



TO: Mayor and Council

FROM: Sumedh Bahl, Community Services Area Administrator
Eli Cooper, Transportation Program Manager
Nick Hutchinson, City Engineer
Craig Hupy, Public Services Area Administrator
Wendy Rampson, Planning Manager
Colin Smith, Parks & Recreation Services Manager
Brian Steglitz, Water Treatment Plant Manager

CC: Steven D. Powers, City Administrator

SUBJECT: Council Agenda Responses

DATE: 5/4/15

C-1 – An Ordinance to Amend Sections 2:63, 2:64, and 2:69 of Chapter 29 (Increase Water, Sewer, and Stormwater Rates) of Title II of the Code of the City of Ann Arbor

Question: Can you please provide a 10 year history of the water, sewer and stormwater charge increases? (Councilmember Lumm)

Response: Rates and charges listed on the attached document.

Question: In Section 2:64 (1) the sewer rates (per 100 cubic feet) are broken down by type of user charge. The user charge for system planning and administration is increasing 54% year-to-year (24 cents to 37 cents), the charge for field operation and maintenance is increasing 17% (41 cents to 48 cents) while the user charge for capital is actually decreasing year-to-year by 3% (\$1.59 to \$1.54). These relative changes do not seem consistent with the message that capital spending and requirements are driving the need for rate increases. Can you please explain what causes this apparent

contradiction and why it is necessary that the user charge related to planning and administration is being increased by 50%? (Councilmember Lumm)

Response: The Administration/Systems Planning increase is attributable to the increases the fund experienced a 19% in the Municipal Service Charge increase and a 43% increase in insurance costs. The increases in these areas are directly related to the increase in capital work happening in the fund.

Previously the capital portion of the rate had been raised to meet the debt coverage ratio conveyance of our bonds. The current change reflects a return to a more normal level.

Question: In Section 2:63 (1), the “Fire Service Charge per Quarter” water rates are being increased significantly (18%-20%). Can you please elaborate on what specifically these charges represent, who is charged them, and the rationale for the large year-to-year increase? (Councilmember Lumm)

Response: A number of years ago, the rate analysis showed that the Fire Service Charge was grossly under-recovering the cost of providing fire service. The charge has been advancing at approximately this rate annually. When the charge fully recovers its related expenses, the rate of change will be normalized.

Question: I understand this ordinance change represents the basic usage rates and not connection/hook-up fees, but can you please confirm what changes in the connection-related fees (if any) are reflected in the FY16 budget proposal? (Councilmember Lumm)

Response: There are no changes in the connection-related fees listed in the FY16 budget proposal. Connection related fees are on track to come before City Council in late June, with an effective date of early January. The effective date is planned for January 2016 to avoid changing fees in the middle of larger development projects. Generally, the larger projects are looking to make their connections in late summer to early fall. By setting a January effective date, there is less conflict with project planning. The connection fees for larger developments are generally 5 to 6 figures and thus the planning for changes is critical to the project. The fee changes will generally have a positive impact on the FY 16 projected revenue so not including a half year's impact will not be detrimental.

DC-1 – Resolution to Complete the Central Section of the Border-to-Border (B2B) Trail Between Fuller and Riverside Parks

Question: In the first resolved clause, DC-1 asks Council to approve a plan. Is this the plan proposed by the WBWC? What specific commitments would result if this plan is approved? (Councilmember Grand)

Response: Staff is unable to answer which plan the resolved clause refers to, but assumes it to be the attached “planned B2B trail near Fuller / Maiden Lane” graphic. This plan has similarities to the maps included in the current PROS plan (image attached) and Non-motorized Transportation Plan (image attached) that show the layout of proposed shared use paths. If Council approved the plan the level of commitment could be defined at that time. Generally a project such as this would seek public input through public meetings and other methods to help define the project scope.

