat.



SPARK CENTRAL & EAST INNOVATION CENTERS

The Michigan Economic Development Corporation awarded a 15-year funding extension to the Ann Arbor/Ypsilanti SmartZone, which is managed by the Local Development Financing Authority (LDFA). The funding directly supports Ann Arbor SPARK's entrepreneurial services in Ann Arbor – and extended those services to our SPARK East Innovation Center in Ypsilanti. As a result, entrepreneurs in both cities have access to incubator space, business acceleration services, mentors, and grant funding.

The SPARK East Innovation Center also got a facelift, which resulted in 35 percent more space for tenants as well as new interior and exterior paint and signage – ultimately boosting the visibility of the businesses located at the facility.

10,447 attendees

152 events held

37 states represented

INNOVATE YPSI

\$135,000 in grants resulting in \$11.2M in investment

SMARTZONE EXTENSION

Receives 15-year extension
1 of only 3 SmartZones

EMU INTERN PROGRAM

24 students 12 startups 15 hired

Boot Camp Re-booted

In parallel with the entrepreneurial ecosystem's evolution, Boot Camp has adapted to meet the changing needs of startups. With a syllabus focused on helping entrepreneurs define their value proposition and a robust cohort of expert mentors, Boot Camp now offers a \$25,000 prize to its "Best of" winner, selected by a panel of esteemed judges.

Boot Camp is often the first touch point entrepreneurs have with the tech ecosystem in Ann Arbor – and that's ideal because the expert advice from seasoned mentors gives them a solid path forward. It serves as a launching point from which companies can **ESTABLISH ROOTS, ATTRACT CAPITAL, AND GROW.**

Bill Mayer

VP ENTREPRENEURIAL SERVICES, ANN ARBOR SPARK

Choose to innovate in A2

Ann Arbor SPARK proudly partners with peer organizations in our community. Sometimes we will work with a company in tandem with our ecosystem partners, sometimes a partner is a "next step" for a company we've helped, or sometimes we refer a company who is not a fit for our services to a partner. No matter your industry, we are Startup City USA because every type of critical resource an entrepreneur needs can be found here.

ACCELERATORS

MI-HQ
Desai Accelerator
TechStars Mobility
U-M Tech Transfer
Michigan Life Science and Innovation Center

INCUBATORS

Startup Garage
Tech Brewery

MOBILITY

TechLab at Mcity

American Center for Mobility
Honda Xcelerator
Tus Accelerator
PlanetM

EDUCATION

New Enterprise Forum
MISBDC
A2 Newtech
U-M Center for Entrepreneurship
U-M Zell Lurie Institute

RESOURCES

First Customer Program

Biotechnology Business Consultants

FUNDING

Michigan Venture Capital Association
First Capital Program
Michigan Pre-Seed Capital Fund II

COWORKING

Back Office Studio
Landline Creative Studios
Cahoots
Workantile



Michigan Angel Fund (MAF) —

With 130 members and 16 companies in its portfolio, MAF is the largest angel organization in Michigan. It fills an important funding gap by investing in very early stage companies across the state that are not yet primed for venture and other sources of capital. MAF is managed by Ann Arbor SPARK with support from the Michigan Economic Development Corporation.

In 2017, we successfully raised Michigan Angel Fund III and have invested in four exciting companies – Change Dynamix, Court Innovations, JOOL Health, and Groundspeed Analytics – all of which are performing very well. We also made our final investment from MAF II, in Shoulder Innovations. The Michigan Angel Fund not only provides an opportunity for more and different investors to become involved in our entrepreneurial ecosystem, it continues to be a **VALUABLE RESOURCE** to these early stage companies for whom other options for capital aren't available.



Skip Simms

SENIOR VICE PRESIDENT, ANN ARBOR SPARK

ENTREPRENEURIAL SERVICES AT-A-GLANCE

- Affordable office space for startups
- Entrepreneur Boot Camp
- Expert counsel to entrepreneurs
- Access to funding opportunities
- Educational & networking events

Nurturing and supporting homegrown businesses creates new jobs and increases local investment, which will in turn increase tax revenues.

IMPACT ON OUR LOCAL ECONOMY

LDFA Accomplishments FY 2012-2017:

390 companies served
929 jobs created
128 incubator graduates

\$3.46 million in grants to startups

\$603 million private equity raised

The Ann Arbor/Ypsilanti Smart-Zone LDFA provides capital to commercialize products developed locally. LDFA grows these companies in Ann Arbor and Ypsilanti, funded by the State of Michigan.

ENTREPRENEURIAL SERVICES

Accelerator



AlertWatch

Raises a **Series A** to double R&D staff

Access to Funding

shoptelligence

Launches service on six sites, doubles employees

Mentorship & Expert Counsel



GIVE AND TAKE

Raises **\$2.2M** seed funding round, launches beta of Givitas

Education

TRUE JOB
 Quadruples number of customers

SPARK

leadership. vision. resources.

Funding helps employers and skilled trades employees

In 2017, Ann Arbor SPARK worked closely with Michigan Works! Southeast to increase applications to the **Skilled Trades Training Fund (STTF)**. STTF provides competitive awards for employer responsive training that enhances talent, productivity, and employee retention. The funding helped **29 companies** in Washtenaw and Livingston counties with training, developing, and retaining current and potential employees. The training, which is customized to meet skills required by employers, **supported more than 930 jobs** in the region and **leveraged \$985,943** in state funds. The companies that benefited from STTF employ **more than 4,100 people**.

Life science companies

Thanks to its deep talent pool, heritage, and flexible workspaces that support the growth trajectory common with life science companies, the Ann Arbor region is a destination for biopharmaceutical, bioresearch, medical device, bioinformatics, and biomanufacturing companies. Coworking space MI-HQ, located on the west side of Ann Arbor, has grown rapidly and is now home to **13 distinct life science companies**. Biopharmaceutical company Lycera continues to grow in Michigan. It moved into new space in Pittsfield Township in 2017. It worked with Ann Arbor SPARK to secure incentives to renovate its space to accommodate growth.

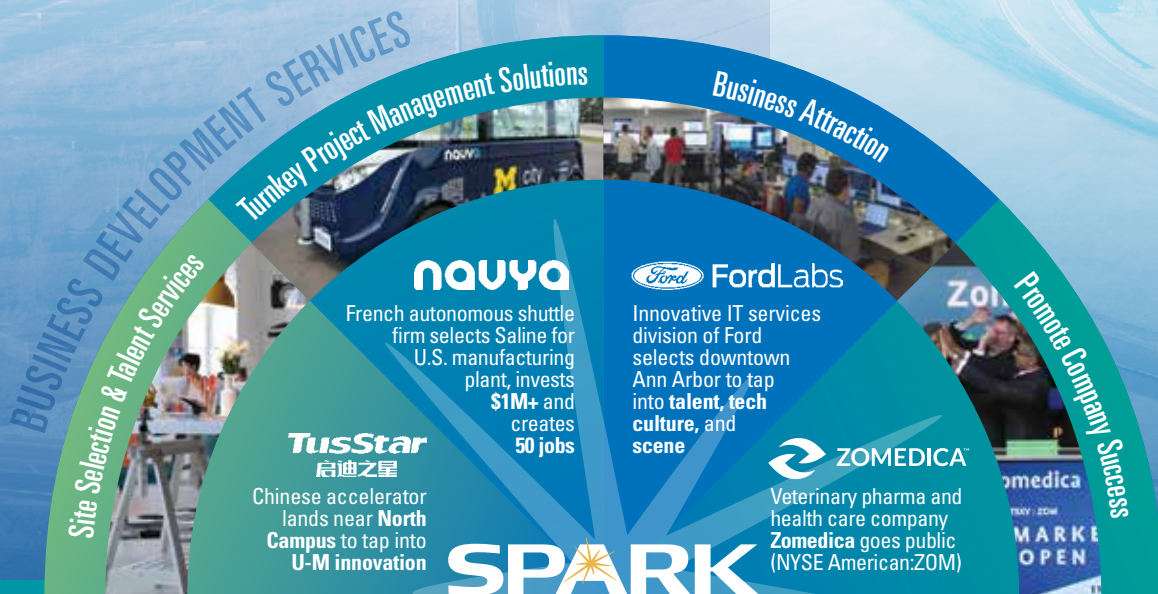
Long-term growth fuels the economy

ADI APPLIED DYNAMICS INTERNATIONAL

Applied Dynamics International, founded here in 1957, specializes in advanced computing. The company, which is experiencing rapid growth, announced it will invest nearly **\$4.4 million** and create **100 high-paying jobs** to expand in Ann Arbor.

TOYOTA

Toyota celebrated its 40th anniversary in the Ann Arbor region in 2017. The automotive leader also announced a **135,000 sq. ft. expansion** of its research and development center in York Township. Toyota, which has invested **\$126 million** here in the last two years, will invest an **additional \$28 million** in its expansion.





Spotlight on mobility

The past year was a banner year for mobility in the Ann Arbor region. The **American Center for Mobility** attracted AT&T, Visteon, Toyota, Ford, and Hyundai America Technical Center Inc. to begin testing connected and autonomous vehicles at its facility, which opened in December. Autonomous shuttle manufacturer May Mobility, whose technology was developed at University of Michigan, opened its offices in Ann Arbor and began testing its fleet in downtown Detroit. French-based NAVYA, whose autonomous, driverless, and electric vehicles are on the roads around the world, opened its first U.S. operation – a manufacturing facility – in Saline.

LIVINGSTON COUNTY SNAPSHOT

Ann Arbor SPARK and the Economic Development Council of Livingston County are working to advance the economy of Livingston County and the Ann Arbor region. In 2017, this partnership resulted in more than \$19+ million in new investment and nearly 79 new jobs in the county.

\$279M in new private investment since 2012

THAI SUMMIT HOWELL EXPANSION

\$7 million in investment
33 new job commitments

TG FLUIDS BRIGHTON EXPANSION PROJECT

\$12 million in investment
35 new job commitments

ABERRANT ALES OPENS IN DOWNTOWN HOWELL

Transformed a vacant space into a lively **downtown destination**

Ann Arbor SPARK and the Economic Development Council of Livingston County's guidance throughout our **EXPANSION, HIRING, AND TRAINING** has been great and a tremendous help.

Jaime Portillo

TG FLUID SYSTEMS



BUSINESS DEVELOPMENT AT-A-GLANCE

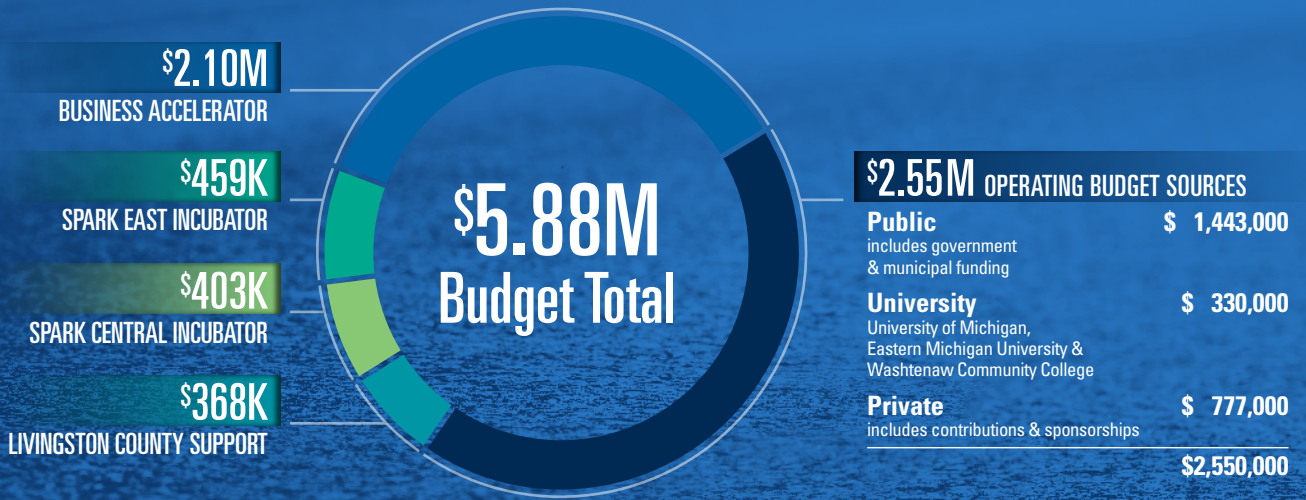
- Local business expansion
- Business attraction
- Business introductions and referrals
- Site search and selection
- Incentive support
- Talent services

From creating business development opportunities in Ypsilanti to promoting a skilled trades training program, SPARK provides the leadership and vision needed to help companies plan and grow.

In the past 13 years, SPARK's business development team has facilitated over **456 PROJECTS** – growing and retaining businesses in the region as well as attracting global companies.



2017: FINANCIAL HIGHLIGHTS



Current Funders AS OF DECEMBER 2017

PRIVATE SECTOR – \$25,000+



PRIVATE SECTOR – under \$25,000

Ann Arbor Area Board of Realtors
 Arboretum Ventures
 Arbormoon
 Barracuda Networks
 Blue Cross and Blue Shield of Michigan
 Bodman
 Business Wire
 Butzel Long
 Chemical Bank
 Citizens Bank
 Comcast Business
 Comerica Bank
 Disher Design
 Domino's Farms
 Fifth Third Bank

SPARK SUCCESSES

40 company growth projects creating

217 startups assisted
170 of those companies received intensive services – those companies currently employ 657 FTE

312 companies assisted with 823 job postings

\$120 million in new investment commitments

818 announced jobs

2,050 retained jobs

85 incubator tenants nurtured

2012-2017 RESULTS

226 company growth projects creating:
\$943.2 million in new investment commitments
6,223 announced jobs
807 startups assisted, 522 received intensive services and have employed 2,415 FTE
10 pre-seed investments awarded to 9 companies (\$175.4k/company avg)
2,094 companies assisted with 9,163 job postings
25 microloans awarded to 23 companies (\$33.6k/company avg)*
186 incubator tenants nurtured
\$15+ million community investments leveraged through Federal and State grants, foundations, and other sources

*Includes PSF, LDFA & Eastern Washtenaw funds

GDI Infotech
GenZe
Golden Limousine
Honigman Miller
ITC Michigan
Key Bank
Liebherr Aerospace
LLamasoft
Mannik & Smith Group
Menlo Innovations
Michigan Office Interiors
MLive Media Group
NSF International
Old National Bank
Oxford Companies
Plante & Moran
Ralph Wilson Foundation

Rehmann
Reinhart
Rudolph Libbe Group
SI Company
TD Ameritrade
Thomson Reuters
Truven Health Analytics (IBM Watson Health)
University of Michigan Credit Union

ACADEMIC PARTNERS

Eastern Michigan University
University of Michigan
Washtenaw Community College

PUBLIC PARTNERS

AAATA (The Ride)
Ann Arbor Charter Township
Ann Arbor Downtown Development Authority
Ann Arbor/Ypsilanti Local Development

Finance Authority
City of Ann Arbor
City of Chelsea
City of Dexter
City of Saline
City of Ypsilanti
EDC of Livingston County
MEDC
Michigan SBDC
Michigan Works! Southeast
New Economy Initiative
Pittsfield Township
Scio DDA
Superior Township
U.S. Department of Commerce
Washtenaw County
Ypsilanti Township

talent. growth. investment.

High-level talent creates high-level innovation

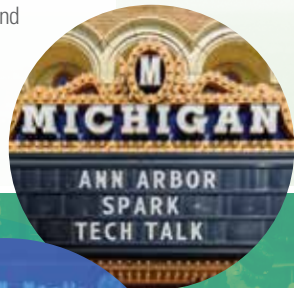
Ann Arbor is a destination where talented people know their careers – and their families – can thrive, and businesses know that they can find the talent they need to continue to create innovative products and services. These high tech, high skill jobs are critical to our continued economic success. Part of Ann Arbor SPARK's work is to generate awareness globally of the jobs and jobseekers in this region; this awareness fuels investment, business growth, and an ever-deepening talent pool that work in concert to drive economic prosperity.



“Tech Homecoming started three years ago as a way to engage with talented individuals that had left Michigan for other cities, many of them on the coasts. As they return home to see family and friends, we want them to also see the Ann Arbor job ecosystem in a new way – this is the event in which we get to paint that picture for them. We want to make sure they know that the “SMARTEST CITY IN AMERICA” and best rated place to raise a family also has really compelling career opportunities!”

Jordan Fylonenko

SENIOR PR MANAGER, DUO SECURITY



TECH TALK

891 REGISTERED

18 STATES REPRESENTED



#7 best cities for entrepreneurs

LIVABILITY.COM
2017



#1 most educated cities

WALLETHUB.COM
2017

#5 best cities for millennials

FORBES.COM
2016

#1 best cities to live in America

NICHE.COM
2017

TECH HOMECOMING

15 PARTICIPATING COMPANIES

581 REGISTERED

23 WALK-INS

145 RESUMES COLLECTED

17 STATES REPRESENTED

TECH TREK

70+ PARTICIPATING COMPANIES

4,200 REGISTERED

13 SPONSORS

43% ACTIVE JOBSEEKERS

79% OF COMPANIES CONNECTED WITH TALENT

30 STATES REPRESENTED

5.1M people exposed to brand

#7 best cities for small businesses

NICHE.COM
2017



2017 region by-the-numbers



DISCOVER VARIETY

VENTURE CAPITAL DEALS

5.8x THE NATIONAL AVERAGE

REGIONAL COMPANIES

41% INVESTING CAPITAL

63% HIRING

58% PROJECTING SALES GROWTH

35% LAUNCHING NEW PRODUCTS

FROM FOREIGN OWNED COMPANIES

84% OF INVESTMENT

37% OF NEW JOBS

DOWNTOWN INNOVATION CORRIDOR REPRESENTS

3,000 EMPLOYEES

231 TECH COMPANIES

#20 happiest cities to work in
FORBES.COM 2016

MARKETING THE REGION AT-A-GLANCE

Creating a global platform for the Ann Arbor region:

- Company successes
- World-class talent
- Career opportunities
- Startup ecosystem

From company investment to jobs, ensuring that the Ann Arbor region is on the global map as a destination is core to Ann Arbor SPARK's mission.