Question: What is the source of funding for the proposed B2B trail connections? If funding were to come from Parks, what trail improvement and maintenance would have to be deferred as a result? (Councilmember Grand)

Response: The CIP identifies the Park Maintenance and Capital Improvements Millage as the funding source for new trail and pathway construction. In FY2016 the B2B trail is planned to undergo significant renovations between the Geddes Dam and Gallup Park. The pathway is in need of renovations, both to repair the condition of the asphalt, as well as to widen it to 10 feet to meet current American Association of State Highway and Transportation Officials standards, improve safety, and accommodate the diverse user groups that ride, walk, rollerblade, and commute along this trail. The City is funding \$200,000 of the project and a TAP grant will fund an additional \$447,500. The County Parks wrote a letter of support that accompanied our grant application. If City funding were diverted, the grant would be jeopardized. Future segments needing capital maintenance work include the portion from Gallup Park near the Geddes Avenue entrance that runs to the Arboretum and Mitchell fields. This heavily used segment is in need of upgrades. Other capital work needed in the Parks include pool infrastructure upgrades, court replacements, and recreation facility upgrades. Any of these projects can be deferred and funds repurposed, but they all address safety and infrastructure needs.

Question: What does maintaining the integrity of the trail mean? If we reroute a trail, does it maintain its integrity? (Councilmember Grand)

Response: Staff is unable to answer this question as they did not author the resolution.

Question: The last resolved clause assumes joint funding from the University and County. Do we have precedent for similar types of initiatives where costs were shared in this manner? (Councilmember Grand)

Response: There are examples where the City has partnered with both the University and County for projects of mutual benefit. For example, the University provided funding for the preparation of the City’s Non-motorized Transportation Plan. The B2B section of the Argo Cascades was funded by the Washtenaw County Parks & Recreation Commission. In case of the Cascades, staff had cost estimates for that portion of the project and presented the idea and funding request to Washtenaw County Parks & Recreation Commission for consideration.

DB-1 – Resolution to Approve Flagstar Bank Site Plan, 3600 Plymouth Road (CPC Recommendation: Approval – 7 Yeas and 1 Nay)

Question: The Planning Commission minutes for the March 17th meeting did not contain any commentary, just the vote (7-1). Can you please provide a bit more information on the discussion and the reason for the one no vote.

Response: Commissioner Bona voted against the special exception use request and the site plan petition. In her comments, Commissioner Bona noted that the special exception use requirement for drive-thrus was developed because the Commission was seeing drive-thrus with excessive pavement. She said the plan for Flagstar, which was revised several times, is closer to an improvement, but the pavement was still excessive. She noted that an earlier version of the plan that removed a landmark tree was preferable to her, because the tree could be mitigated, but the added pavement could not.

DS-1 – Resolution to Approve the Scio Church and Barton Sidewalks Project appropriate of \$74,794.00 from the General Fund and \$7,500.00 from the Park Maintenance and Capital Improvements Millage Fund (8 Votes Required)

Question: The cover memo indicates the higher project costs of \$83K are primarily because the construction bids were higher than anticipated. If I'm doing the math properly, that means we must have been assuming construction costs of about \$270K (\$353K actual low construction bid less \$83K) and so the actual low bid was 30% higher than anticipated. What do you think is the reason for this large variance and are you seeing construction bids coming in higher generally because of the improving economic conditions and number of projects? Also, why is there now a Parks Millage share of the cost (albeit a small one)? (Councilmember Lumm)

Response: The construction bid was \$28,070 higher than the engineer's estimate. The remaining amount being requested is primarily to adjust for actual design engineering costs and establish a construction contingency, which was not accounted for in the budget amount approved by Council on April 21, 2014. Construction contingencies are typically established in case unforeseen circumstances arise during construction. Any unused portions of the construction contingency would be returned to their fund of origin.

Although bids vary from project to project, bid prices received by the City in general have been somewhat higher than in recent years. This project makes use of Federal funds, and therefore is bid through MDOT. The City does not have much recent experience with doing a relatively small project such as this one in this manner, which could have led to the difference between the bids received and the original estimate. Also, relatively small projects such as this one can be more susceptible to price fluctuations, so if one item of work is bid higher than expected, it can lead to a larger overall percentage increase in the project cost.

The share of the project cost attributed to the Parks Millage is for the portion of the sidewalk construction that fronts the area known as Eisenhower Park.