AWARD-WINNING NEW-MEDIA APPROACH

3.6M social media impressions

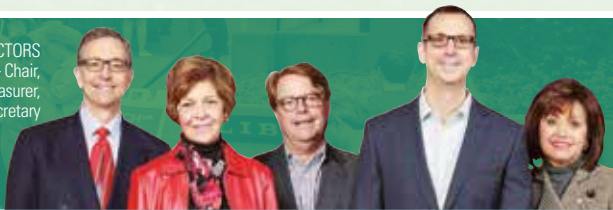
1.2M online impressions

612K website visits

55.3K PR hits & views

105.7K YouTube views

BOARD OF DIRECTORS
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Timothy G. Marshall – Past Chair, **David Ruud** – Treasurer,
Dr. Rose Bellanca – Secretary



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Skip Simms
Senior Vice President

Phil Santer
SVP & Chief of Staff

Bill Mayer
VP Entrepreneurial Services

Jennifer Cornell
VP Marketing & Communications

Danielle Jones
Director of Development & Assistant to the CEO

Liz Perpich
Director of Admin & Finance

Lisa Bies
Staff Accountant

BUSINESS DEVELOPMENT
Jennifer Olmstead
Director of Business Development

Alex West
Director of Research

Marcia Gebarowski
Director of Business Development, Livingston

Julia Upfal
Business & Municipal Development Manager

ENTREPRENEURIAL SERVICES

Jonathan Goldstein
Director of Entrepreneurial Services

Komal Doshi
Director of Mobility Programs

Phillip Coleman
Events Manager

Mike Flanagan
VP Capital Programs

Ben Harrington
Client Research & Knowledge Manager

Charlotte Dillard
SPARK Central Innovation Center Coordinator

Joe Licavoli
SPARK East Innovation Center Manager

MARKETING
Laura Berarducci
Director of Marketing & Communications

Lindsay Thomas
Digital Marketing Manager

Joshua Thompson
Marketing Analyst & Graphic Designer

DEVELOPMENT
Courtney Looney
Program Associate



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North American Government
Health & Human Services
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Administrator
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Sava Lelcaj-Farah

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Savco Hospitality

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Joanne Rau

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Business Banking Group Executive
Fifth Third Bank

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Domino's Farms Corporation

Ann Marie Sastry

Founder and CEO
Amesite

Matt Sharp

Chief Digital Officer
MLive Media Group

Richard B. Sheridan

CEO, Chief Storyteller
Menlo Innovations LLC

Christine Sing

Principal
Rehmann

David Snodgrass

President and CEO
Lake Trust Credit Union

Brenda Stumbo

Supervisor
Charter Township of Ypsilanti

Mickey Swartzel

CFO/COO
New Eagle

Robert Young

Group Vice President
Purchasing, Supplier Engineering
Development & Cost Planning
Toyota Technical Center
Toyota Motor North America

SPARK will advance the economy of the Ann Arbor region by establishing the area as a desired place for business expansion and location . . . by identifying and meeting the needs of business at every stage, from those that are established to those working to successfully commercialize innovations.



www.AnnArborUSA.org



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Washtenaw County Millage

DATE: May 4, 2018

Question #11: County millage – it appears that the FY19 revenue budget includes \$880K from the millage for climate action programs (City Administrator), \$880K for affordable housing (Community Services) and \$440K for pedestrian safety (Public Services), and the FY19 expenditure budget includes \$420K for pedestrian safety (referenced p. 2 of budget message) and \$75K for climate action (also referenced on p. 2 of budget message). Is that accurate (\$2.2M revenue; \$495K expense)? Also, is the plan to maintain a separate fund for the proceeds returned to Ann Arbor (and related expenses) or to incorporate into the general fund? (Councilmember Lumm)

Response: Yes, that is accurate. Yes, the plan is to maintain a separate fund.



TO: Mayor and Council

FROM: Derek Delacourt, Community Services Area Administrator

CC: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Community Services

DATE: May 11, 2018

Question #18: Building and Rental Services Revenues – on p. 140, the License, Permits, and Registration revenue forecast for FY18 is shown as \$5.8M (\$1.6M or almost 40% over budget). Assuming that's correct, our budgeting of \$4.5M for FY19 seems to be either very conservative or an indication of significantly slowing activity. Can you please speak to that? (Councilmember Lumm)

Response: There is a significant projected increase in revenue for FY 2018. Projections for FY2018 and FY2019 are based on actuals from the previous three years. The significant increase in FY2018 is due to a combination of increased volume and size of construction projects. Staff anticipates monitoring this and if it continues to increase the projections for FY2020 and FY2021.

Question #20: Planning FTE and annexations – on page 150, the explanations reference an added FTE and the funding for annexations. Is the FTE to be dedicated (or largely dedicated) to the annexations or to reflect even higher development volume? Also, can you please remind me when the next round of annexation proposals is expected and roughly how many you anticipate there will be? (Councilmember Lumm)

Response: The cost of the effort to date has been borne by the General Fund contingency budget, and through these efforts staff has a clearer understanding of the level of effort necessary to advance the Annexation Project as desired annually, resulting in an estimated cost of \$100,000 to the General Fund. There is no additional FTE proposed for this project. The FTE identified in the explanations is the result of moving of the Zoning Administrator from General Fund Building to General Fund Planning. Currently staff is finalizing a batch of 80-100 additional parcels using

existing funding. The FY19 request will cover the cost of the next batch of between 50-75 parcels. Staff estimates wrapping up work on the current batch in the next 90 days, when completed they will be forwarded to the State for review. Based on previous experience, that process will take six months or longer to complete.



TO: Mayor and Council

FROM: Susan Pollay, Executive Director, Downtown Development Authority

CC: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Downtown Development Authority

DATE: May 11, 2018

Question #1: Kindly provide the list of expenditure items that fall under "other services" costing \$9,961,324? Please provide brief description and amounts? (Councilmember Kailasapathy)

Response: Here are the expense categories that make up the "Other Services" line item on the FY 2019 DDA Budget Request.

Telephones	\$19,750
Printing	\$22,925
Advertising	\$13,063
Conferences & Training	\$52,400
Software Maintenance Agreements	\$76,050
Government Functions	\$10,140
Office Rent & Utilities	\$97,290
Professional Services 1)	\$1,174,000
General Maintenance 2)	\$520,000
Direct Parking Expenses	
Wages	\$3,423,212
Fringe Benefits	\$1,299,742
Management Fees	\$175,000
Administrative Expense	\$605,674
Maintenance Expense	\$1,200,121
Maintenance Contracts	\$312,489

Utilities	\$566,308
Parking Facility Repairs	\$285,000
Parking Facility Equipment	
Repairs	<u>\$108,160</u>
	\$9,961,324

- 1) Professional services represent general legal, architect, engineering and consulting costs. FY2019 is focused on Fifth & Detroit, Huron, First & Ashley, etc.
- 2) General Maintenance represents TIF maintenance items like sidewalks and holiday lights.

Question #2: Also I brought a budget amendment last year to ask DDA to put solar panels on public buildings/parking structures in the downtown area. Ms. Pollay at that time said that there was no need for a budget amendment as they were already pursuing that goal. Kindly provide a list of locations and where solar panels were mounted and how much has been spent on each of these projects? (Councilmember Kailasapathy)

Response: The DDA remains committed to pursuing projects in support of the City's Climate Action Plan, including the installation of solar panels in parking facilities.

Last summer the DDA commissioned two reports; the first examined how much solar electricity could be generated given the square footage of the garage roof tops; the second study examined the rooftop structural framing needed to hold solar panels while still allowing parking on the roof tops. If the entire roof tops were utilized, this second study estimated the construction cost to install this rooftop structural framing as ranging from \$1.9M at the Fourth & Washington structure, to \$4.9M at the Fourth & William structure to \$7.8M at the Maynard structure.

Before undertaking a project of this scale, at its October 2017 meeting the DDA approved a \$50,000 pilot project that will install solar panels atop a metal carport in the Fourth and Catherine parking lot. The carport has been designed to allow cars to park underneath, and will house 11 kW of solar photovoltaic collectors. The project was put out to bid and in December 2017 NOVA Consultants, Inc. were selected to oversee the carport fabrication and solar panel installation. The electrical panel in the lot has been upgraded, and fabrication of the carport is underway. At this time it is anticipated that this project will be in place by June 2018. This system will be eligible to be net-metered in the DTE net-metering program, and once installed, it has been estimated that these solar panels will generate electricity equivalent to the amount of energy used by the three electric car charging units in this parking lot.

The DDA is also underway with a project that would expand the Ann Ashley parking structure. As part of the garage design, the new roof top will include anchors that will allow for a future solar installation atop this garage.

Question #33: DDA TIF and rebates – the budget revenues for the DDA reflect the TIF cap and we previously had been provided data on the FY17 rebates to other taxing jurisdictions. Can you please provide the approximate rebate amounts projected for FY18 and FY19 (both the city and other taxing entities)? (Councilmember Lumm)

Response: Below are the FY2018 and estimated FY2019 TIF rebates resulting from the DDA TIF cap. The FY2019 estimates assume all millages are the same as FY2018 with the exception of adding the 1 mill Washtenaw County Mental Health/Public Safety millage, which begins in December 2018.

	FY 2018	Estimated FY2019
City of Ann Arbor	\$354,094	\$536,474
Washtenaw County	125,408	239,740
Washtenaw Community College	75,183	113,906
Ann Arbor District Library	41,496	62,868
AAATA (New Millage)	15,051	22,803
Total	\$611,232	\$975,791

Question #34: DDA parking revenues – can you please provide the total parking revenues for FY17 actual, FY18 budget and projected, and FY19 budget? Also, what does the DDA FY19 budget assume with regard to parking rate increases during the fiscal year and extended hours? (Councilmember Lumm)

FY 2017 Actual	\$21,409,960
FY 2018 Budget	\$21,097,850
FY 2018 Projected	\$21,097,850
FY 2019 Request	\$21,170,806

Response: The DDA budget assumes a net increase in revenues in FY2019 of \$505,000 from the rate increase that was put in place April 1, 2018 and the projected rate increase that will take place January 1, 2019. This will be offset in FY19 by an estimated revenue decrease of \$432,000 due to the leases ending for the First/Huron and Fifth/Huron parking lots in November of 2017. Together, the FY19 budget anticipates an estimated net parking revenue increase of \$73,000. The DDA did not assume any revenue increases that may come by extending the hours of on-street meter operation past 6:00 p.m.

Question #35: DDA personnel services costs – on p. 321, the personnel services and payroll fringe line items total a little over \$1.0M for FY19 compared with \$550K in FY16. I understand there are two more FTE's but that doesn't fully explain the \$450K increase

in 3 years.. Can you please provide an explanation of the increase? (Councilmember Lumm)

Response: The FY16 DDA budget contained 4 positions for a total of \$347K, plus another 60% for overhead (social security, unemployment, benefits, etc.). Since then the DDA has added 2 positions for approximately \$170K and has had combined wage increases over two years of 5.5% (comparable to City nonunion staff). In FY19, the total permanent staff wages are approximately \$538,000 plus an additional \$90,000 has been budgeted for interns and temporary positions. With a 60% overhead rate, the total in FY19 is approximately \$1.0M.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Mike Kennedy, Fire Chief
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Fire

DATE: May 11, 2018

Question #41: Kindly let me know if there are non-budgetary factors (other than staffing levels and fire station relocation) that contribute to delays in response times? I would like to know specifically what role traffic congestion during peak traffic hours play in increasing the response times to almost double that of national standards? Can you also please provide data for N-E area where there are many new developments coming online? We might want to be proactive to make sure that response times do not worsen in the next 2 years. (Councilmember Kailasapathy)

Response: Snowfall and rain are significant weather factors that can affect response times. One area of current focus is turnout time, which is the time from FD notification by HVA Dispatch to apparatus responding.

We would have to work with IT to create a query to pull response information based on weekdays then further filtered to response times between 6:00 AM and 9:00 AM and 4:00 PM and 7:00 PM and compare that data against other time periods. This is not a query we have currently available.

The response times cited in the January work session were elevated due to the inclusion of non-emergency incidents, mutual aid incidents, and multiple unit responses. The below times are filtered metrics from 2017. These times reflect emergency response, first unit arrival, and no mutual aid.

2017 Response Times - Citywide
90th Percentile - All Incident Categories

Turnout Time	Travel Time	Response Time
02:41	06:03	07:53

90th Percentile - EMS

Turnout Time	Travel Time	Response Time
02:35	05:51	07:40

90th Percentile - Fire

Turnout Time	Travel Time	Response Time
02:59	05:50	07:34

Below are the response times for Station 5 (located at Plymouth Road and Beal). Station 5 has the largest response district and is (currently) the least densely populated. Station 5's district had 1,033 incidents in 2017, which was the slowest of the five districts. Station 1 by comparison had 2,998 incidents. Since all of the districts are impacted by traffic congestion, Station 5's times are mainly higher on account of the longer travel distances.

2017 Response Times – Station 5 District (north side)

90th Percentile - All Incident Categories

Turnout Time	Travel Time	Response Time
02:46	07:02	09:11

90th Percentile - EMS

Turnout Time	Travel Time	Response Time
02:40	06:54	08:56

90th Percentile - Fire

Turnout Time	Travel Time	Response Time
02:59	06:28	08:46

Question #48: In the May 4, 2018 budget questions responses for Fire, in response to a question about projected increases in state revenue sharing, staff indicated that potential funding is not included in a budget until there is absolute certainty that the funding will be received. If state Fire Protection grant funding is increased, does the

state require the City to use those funds for fire related expenditures? (Councilmember Eaton)

Response: Yes as the funds are a reimbursement for costs incurred for State-owned property.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator
Robyn S. Wilkerson, Human Resources and Labor Relations Director

SUBJECT: Human Resources

DATE: May 11, 2018

Question #49: The FY 2018 budget included funding for an Assistant City Administrator for half of the fiscal year. I do not see a carryover of that funding to reflect the failure to fill that position during the fiscal year. Where is that carryover reported and to what purpose is the funding allocated in FY 2019? (Councilmember Eaton)

Response: The position is budgeted in FY19 so there is no need to carryover FY18 funding.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator
Robert Pfannes, Police Chief

SUBJECT: Police

DATE: May 11, 2018

Question #32: Police performance measures – perhaps I missed this as well, but in looking at p. 303 I did not see any metrics or goals related to patrol hours (neighborhoods or downtown). Are there goals for patrol hours? If so, can you please share them? Also, can you please share data on the actual dedicated patrol hours the last couple of years? In my initial questions, I had asked about police patrol hours (Q.28) and would like a bit more information.

In the past, it has been indicated that essentially our officers are fully occupied in responding to calls, and there's no time for free patrol of neighborhoods or neighborhood engagement. Can you please confirm this is still the case – that there's no free patrol time? Also, can you please provide benchmark information (AAPD vs. departments in similar sized cities) on the number of calls per officer, and what's considered best practice, and your thoughts and recommendations in terms of the appropriate level of calls per officer and the amount of free patrol hours?

Also, can you please provide the history on your level of sworn officers and civilian FTE's since 2000? (Councilmember Lumm)

Response:

- We do not have a patrol hours goal or metric.
- We cannot compare our officer per call rate with other agencies as calls for service is not a reportable statistic to the state (or FBI). However, we can use

other metrics as benchmarks. If we compare ourselves to other cities with more than 100,000 residents in 2016:

Officers per 1000 residents

Ann Arbor 1.06
 Dearborn 2.6
 Warren 1.7
 Lansing 1.8
 Livonia 2.0
 Grand Rapids 1.7

We can also compare how many officers we have per 100 criminal incidents:

Officers per 100 Criminal Incidents

Ann Arbor 2.08
 Dearborn 2.86
 Lansing 1.91
 Grand Rapids 1.65

- This chart indicates the number of hours that officers are proactively patrolling when not assigned other duties.

	2013 (Hours)	2014 (Hours)	2015 (Hours)	2016 (Hours)
Unassigned Proactive Patrolling (Free Patrol)	42,434	30,817	27,957	26,087
Unassigned Proactive Patrolling (Free Patrol)- % Total Hours	38%	29%	28%	27%

- Attached is the history of FTEs in the Police Department since FY 2000.

Question #46: On page 3, police FTEs (recurring requests) add 2 FTEs at a cost of \$99,000. What is the cost of a single new police FTE? Why does the budget indicate a cost of only \$99,000 for two new FTEs? (Councilmember Eaton)

Response: The cost to add one police officer position is \$91,280, which includes wages, benefits and taxes. There was a savings of \$83,596 due to retirements that occurred during FY18. These savings were used to cover a portion of the cost for the two additional police FTEs.

Question #47: It is my understanding that sworn police officers are used to staff desk duty in the department after Police Service Specialists shifts end. How many Police Service Specialists FTEs would be required to cover the hours that sworn officers staff

those desk duties? What is the annual cost of a new Police Service Specialists FTE?
(Councilmember Eaton)

Response: It is estimated that it would take three additional Police Service Specialists to cover the front desk hours currently filled by police officers. The annual cost of a new Police Service Specialist is \$74,599 inclusive of wages, benefits and taxes.

Police Budgeted FTE Counts

	FY 2000	FY 2001	FY 2002 ¹	FY 2003	FY 2004	FY 2005 ¹	FY 2006 ¹	FY 2007	FY 2008	FY 2009	FY 2010 ¹	FY 2011 ¹	FY 2012 ¹	FY 2013 ²	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Sworn	192.2	189.06	174.68	171.84		158.83	155	155	151.17	150	135	124	118	119	119	122	122	122	122
Non-Sworn	53.5	55	67	68		66	71	71	59	59	47	53	46	27	27	27	27	26	26
Total	245.7	244.06	241.68	239.84	Not Available	224.83	226	226	210.17	209	182	177	164	146	146	149	149	148	148

1. Reduction in FTEs through attrition, vacancies and/or retirements
2. Reduction in FTEs through layoff of dispatchers due to transition to Washtenaw County Dispatch

Source: City budget books



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Craig Hupy, Public Services Area Administrator
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator
Marti Praschan, Chief of Staff, Public Services

SUBJECT: Public Services

DATE: May 11, 2018

Question #10: Streetlights – the budget message (p. 2) indicates that the budget includes \$1,047,000 for street lighting and there was a slide in the March 12th work session presentation that showed the detail for that \$1,047,000. It appears from that slide that \$115,000 of the \$1,047,000 is for new streetlights with the balance for maintenance, repair and replacement of existing streetlights. Is that correct, and if not how much funding is in the budget for new streetlights: Also, please provide the current status of the \$150K added by council in the FY 18 budget for new streetlights including the balance in the fund and how the funds were utilized. (Councilmember Lumm)

Response: Yes, that is correct. To-date, \$105,363 of the \$150,000 allocated in the FY 18 budget for new streetlight installation has been spent leaving a balance of \$44,637. The \$105,363 was spent on the Nixon/Green/Dhu Varren project streetlight installations.

Question #12: Pedestrian Safety – in addition to the \$420K referenced in Q4 (\$220K for streetlights and \$200K for electronic speed signs), the budget message also states that “the budget provides for the installation of Tier 3 and Tier 4 improvements at neighborhood schools.” How much is included in the budget for that and can you please share the detail you have at this point on specific improvements that will be made at what schools? (Councilmember Lumm)

Response: There is \$100,000 from the Street, Bridge, and Sidewalk Millage set aside specifically for Tier 3 school safety improvements in FY18 and FY19. The Tier 3 work that was identified is listed below and is scheduled to be completed during the 2018

construction season. Some of the work listed below overlaps with other planned work, and is funded separately from what is referenced above.

Tier 3 School Safety Improvements 2018 Scheduled Work

Allen Elementary:

- Packard & Easy Street: Install RRFB

A2 STEAM:

- Peach & John A. Woods: Construct bumpouts and improve pavement markings
- Pear & Taylor: Improve pavement markings

Bach Elementary:

- Pauline & Fifth Street: Add bumpouts and improve pavement markings

Lakewood Elementary:

- Evaluate request for all-way STOP signs at Gralake/Sunnywood & Mason/Sunnywood intersections
- Evaluate sight distance issues at Mason & Lakewood and propose solutions if necessary

Lawton Elementary:

- Seventh & Greenview: Install bumpouts, correct ADA sidewalk ramp, improve pavement markings
- Seventh & Delaware: Install bumpouts, improve pavement markings

Pattengill Elementary:

- Crestland & Carhart: Upgrade ADA sidewalk ramps

Thurston Elementary:

- Prairie & Aurora: Install bumpouts, improve pavement markings
- Prairie & Renfrew: Install bumpouts, improve pavement markings

“Tier 4” work had not been previously well defined. In discussion with AAPS, the plan going forward in future fiscal years is to plan for annual expenditures on school safety improvements and work closely with AAPS to identify the needs to be addressed each year.