DS-2 - Resolution to Approve a Professional Services Agreement with OHM Advisors, Inc. for the Sump Pump Installations Modification Project (\$587,020.50)

Question: The City received only one Bid. Is it permissible to reject that bid and open a new bid for this work? (Councilmember Eaton)

Response: Yes. A couple of things should be noted though. This was not a bid, but rather a proposal for professional services. The Request For Proposal (RFP) that was issued for these services was advertised through the normal channels to consulting firms for a typical length of time. The nature of the work being requested is such that it almost requires a firm local to southeast Michigan to perform. As such, there is a very limited pool of candidates that are capable of performing such work. As such, it is anticipated that re-issuing the RFP would likely not change the results. In addition, reissuing the RFP would result in delaying the start of the project until at least August of 2015.

Question: The bid from OHM is for \$587,020.50. Is it true that when OHM was performing home inspections as part of the SSWWE project, OHM engineer Greg Marker provided an estimated cost of about \$55,000 to correct the problem FDD installations? (Councilmember Eaton)

Response: The \$55,000 figure referenced was a rough estimate of the construction cost to correct the items identified in the 10 homes identified as a result of the first 77 investigations performed by OHM during the Sanitary Sewer Wet Weather Evaluation project.

Question: Does the prior involvement of OHM in the SSWWE project evaluations raise questions of whether that firm can be objective in its assessment of the FDD program and FDD installations? (Councilmember Eaton)

Response: OHM was not involved in the initial Foot Drain Disconnection (FDD) Program, which was overseen by CDM, and as such was not involved in the installations of the sump pumps in which they will be investigating. Thus, OHM is viewed by staff as an independent and objective firm. OHM did start investigating some of the reported problem locations as part of the Sanitary Sewer Wet Weather Evaluation project, and has specifically identified sump installations that should be modified or corrected. So, they are already familiar with many of the issues, which is seen as an advantage that will allow them to get started on their work quickly and efficiently with little delay. OHM has also performed an evaluation of the previous FDD Program, and identified improvements that could be included in any future potential FDD work.

Question: It is my understanding that the OHM contract includes a former CDM employee (Justin Woods) as an Assistant Project Manager. Is it true that as an employee of CDM, Mr. Woods was responsible for performing the inspections of the same homes that will be surveyed for non-compliance or out-of-spec installations?
(Councilmember Eaton)

Response: Justin Woods was the Construction Manager for CDM Smith for the Footing Drain Disconnection project from approximately 2006 To 2013. He was responsible for hosting the homeowner and FDD Citizen Advisory Committee meetings, conducting the pre-inspections to agree upon the work with the homeowner, reviewing and approving the Contractor estimates for internal and external work and restoration, ensuring that the work had been performed by obtaining the executed City plumbing and electrical permits, and making a site visit to verify the work had been completed. During that time, homeowners and the FDD Citizen Advisory Committee reported a high level of satisfaction with Mr. Woods' work.

Question: The resolution does not include developer offset mitigation (DOM) FDDs. Did our contractor, CDM, have any role in the oversight of the DOM installations?
(Councilmember Eaton)

Response: No. FDDs performed through the DOM program were arrangements made entirely between the property owner and the developer/contractor. CDM performed inspections only in terms of determining that a residence had connected footing drains (and thus would be eligible for the program), and verifying the footing drains at the residence had been disconnected at the completion of the work.

Question: The project contract allows the contractor to use pre-qualified contractors to perform corrective work. Will the contractor be allowed to use the same contractors who did the initial installations that are being corrected through this contract?
(Councilmember Eaton)

Response: This has not been determined yet. It should also be noted that, in most of situations where modifications have been found to be warranted, it appears that the work met the specifications and applicable building codes. However, meeting the minimum requirements may not have been adequate to manage all individual situations, thus creating the need to make modifications at some locations.

Question: How appropriate is it to hire OHM to do the following, when I can see conflict of interest in hiring the same firm that undertook the FDD to evaluate itself?
(Councilmember Kailasapathy)

Response: Please see response provided above.

Question: I understand that OHM Advisors was the only respondent to our RFP, but can you please elaborate on the RFP process – did we reach out to specifically invite

any other firms to bid or did we simply post the RFP on our website? Did we receive any feedback from other firms on why they chose not to bid? (Councilmember Lumm)

Response: The Request For Proposal (RFP) that was issued for these services was advertised through the normal channels, which include posting on our web page, and also distribution through BidNet. In the past BidNet has been found to be an effective way to reach potential vendors, as most engineering firms are subscribed to this service. The nature of the work being requested is such that it almost requires a firm local to southeast Michigan to perform. As such, there is a very limited pool of candidates that are capable of performing such work. The only feedback received was from CDM, who declined to submit a proposal due to the fact that they were the firm that oversaw the original FDD program.