Question #21: Act 51 funding – on p. 250 (Public Works revenues), it shows that Intergovernmental revenues have increased from \$9.9M in FY16 and FY17 to \$11.3M forecast in FY18 to \$11.8M in the FY19 budget. Does this represent the full phase in of the increased state road funding and if not, how much more is expected in FY20? (Councilmember Lumm)

Response: No, it does not reflect the full phase in of the increased state road funding. Revenues are forecasted to increase through FY 21. Act 51 estimated revenues for FY 20 and FY 21 are \$12M and \$13M respectively.

Question #22. One-time road funding from state – at our work session with GCSI, they mentioned the Governor was proposing \$325M of additional one-time road funding and there was a debate on how it would be allocated if approved (major state roads vs normal Act 51 formula). Was that included in the adopted state budget: if so, how was it allocated, how much will accrue to Ann Arbor, and is that include in the city's proposed FY 19 budget? (Councilmember Lumm)

Response: The \$325M of additional one-time road funding was included in the States adopted budget. The funds were disbursed by the State and the City of Ann Arbor received \$816,372.92 which was credited to the Local Street Fund (0022). The current spending plan is to complete Local Street capital maintenance. An item is being prepared for Council consideration.

Question #23. Street and Sidewalk Tax millage expenditures – at our infrastructure work session April 9th, I requested the detail on the street millage expenditures (how much on streets, on sidewalks, and on other) the last 5 years as well as the breakdown in the FY 19 budget? Can you please provide that data? (Councilmember Lumm)

Response: These details are available in the previously communicated Street Millage 2 pager.

Question #24: Local streets vs. Major Streets – at that same infrastructure work session, it was indicated that there would be a funding shift towards local streets by maximizing the amount of street millage dollars on local streets and using outside funding sources (Act 51, County millage etc) for major streets. Has that funding shift been incorporated into this budget? If not, why not, and if so, can you please provide a schedule/worksheet that shows the magnitude of the shift? (Councilmember Lumm)

Response: As mentioned in the infrastructure work session, because we receive far more Act 51 Major Street Funding than Act 51 Local Street funding, we are planning to utilize the Street, Bridge, Sidewalk Millage fund for more local street capital maintenance/projects and is being incorporated in our FY 19 spending plan. Specific schedules are under development.

Question #25: Total budgeted spending on street resurfacing, repair and preventative maintenance – what is the total FY19 expenditure amount in the proposed budget for street resurfacing, repair and preventative maintenance? I also asked at the infrastructure work session for an assessment of how much spending is necessary annually to achieve the city goal of 80% or more of the streets at a PASER rating of 7 or better – has that assessment been completed? If so, can you please share the results and if not, when will it be completed? (Councilmember Lumm)

Response: The FY 19 proposed budget includes a total of \$18.2 Million dollars in street resurfacing, repair and preventative maintenance. Analysis of the most recent pavement condition data is ongoing, and staff is working on utilizing new components of

the modeling software. The results of this effort will be reflected in the new CIP and thus in the FY2020 budget.

Question #26: Cell tower revenue – in the FY18 budget, we added an FTE in the Water Treatment area dedicated to managing the cell tower contracts. In looking at the revenues in that area (p.278), it's impossible to determine the impact of the FTE on cell tower-related revenue so can you please provide that data? (Councilmember Lumm)

Response: As FY19 is the second year of a two-year budget, we did not increase cell tower revenue at this time based on the efforts of the new FTE. We will look at this as part of the FY20 budget.

Question #27: Solid waste expenses and key assumption – total expenditures in the solid waste fund are budgeted at \$18.96 M (p. 65) compared with \$18.17M in the adopted FY 18 budget. What are the major reasons for the \$800k increase? Also, does the budget assume any operational or sourcing changes from the current situation in terms of waste collection, recycling collection, MRF operation, or new programs?

Response: The increase is attributable to an increase in contracted services that are associated with increased Recycle Processing costs and anticipated MRF building/equipment repairs. No, this budget does not assume any operational or sourcing changes from the current situation.

Question #42: Alt transportation revenue request is \$689k and expense request is \$229k. Kindly explain the difference of \$460k? (Councilmember Kailasapathy)

Response: The FY 2019 Alternative Transportation fund revenue and expenditures are located in several service units. Please refer to the table below for an itemization of revenue and expenditures by service unit

	FY 19 Revenue	FY 19 Expenditures
Finance	3,058	-
Engineering	689,278	229,049
Capital		411,000
Systems Planning		32,038
Planning - Communcity Services		20,249
	692,336	692,336

Question #44: Street, bridge and sidewalk millage revenue collected is around \$16.7 mill for F/Y 2019. Kindly let me know what is going to be the unencumbered fund balance end of F/Y 2019. I want to understand whether we can reduce the fund balance to the absolute minimum required in order to maximize pothole fixing? (Councilmember Kailasapathy)

Response: The estimated Street Millage, Sidewalk, Bridge unrestricted fund balance at the end of FY 2019 is \$6.5 Million; however, the current financial/project plan reduces

the unrestricted fund balance to the minimum level by the end of FY 2022. Although the investment made by the Street Millage in our roads improves the overall road conditions, the actual activity of pothole filling is funded by the Major and/or Local Street Funds. The increased road capital maintenance plans by Engineering along with operational adjustments being made by Public Works are in an attempt to improve pavement conditions.



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: SmartZone and LDFA

DATE: May 11, 2018

Question #43: What is Misc. revenue of \$75k? (Councilmember Kailasapathy)

Response: The SmartZone had a microloan program which was discontinued as a part of the SmartZone extension last year. The \$75k represents payments from recipients on the old microloans as they close out.



TO: Mayor and Council

FROM: Karen Lancaster, Finance Director

CC: Tom Crawford, CFO
Howard S. Lazarus, City Administrator

SUBJECT: Capital Financing Policy

DATE: May 15, 2018

Question #59: Capital Financing policy: For assets that serve both general fund and enterprise fund services (e.g. the Larcom Building), how are capital needs allocated to the different funds using the asset? Is this covered in the municipal service charge? How would the creation of the capital fund interact with this process? (Councilmember Warpehoski)

Response: This policy seeks to set aside funding for future needs. For General Fund-supported assets, such as Larcom, each year we will transfer money to the sinking fund and the costs will be allocated through the municipal service charge process in the next budget cycle, thus recouping the enterprise funds' share of a jointly-used building.



TO: Mayor and Council

FROM: Karen Lancaster, Finance Director

CC: Tom Crawford, CFO
Howard S. Lazarus, City Administrator

SUBJECT: City Council

DATE: May 15, 2018

Question #60: Council Professional development: Administration discussed funding Council professional development to create a clear policy for funding Council Members' participation in activities such as Michigan Municipal League conferences to enhance their effectiveness. Is such funding available in the proposed Mayor and City Council budget? (Councilmember Warpehoski)

Response: The Mayor & Council budget for FY19 has no funding for conferences. However, if a need is identified, funding could be provided from the City Administrator's contingency or training funds.



TO: Mayor and Council

FROM: Lisa Wondrash, Communications Director

CC: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Communications Unit/CTN

DATE: May 15, 2018

Question #53: It is my understanding that the City uses temporary employees at CTN, who work nine months and removed from service for three months, but allowed to return to CTN as a temporary employee after the three month hiatus. How many CTN positions are classified as temporary? How much would it cost to convert those temporary positions to full-time bargaining unit employees? (Councilmember Eaton)

Response: CTN utilizes between 2 to 4 temps depending on the time of year. The total cost for a Producer is as follows:

\$41,101 – Wages
\$3,370 – Taxes
\$24,206 – Benefits
\$489 – Worker's Comp
\$69,166 – Grand Total



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Mike Kennedy, Fire Chief
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Fire

DATE: May 15, 2018

Question #58: Page 2 describes a “125K reduction in General Fund subsidy of Fire Inspections.” What is the projected FY18 general fund subsidy for inspections? What is the budgeted FY19 general fund subsidy? Is it forecast that the inspection process will be revenue neutral to the City? (Councilmember Warpehoski)

Response: Fire inspections have a budgeted cost of \$1,126,026 for FY19 and budgeted revenue of \$525,000. The General Fund subsidy for fire inspections in FY19 is \$601,026.

In FY18, the budgeted revenue for fire inspections is \$400,000. The \$125,000 reduction in the General Fund subsidy of Fire Inspections is due to increased efficiencies from Fire Prevention that will allow them to increase their revenue by \$125,000 in FY19 thus reducing their general fund subsidy. It is expected that by FY20, the inspection process will be on a full cost recovery basis.



TO: Mayor and Council

FROM: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

SUBJECT: Human Resources

DATE: May 15, 2018

Question #45: Please provide detailed information regarding the FTEs added over the last five years, including job title, salary and the year added to the budget (Councilmember Eaton)

Response: Please see attached spreadsheet.

	A	B	C	D	E	F
1	History of FTEs Added to the Budget					
2						
3	Fiscal Year	FTE Count	Department	Title	Amount	Notes
4	FY14	4.0	Fire	Firefighter	\$ 308,000	
5	FY14	1.0	Information Technology	Senior Infrastructure Specialist	125,000	
6	FY14	3.5	Planning & Development	Development Services Inspector	294,000	
7	FY14	0.25	Clerk	Election Worker Recruiter	26,000	
8	FY14	1.0	Safety	Safety Compliance Specialist	88,000	
9	FY14	-2.0	Community Development	Housing Rehab Specialist	232,000	
10	Subtotal FY14	7.8			\$ 1,073,000	
11						
12	FY15	1.0	Planning & Development	Development Services Inspector	\$ 87,000	
13	FY15	3.0	Police	Police Officer	244,000	
14	FY15	1.0	Fire	Firefighter	82,000	
15	FY15	22.0	Housing Commission	Various	1,908,521	City Council adopted a resolution making housing employees City employees. We are reimbursed for these employees.
16	Subtotal FY15	27.0			\$ 2,321,521	
17						
18	FY16	1.0	Planning & Development	Plan Reviewer	\$ 95,000	
19	FY16	1.0	Housing Commission	Occupancy Specialist	69,000	Reimbursed by Housing Commission
20	Subtotal FY16	2.0			\$ 164,000	
21						
22	FY17	0.25	Clerk	Election Worker Recruiter	\$ 25,000	This was to increase a .75 FTE to a 1.0 FTE.
23	FY17	-0.50	Human Resources	Payroll Analyst	(42,000)	
24	FY17	1.0	Planning	City Planner 4	88,000	
25	FY17	0.50	Attorney	Legal Assistant Paralegal	6,000	
26	FY17	0.50	Safety	Safety Assistant	42,000	This was to increase a .50 FTE to a 1.0 FTE
27	FY17	2.0	Planning & Development	Deputy Building Official & Administrative Assistant	190,000	
28	FY17	2.0	Public Services	Deputy Public Services Administrator & Program Administrator	297,000	
29	FY17	2.0	Housing Commission	Director of Operations & Occupancy Specialist	186,000	
30	Subtotal FY17	7.8			\$ 792,000	
31						
32	FY18	1.0	City Administrator	Assistant City Administrator	\$ 87,000	Added for half year in FY18
33	FY18	1.0	Clerk	Boards & Commissions Coordinator	97,000	
34	FY18	1.0	Human Resources	Recruiting Coordinator	72,000	
35	FY18	2.0	Housing Commission	Administrative Assistant & Property Manager	162,000	Reimbursed by Housing Commission
36	FY18	-1.0	Parks	Golf Maintenance & Ops Specialist	(83,000)	
37	FY18	1.0	District Court	Probation Officer	100,000	
38	FY18	1.0	Public Services	Telecommunications Manager	77,000	
39	FY18	1.0	Information Technology	Infrastructure Support	109,000	
40	FY18	2.0	Public Services	Program Administrator & Civil Engineer III	222,000	
41	FY18	2.0	DDA	Management Assistant & DDA Communication Specialist	190,000	
42	Subtotal FY18	11.0			\$ 1,033,000	
43						
44	Grand Total	55.5			\$ 5,383,521	



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator
Robert Pfannes, Police Chief

SUBJECT: Police

DATE: May 15, 2018

Question #57: My understanding is that one of the new police be to backfill from a sergeant assigned to FOIAs? Why is it necessary to fill this position with a sworn officer instead of civilian staff? (Councilmember Warpehoski)

Response: Primary responsibility for redactions, evaluation of potential exemptions, and other FOIA compliance now belongs to AAPD, with the City Attorney's Office providing review and advice on an as-needed basis. A police command officer position was created for this expanding function to ensure the reviewer had a sophisticated understanding of police operations and investigations when making these evaluations.

Question #82: How many FTE's are there currently in the Community Engagement Unit? (Councilmember Lumm)

Response: The number of FTEs in the Community Engagement Unit is 4. There are 2 full-time officers, 1 sergeant, and 1 officer assigned for the summer.

Question #83: Is there any data for 2017 on free patrol hours (in the response to my previous question, data for 2013 through 2016 was provided). (Councilmember Lumm)

Response:

	2017 (Hours)
Unassigned Proactive Patrolling (Free Patrol)	25,333
Unassigned Proactive Patrolling (Free Patrol)- % Total Hours	25%



TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Craig Hupy, Public Services Area Administrator
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator
Marti Praschan, Chief of Staff, Public Services

SUBJECT: Public Services

DATE: May 18, 2018

Question #54: Capital Improvements. How much did the City receive from the local street and sidewalk millage? What percentage of those funds were used for streets and what percent for non-street projects including but not limited to sidewalks?
(Councilmember Eaton)

Response:

	FY 17
Street Resurfacing Levy	9,972,068
Sidewalk Levy	655,967
Total:	10,628,035

FY 17 Street/Sidewalk/Bridge expenditures exceeded revenue; therefore, the following percentages were calculated using FY 17 total fund expenditures:

Road	18,326,964	82%
Sidewalk/Ramp/Safe Routes	2,997,566	13%
Bad Debt/Administration/Bridges/Guardrail	928,261	4%
Total:	22,252,791	100%

Question #55: Capital Improvements. What is the fund balance for the street fund expressed in dollars and expressed as a percent of annual spending? (Councilmember Eaton)

Response:

FY 17 Ending Unrestricted Fund Balance	8,220,002	37%
FY 18 Projected Ending Unrestricted Fund Balance	5,237,209	28%

Question #56: Please provide an estimated cost of reducing the City's standard for snow plowing from the current 4" snowfall to a 3" snowfall. (Councilmember Eaton)

Response: A high-level estimate to respond to a large event (>4") is \$55,000. This winter season we had 7 events that were 3" but less than 4". Subsequent to each of those events we did plow local roads, but not at the same response rate as with a 4" event. To respond city-wide at the same rate as with larger events, we would divert staff from other work areas and call staff in on overtime. The estimate to plow at this rate would be an additional \$350,000-\$500,000 per season. This cost does not include additional equipment or employees that might be needed to respond at this rate and frequency. A more detailed evaluation is needed for a more complete estimate, with consideration given to the deferred work in other work areas from this level of response.



TO: Mayor and Council

FROM: Tom Crawford, CFO
Karen Lancaster, Finance Director
Howard S. Lazarus, City Administrator

CC: Derek Delacourt, Community Services Area Administrator
Doug Forsyth, Safety Manager
Matthew Horning, Treasurer
Craig Hupy, Public Services Area Administrator
Brett Lenart, Planning Manager
Marti Praschan, Chief of Staff, Public Services
Shryl Samborn, 15th District Court Administrator
Tom Shewchuk, IT Director
Colin Smith, Parks & Recreation Manager
Robyn Wilkerson, Human Resources and Labor Relations Director

SUBJECT: FY19 Metrics

DATE: May 18, 2018

As FY19 is the second year of our two-year cycle, staff will be able to incorporate some of the suggestions immediately. Thank you for your feedback. For the remainder of the suggestions, we will be expanding our use of metrics for the FY20/21 budget cycle and will be sure to consider your feedback.

City Administrator

Question #61: “Respond to inquiries from the public within 7 calendar days of receipt.” This is marked with a check, what are the actual metrics? Some Council requests have not been responded to on that schedule, so I suspect the actual performance metric is “respond to X% of inquiries from the public within 7 calendar days.” (Councilmember Warpehoski)

Response: The current average response time for Councilmember requests for information is 4.57 calendar days.

Human Resources

Question #62: Why are so many measures listed as NA across the board (“new hire evaluation, training completion percentage, satisfaction score”? (Councilmember Warpehoski)

Response: Those are future areas that we would like to address. Staff will be evaluating options to capture this information when it prepares the FY2020/2021 fiscal plan.

Question #63: “Number of lawsuits/arbitrations lost.” The report lists zero, but didn’t we lose an arbitration over the hybrid benefits plan for police?

Response: You are correct; that should be 1.

Safety Unit

Question #64: “Ensure safety training required to address workplace hazards is identified and assigned to employees.” Do we also measure training participation? (Councilmember Warpehoski)

Response: Yes we do measure safety training participation and completion. The Safety Unit, in collaboration with unit coordinators sets custom training plans each year intended to address workplace hazards for all city staff. All courses have defined assignment and due dates. The courses selected for each employee are based on hazard assessments that have been completed, as well as OSHA/MIOSHA training requirements and in many cases, the Safety Unit will assign courses based on retraining frequencies that exceed OSHA/MIOSHA requirements.

Question #65: “Reduce incident and accident rates...” is there a danger that focusing on reducing incident rates will lead to non-reporting of accidents rather than actual incident reduction, thereby eliminating the information necessary to identify and address unsafe situations? (Councilmember Warpehoski)

Response: This is a great question. The goal to reduce incidents is an internal Safety Unit goal for the city and not a unit level goal that we push out to the organization. Leading indicators, or proactive activities, such as training, self-inspections and eventually job hazard analysis and risk assessment completion, are tracked on the unit level. Our hope is that improved performance in leading indicators for city units will lead to incremental reductions in incident rates over time. We always stress to our staff that they should report all incidents and near misses and are currently working on a comprehensive incident reporting system that will make reporting more accessible and capture more useful data that can be used to identify and address workplace hazards.

Community Services

Question #67: Planning - Approval timing: Am I reading the cart correctly in that it typically takes an extra 170 days between planning commission approval and Council approval of applications? Other than the minority of projects that get bogged down with multiple postponements, what drives this number? (Councilmember Warpehoski)

Response: This number includes all petitions that are considered by City Council, which include site plans, rezonings, and annexations. Zoning actions by City Council are often driven up in duration while the City awaits approval of annexation by the State of Michigan.

Question #68: Planning - The notes describe an increase of 1 FTE in FY19. Is that position already allowed in the current headcount? I didn't see planning called out for an FTE increase in the cover memo. (Councilmember Warpehoski)

Response: This is the first budget that reflects the shift of the Zoning Coordinator from the Building Services to Planning Services. While not an increase in City staffing, it does represent a reallocation of FTEs.