Question: Can you please provide the detail on the FDD-related contracts and amendments (\$ amt. and awardee) since the program's inception? Also, what other non-FDD contracts, if any, has the City had with OHM Advisors in the last five years, and how much have they been paid in fees? (Councilmember Lumm)

Response: Staff will need more time to prepare a response.

DS – 3 – Resolution to Approve Professional Services Agreement with the Ann Arbor Hands-On Museum for the Wind Generator Project (\$300,021.00)

Question: The cover memo indicates that “the grant provided by the DOE will cover 100% of the cost of the education and outreach portion of this project.” Although perhaps that was not what was meant, this language suggests there are portions of this project beyond education and outreach. If so, what are they and how are they being funded? Also, can you please confirm that no city dollars are being used for this project and provide an estimate of the staff time (if any) that will be utilized in support of this project? (Councilmember Lumm)

Response: Costs in addition to the education and outreach portion of the project involve project management responsibilities that will be the responsibility of City Staff. It is anticipated that the City's Energy Program Analyst will serve as the City's Project Manager. The grant provides a 50% match for City Staff time used on this project. It is estimated that another 80 hours of the Project Manager's time will be required over the next 18 months, half of which will be City's responsibility to meet the grant match requirements. In addition to the project management time, there are no City dollars committed to this project.

Question: The cover memo also indicates that support will be provided to the UofM Woven Wind student project team. Can you please elaborate on what that team is, what the support will be, and whether the UM is providing any funding or other support for this project? (Councilmember Lumm)

Response: The University of Michigan's Woven Wind student team is part of BLUElab which is a student run organization that works toward developing sustainable solutions to development. The Woven Wind team has developed a small portable wind turbine that they construct with elementary school students that is used to power small electronic devices. They build the turbine in concert with students and consequently educate them about wind energy. They have piloted this program with Allen Elementary School in Ann Arbor and hope to expand to additional schools using their allocation from the City's Grant with DOE. The commitment to Woven Wind through this grant is \$5000. Woven Wind is supported by the University of Michigan Department of Engineering and corporate sponsors. We do not have information on the extent of others' support for their program and would need additional time to track down this information if desired.

**RATES &
CHARGES**

	WATER				Water Only	SEWER	STORMWATER Impervious Area Fee
	1-7 ccf	8-28 ccf	29-45 ccf	>45 ccf			
July 1, 1998	\$1.70	\$1.70	\$1.70	\$1.70		\$1.97	
July 1, 1999	\$1.75	\$1.75	\$1.75	\$1.75		\$1.97	
July 5, 2000	\$1.84	\$1.84	\$1.84	\$1.84		\$2.05	
July 4, 2001	\$1.93	\$1.93	\$1.93	\$1.93		\$2.05	
July 17, 2002	\$1.97	\$1.97	\$1.97	\$1.97		\$2.25	
July 23, 2003	\$1.97	\$1.97	\$1.97	\$1.97		\$2.25	
April 1, 2004	\$0.97	\$1.92	\$2.92	\$2.92		\$2.30	
July 1, 2005	\$0.99	\$2.01	\$3.15	\$4.23	\$3.15	\$2.44	
July 1, 2006	\$1.02	\$2.13	\$3.35	\$4.55	\$3.35	\$2.61	
July 1, 2007	\$1.07	\$2.25	\$3.61	\$4.95	\$3.66	\$2.82	
July 1, 2008	\$1.10	\$2.33	\$3.78	\$5.24	\$3.87	\$3.01	
July 1, 2009	\$1.14	\$2.43	\$3.99	\$5.75	\$4.08	\$3.10	\$309.79
July 1, 2010	\$1.23	\$2.53	\$4.23	\$6.10	\$4.31	\$3.21	\$314.86
July 1, 2011	\$1.27	\$2.64	\$4.50	\$6.50	\$4.50	\$3.34	\$331
July 1, 2012	\$1.31	\$2.74	\$4.69	\$6.78	\$4.69	\$3.48	\$342
July 1, 2013	\$1.35	\$2.85	\$4.88	\$4.88	\$4.88	\$3.65	\$355
July 1, 2014	\$1.40	\$2.96	\$5.08	\$5.08	\$5.08	\$3.85	\$376