Question #68: Parks - How will we measure farmers market admissions?
(Councilmember Warpehoski)

Response: The Michigan Farmers Market Association (MIFMA) performed Market Assessment Reports on the Ann Arbor Farmers Market over the last few years. Part of the report includes attendance estimates. MIFMA visited in both the summer and winter months. Attendance estimates were made by counting all adults and children entering the market during a specified 20-minute period, from 20 minutes after the hour to 20 minutes until each hour. Four team members were assigned to four entrances. Team members only counted shoppers entering the market during the specified time. Based on this data an estimated 13,000 people visit the Market every Saturday in the summer. Wednesday estimates are half that amount. Saturday numbers in the winter are approximately 3,500 people.

Question #69: Parks - If the PROS plan survey was in 2017, why not satisfaction survey in 2019? (Councilmember Warpehoski)

Response: Staff intend to perform the survey around Labor Day, 2019 so it is included in fiscal year 2020.

Question #70: Parks - Can an equity goal of scholarships awarded be included?
(Councilmember Warpehoski)

Response: Scholarships are based entirely on need, so there is no cap on the number awarded. Staff are exploring methods of better promoting the availability of scholarships in the hope that more can be awarded.

Information Technology

Question #71: Why have several metrics gone to N/A (targeted technologies, self-service applications implemented, self service application transactions)?
(Councilmember Warpehoski)

Response: There are three measures with N/A:

- Adoption rate of Targeted Technologies. – There was a change in the way the data was collected. Staff will reconcile the data and incorporate in future reports.
- New self-service applications – the goal is to increase 5 semi-annually or 10 per year. Ten can be reported in future reports. However, this is an item which staff doesn't directly control and is based on opportunities as they arise. A more realistic goal or re-designed measure can be considered through the normal metric review process.
- Total number of transactions for self-service applications – There was a change in the way the data was collected. Staff will reconcile the data for future reports. This measure is really an activity measure instead of a performance measure, so it will be discussed during the normal metric review process to determine whether it should be removed from performance reporting.

Treasurer's Office, Risk Management, and Customer Service

Question #72: A few are listed as "per quarter," in this format are they really per year?
(Councilmember Warpehoski)

Response: Yes. This change has already been made for the final budget book.

Question #73: Where do the risk management targets come from? (Councilmember Warpehoski)

Response:

Workers' comp expenditures – National Academy of Social Insurance
Claim volume - ICMA municipal benchmarks, median value, Pop. > 100k
Claim expense - ICMA municipal benchmarks, median value, Pop. > 100k
Claims to litigation – ICMA municipal benchmarks, median value, Pop. > 100k

Public Services

Question #74: Fleet and facilities – Can a green fleets performance measure be included here? (Councilmember Warpehoski)

Response: Yes, we are currently considering an appropriate measure.

Question #75: Engineering – Private Development: Do we have benchmarking data for plan review and right of way permit targets? Basically I am wondering where these targets come from. (Councilmember Warpehoski)

Response: The goal for ROW permit reviews was set based on reviewing previous volumes of permit applications and available staffing levels to review them. While the ideal goal would be 100%, staffing levels and fluctuations in the number of permits received have shown this to not be a realistic measurement of performance.

Question #76: Public Works - Is the 20% reduction in requests for missed pickup from previous year (e.g. FY 18 is 20% less than FY17, which is 20% less than FY16)? Why are FY17 and 18 listed as positive numbers but FY19 as negative? (Councilmember Warpehoski)

Response: 20% was a year-to-year measure, we are currently measuring the % change quarter-to- quarter rather than cumulative due to data challenges. Negative numbers indicate an INCREASE in calls, rather than a decrease (goal).

Question #77: Systems Planning - Glad to see downtown alley work plan in here--is the work plan finalized? If so, please send a copy. I'm trying to assess the value of 20% implemented. (Councilmember Warpehoski)

Response: The work plan is attached.

Question #78: Systems Planning - Can an equity goal be included here, especially for public engagement, in future years? (Councilmember Warpehoski)

Response: Yes. In the coming fiscal year, staff is planning in incorporate racial equity considerations in the community engagement strategy for the Transportation Master Plan update and the Solid Waste Resource Management Plan update. Once a plan is developed, a performance measure can be appropriately developed.

Question #79: Wastewater - Is the odor study of the treatment plant or for the conveyance system (e.g Arborview sewer odor) (Councilmember Warpehoski)

Response: The planned odor study includes investigation of odor sources in several City locations including the Wastewater Treatment Plant, Arborview, and Nichols Arboretum west entrance.

15th District Court

Question #80: Can performance measures for the specialty courts be included (e.g. graduation rate)? (Councilmember Warpehoski)

Response: The 15th District Court can run performance data for our court. Comparison data is available annually in a statewide report (FY 2017 Michigan Supreme Court Annual Report on Performance Measures and Outcomes for Michigan's Problem-Solving Courts - <http://courts.mi.gov/Administration/SCAO/Resources/Documents/Publications/Reports/SCAnnualReport.pdf>). Please note that the State Court Administrative Office cautions courts not to rely heavily on recidivism data for problem-solving programs that have been in operation less than four years.

There are no formal performance measures for the dedicated domestic violence docket. However, the program has received grant funding from the U.S. Department of Justice since 1998. Each grant requires the court to submit data, but they are not technically performance measures. Staff will evaluate if any of the measures are meaningful to add in future metric reviews.

Question #81: Are there any measures of how the indigent defense system is working? (Councilmember Warpehoski)

Response: According to the Constitution, criminal defendants have the right to assistance of counsel. Upon request, the 15th District Court appoints counsel for defendants deemed indigent. Indigent defendants are entitled to have counsel paid for by the court's funding unit. The court's indigent defense contract provides all indigent defendants with highly competent counsel.

The Michigan Indigent Defense Commission (MIDC) is currently working with municipalities toward the implementation of minimum standards for indigent defense systems. Compliance with Standards 1-4 (listed below) is expected by March 2019. Our local plan to meet or exceed the MIDC requirements was approved by MIDC. Per the MIDC (Interim) Regional Manager assigned to Washtenaw County, MIDC anticipates employing performance measures to track compliance.

- 1) Education and Training of Defense Counsel
- 2) Initial Interview
- 3) Investigations and Experts
- 4) Counsel at First Appearance and Other Critical Stages

Downtown Alleys Program Work Plan

I. Purpose

The need to improve practices and operations in the downtown alleys has been identified. The following items are considered driving factors in recognizing this need and developing the Downtown Alleys Program:

- a. Increased draw on internal resources and staff time to provide services and to respond to complaints/concerns.
- b. Water quality threats.
- c. Existing winter access and maintenance challenges.
- d. Inclusion of 'Delivery and Waste Management' as one of seven policy issues identified through the Downtown Design Manual effort.
- e. Anticipation of increased stress on the downtown alleys if organics collection is added to the waste collection services already provided, per the potential development of a comprehensive Organics Management Program.
- f. Interest in providing better customer service to downtown business owners and residents and improved downtown atmosphere.

II. Objectives

- a. Establish an internal workgroup to drive program implementation and provide ongoing monitoring of downtown alley issues.
- b. Engage community stakeholders and internal service areas affected by soliciting input and gathering feedback.
- c. Utilize staff resources for technical expertise
- d. Improve practices and operations in the downtown alleys to address existing issues.
 - i. Conduct a comprehensive review of existing issues and challenges to practices and operations in the downtown alleys.
 - ii. Conduct a comprehensive review of potential opportunities and solutions to improve existing conditions.
 - iii. Recommend alternatives to address existing issues and challenges.
 - iv. Propose an implementation strategy for recommendations.
 - v. Initiate implementation of pilot programs and recommendations.
- e. Establish a group of stakeholders, service providers and/or other agencies to provide ongoing monitoring of downtown alley issues from a community perspective.

III. Engagement Strategy

Success of the Downtown Alley Program depends on active participation of community members, other agencies, and internal staff affected by the issues. This project will establish a foundation of community support by involving stakeholders (internal and external) throughout the process.

- a. Workgroup
 - i. Purpose: The Workgroup (WG) is the internal staff group representing a range of service areas affected by existing downtown alley issues. We anticipate the workgroup will meet 13 times while working through existing downtown alley issues. Some WG discussions will be held as regular

meetings (1.5-2 hours each) and others as workshop meetings (half day each). The WG will drive the program, and provide on-going oversight for downtown alley issues (future, routine meeting schedule to be determined). Due to the interconnected nature of known alley issues, the standing WG members will participate in discussion across all topics to provide the necessary range of perspectives, consistency in process, and comprehensive vantage point to identify potential gaps, conflicts or contradictions among recommended alternatives. Technical experts may be asked to join select WG meetings as resource people for discussion of certain issues.

ii. Membership:

1. Kayla Coleman (Project Manager)
2. Ryan Doty
3. Christina Gomes
4. Jen Lawson
5. Amber Miller (DDA)
6. Molly Maciejewski
7. Tracy Pennington
8. Cresson Slotten

iii. WG authority/responsibility: **The WG will be responsible for (1) recommending solutions and remediation approaches for existing issues in the downtown alleys; (2) defining an implementation strategy for recommendations; and, (3) implementing pilot programs and recommendations.** Recommendations will take into consideration feedback from community stakeholders, service providers, other agencies, internal staff from affected service areas, and other resource persons. The WG will be responsible to design, facilitate, prepare materials for, and summarize results from the stakeholder focus group meetings. A WG Project Manager will guide the process. The Project Manager will report to the Systems Planning Manager and Public Services Area Administrator for direction.