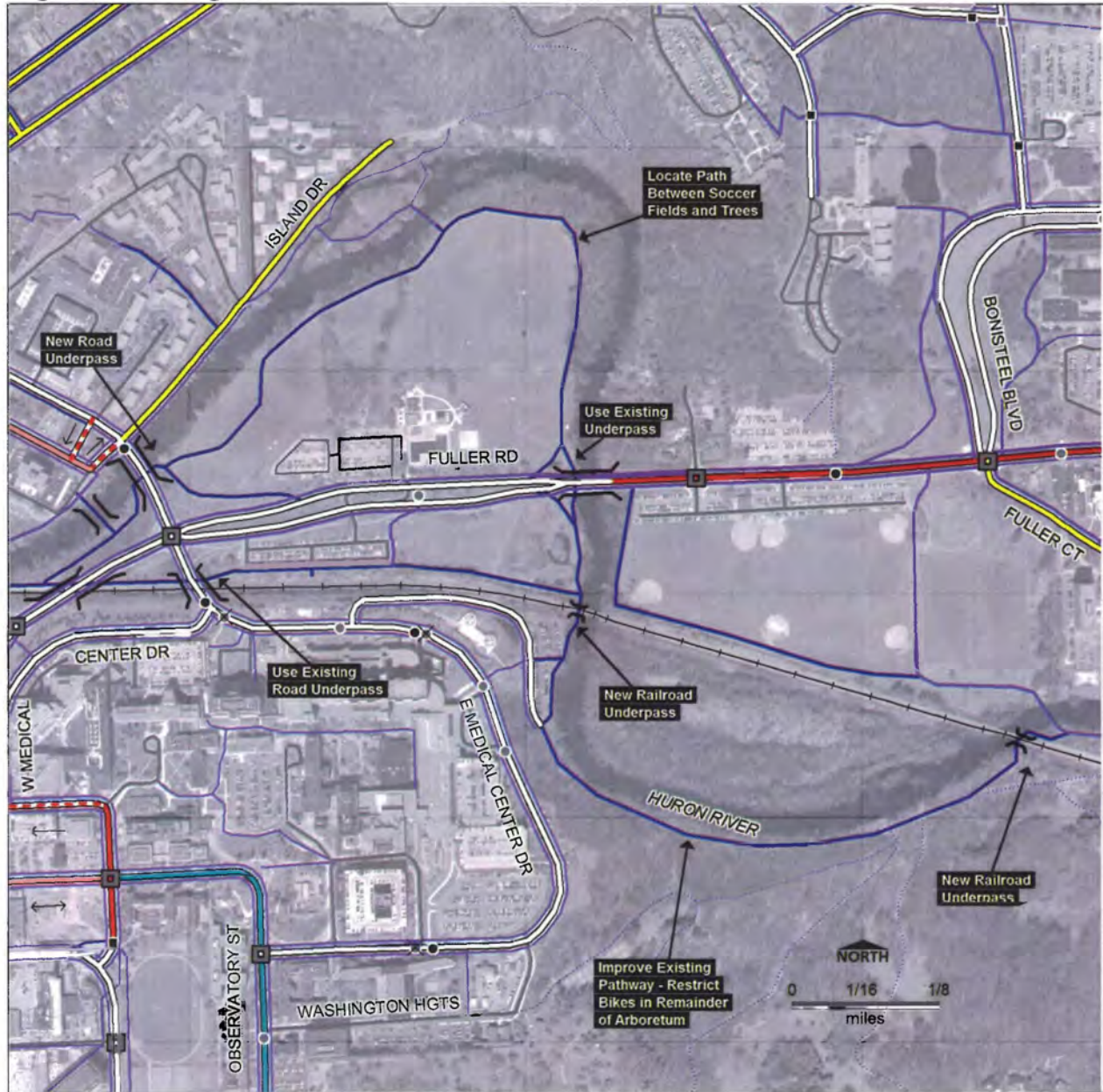
Quarterly Customer Charge - Water

	4/1/2004	7/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013	7/1/2014
5/8" meter	\$9.00	\$10.25	\$11.25	\$11.25	\$11.25	\$11.25	\$11.25	\$11.25	\$11.25	\$11.25	\$11.25
3/4" meter	\$13.30	\$15.10	\$16.55	\$16.55	\$16.55	\$16.55	\$16.55	\$16.55	\$16.55	\$16.55	\$16.55
1" meter	\$21.20	\$24.00	\$26.50	\$30.30	\$30.30	\$30.30	\$30.30	\$30.30	\$30.30	\$30.30	\$30.30
1-1/2" meter	\$42.40	\$49.00	\$54.25	\$62.00	\$62.00	\$62.00	\$62.00	\$62.00	\$62.00	\$62.00	\$62.00
2" meter	\$66.25	\$76.50	\$84.50	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00	\$97.00
3" meter	\$133.80	\$154.00	\$170.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00	\$195.00
4" meter	\$209.95	\$242.00	\$268.00	\$308.00	\$308.00	\$308.00	\$308.00	\$308.00	\$308.00	\$308.00	\$308.00
6" meter	\$419.65	\$484.00	\$535.00	\$613.00	\$613.00	\$613.00	\$613.00	\$613.00	\$613.00	\$613.00	\$613.00
8" meter	\$838.46	\$968.00	\$1,070.00	\$1,225.00	\$1,225.00	\$1,225.00	\$1,225.00	\$1,225.00	\$1,225.00	\$1,225.00	\$1,225.00

Quarterly Customer Charge - Sewer

	4/1/2004	7/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009	7/1/2010	7/1/2011	7/1/2012	7/1/2013	7/1/2014
5/8" meter	\$7.50	\$8.50	\$9.30	\$10.57	\$10.57	\$10.57	\$10.57	\$10.57	\$10.57	\$11.25	\$11.25
3/4" meter	\$11.10	\$12.60	\$13.80	\$15.60	\$15.60	\$15.60	\$15.60	\$15.60	\$15.60	\$16.55	\$16.55
1" meter	\$18.60	\$21.15	\$23.30	\$26.50	\$26.50	\$26.50	\$26.50	\$26.50	\$26.50	\$30.30	\$30.30