iv. WG operating principles/decision making process: WG members will be expected to maintain ongoing involvement in the Downtown Alley Program. Members will be expected to attend scheduled meetings, and to keep themselves up to date in the case of missed meetings. WG members may be asked to review materials in advance of meetings, and come prepared with ideas for discussion. All members will be encouraged to share their views and opinions with the group. Final recommendations from the WG will be determined by consensus agreement. The Project Manager will help the group work toward a consensus agreement when divergent perspectives are present.

b. Stakeholder Focus Groups:

- i. Purpose: Stakeholder focus groups will be utilized to gather a wide variety of perspectives from those most affected by downtown alley issues. We anticipate that two categories of stakeholder groups will meet four times throughout the process. Stakeholder meetings will allow concerns and

potential solutions to surface from those who experience and/or contribute to downtown alley issues first hand. **Stakeholder group participants will serve the role of providing input toward the process and reaction to materials produced by the Workgroup. Input from stakeholders will be considered advisory; stakeholder focus groups will not operate in a decision making capacity.**

- ii. Membership: Potential stakeholders have been identified below; completion of the Community Engagement Toolkit Stakeholder Analysis worksheet will further inform stakeholder selection.
 - 1. Downtown alley community members – external
 - a. Business owners
 - b. Downtown residents (owner occupied, long term rental, short-term/student rental)
 - c. Merchant associations
 - d. Property owners/landlords (commercial and residential)
 - e. University of Michigan
 - 2. Service providers and other agencies – external
 - a. Huron River Watershed Council
 - b. Recycle Ann Arbor
 - c. Washtenaw County Public Health
 - d. Washtenaw County Water Resources Commissioner’s Office
 - e. Waste Management
 - f. DTE
 - g. AT&T
 - h. Comcast
- c. Stakeholder Summits:
 - i. Purpose: Stakeholder Summits will be utilized at critical points in the existing issues analysis to convene all identified stakeholders for combined discussion. These meetings will be used to gather input and for information sharing. Meetings format may be a combination of presentation, discussion and/or open house. Three Stakeholder Summit meetings are anticipated.
- d. Stakeholder interviews:
 - i. Purpose: Stakeholder Interviews will be utilized to get specific feedback from certain stakeholders in a one-on-one, or small panel, format. Interviews with selected stakeholders will be scheduled as needed throughout the process. Interviews may be conducted with participants from either of the stakeholder categories identified above; additionally, stakeholder interviews will be utilized to engage with a third stakeholder category:
 - 1. Affected service areas – internal
 - a. Attorney’s Office
 - b. Communications
 - c. Community Services – Planning, Parks
 - d. Community Standards
 - e. Public Works – Solid Waste, Stormwater, Street Maintenance

- f. Project management – Traffic Engineering
- g. Systems Planning – Solid Waste, Water Quality

IV. Process

a. **Task 1 (2 months; June-July 2016):** Program Initiation + Issues and Opportunities

Analysis

- i. Complete Community Engagement Toolkit
- ii. Establish Downtown Alley Workgroup (WG)
- iii. Workgroup (WG) 1; anticipated 2hr meeting:
 - 1. Review work plan and schedule
 - 2. Establish a WG charter
 - 3. Review issues/challenges identified to date and gather additional input
 - 4. Prepare for stakeholder focus groups
- iv. Stakeholder (SH) 1: Meet separately with two stakeholder groups to discuss issues related to all themes
 - 1. What have you always hoped for in the downtown alleys?
 - 2. Provide overview of work plan and schedule
 - 3. Review issues/challenges identified to date and gather additional input; what have we missed?
 - 4. Preliminary discussion of opportunities: How could identified issues be addressed?
- v. Stakeholder tour of downtown alleys: A walking tour of downtown alleys. One combined tour for all stakeholders, held on same day as SH1.

Task 1 Deliverables:

- Comprehensive list of existing issues/challenges
- Preliminary list of opportunities/solutions (for further examination during Alternatives Analysis)
- WG charter

b. **Task 2 (8.5 months; August 2016- April 2017):** Alternatives Analysis

- i. WG 2; anticipated 2hr meeting:
 - 1. Stakeholder input de-brief: presentation of feedback from SH1 and alleys walking tour
 - a. Comprehensive list of existing issues/challenges – all discussion areas
 - b. Preliminary list of opportunities/solutions – all discussion areas
 - 2. Revisit work plan/strategy; any changes based on stakeholder feedback?
 - 3. Identify any specific questions, or additional information needed for each theme.
 - a. What do we want to know?
 - b. Who do we need to ask to get that information?
 - 4. Identify needs for benchmarking research:

- a. What solutions are other communities using to address these issues?
 - b. Assign WG member responsibility for benchmarking research
- ii. Conduct benchmarking research
 - 1. Note: Field trips to other local communities may be required for research and discussion about past experiences.
- iii. WG 3; workshop style, ½ day anticipated:
 - 1. Report on benchmarking research – Discussion Area 1 and 2
 - 2. Review stakeholder input on opportunities/alternatives – Discussion Area 1 and 2
 - 3. Identify potential opportunities/alternatives – Discussion Area 1 and 2
 - 4. Note: Likely that select resource persons will be invited to lend input and expertise and/or that resource persons will be identified to invite during implementation strategy discussion. And/or identify needs for separate interviews with select resource persons.
- iv. WG 4; workshop style, ½ day anticipated:
 - 1. Report on benchmarking research – Discussion Area 3, 4 and 5
 - 2. Review stakeholder input on opportunities/alternatives – Discussion Area 3, 4 and 5
 - 3. Identify potential opportunities/alternatives – Discussion Area 3, 4 and 5
 - 4. Note: Likely that select resource persons will be invited to lend input and expertise and/or that resource persons will be identified to invite during implementation strategy discussion. And/or identify needs for separate interviews with select resource persons.
- v. WG5; anticipated 2hr meeting:
 - 1. Review potential opportunities/alternatives and draft recommendations (all themes)
 - 2. Prep for SH2
- vi. SH 2: Meet separately with two stakeholder groups to discuss opportunities/alternatives for all themes
 - 1. Present potential opportunities/alternatives to address each issue
 - 2. Are there other opportunities that we have missed?
 - 3. Do you see any potential barriers to these opportunities that we need to consider in selecting recommended alternatives and developing an implementation strategy?
 - 4. Do you have any priority opportunities that you think should be pursued first?
- vii. WG 6; workshop style, ½ day anticipated:
 - 1. Report on benchmarking research – Discussion Area 1 and 2
 - 2. Review stakeholder input on opportunities/alternatives – Discussion Area 1 and 2
 - 3. Select recommended opportunities/alternatives – Discussion Area 1 and 2

4. Note: Likely that select resource persons will be invited to lend input and expertise and/or that resource persons will be identified to invite during implementation strategy discussion. And/or identify needs for separate interviews with select resource persons.
- viii. WG 7; workshop style, ½ day anticipated:
1. Report on benchmarking research – Discussion Area 3, 4 and 5
 2. Review stakeholder input on opportunities/alternatives – Discussion Area 3, 4 and 5
 3. Select recommended opportunities/alternatives – Discussion Area 3, 4 and 5
 4. Note: Likely that select resource persons will be invited to lend input and expertise and/or that resource persons will be identified to invite during implementation strategy discussion. And/or identify needs for separate interviews with select resource persons.
- ix. WG 8; anticipated 2hr meeting:
1. Review final recommendations (all themes)
 2. Prep for SH3
- x. SH 3: A summit of all interested stakeholders. The primary purpose of this information will be information sharing.
1. Present recommended opportunities/alternatives
 2. Share outline of implementation strategy
 3. Next steps re: ongoing community involvement

Task 2 Deliverables:

- Comprehensive list of potential opportunities/alternatives.
- Recommended alternatives.

c. **Task 3 (4.5 months; April-August 2017):** Development of Implementation Strategy

- i. WG 9 (through 13): Discussion Area 1 (through 5) implementation strategy (workshop style; ½ day anticipated)
 1. Identify pilot program opportunities
 2. Identify checklist items that require a one-time effort
 3. Identify on-going items that will not have a definitive end point
 4. [Repeat for Discussion Areas 2, 3, 4 and 5]
- ii. SH 4: A summit, for all interested stakeholders, where WG will share implementation strategy for all recommendations. The purpose of these meetings will be information sharing.

Task 3 Deliverables:

- Implementation strategy for recommended alternatives.
- Action Plan for Existing Issues Improvement (includes recommended alternatives and implementation strategy)

Note: Pilot programs for recommended alternatives should be considered for all themes and utilized where feasible. Pilot programs will allow the opportunity to implement a particular solution for a short term, or with a select group. Results from pilot programs will be used to inform final implementation.

d. **Task 4 (TBD):** Implementation

- i. Implement pilot programs
- ii. Implement recommendations per strategies defined in Task 3.

Note: Dependent on the recommendations and implementation strategies identified in Task 2 and 3 additional resources may be needed to complete Task 4.

e. **Task 5 (Ongoing):** Oversight and Monitoring

- i. Internal oversight and monitoring
 1. Hold routine WG meetings for internal discussions to assess current conditions, impact of recommended solutions, and new issues/challenges as they arise. Frequency of ongoing meetings to be determined; quarterly meetings likely.
- ii. External oversight and monitoring
 1. Establish a combined group of downtown alley community members, service providers and other agencies for ongoing oversight. This may include persons selected from stakeholder groups and others.
 2. Hold routine meetings with external oversight group to assess current conditions, impact of recommended solutions, and new issues/challenges as they arise. Frequency of ongoing meetings to be determined; quarterly meetings likely.

f. **Other notes:**

Analysis of existing downtown alley issues will be grouped into five discussion areas:

- Discussion Area 1: Maintenance and Access
- Discussion Area 2: Service Agreements and Capacity
- Discussion Area 3: Stormwater and Recycling
- Discussion Area 4: Security/Public Safety and Enforcement
- Discussion Area 5: Organics