1-1/2" meter	\$37.20	\$42.25	\$46.75	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00	\$53.00	\$62.00	\$62.00
2" meter	\$59.40	\$67.50	\$74.50	\$84.50	\$84.50	\$84.50	\$84.50	\$84.50	\$84.50	\$97.00	\$97.00
3" meter	\$119.05	\$135.00	\$149.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$169.00	\$195.00	\$195.00
4" meter	\$185.95	\$211.00	\$234.00	\$265.00	\$265.00	\$265.00	\$265.00	\$265.00	\$265.00	\$308.00	\$308.00
6" meter	\$371.65	\$421.00	\$465.00	\$528.00	\$528.00	\$528.00	\$528.00	\$528.00	\$528.00	\$613.00	\$613.00
8" meter	\$742.56	\$840.00	\$930.00	\$1,055.00	\$1,055.00	\$1,055.00	\$1,055.00	\$1,055.00	\$1,055.00	\$1,225.00	\$1,225.00
10" meter								\$1,055.00	\$1,055.00	\$1,225.00	\$1,225.00

Fig. 5.3F. Long-term Plan – Central Riverfront Detail



Legend:

Existing: Proposed:

- | | | |
|--|--|---------------------------|
| | | Signalized Crosswalk |
| | | Major Mid-block Crossing |
| | | Minor Mid-block Crossing |
| | | Remove Crosswalk |
| | | Grade Separated Crossing |
| | | Bicycle Lanes |
| | | Bicycle Lane, 1 Side Only |
| | | Signed Bike Route |
| | | Shared-use Arrow |

Existing: Proposed:

- | | | |
|--|--|--|
| | | Sidewalk / Walkway (< 8' wide) |
| | | Shared-use Path (8 - 10' wide) includes Bridges and Boardwalks |
| | | Foot Trail |

Other Features:

- Local Road
- Freeway
- Railroad
- No Improvements Near-term

Huron River Greenway

Detail 2 Proposed Acquisitions & Improvements

