



TO: Mayor and Council

FROM: Howard S. Lazarus, City Administrator

CC: Tom Crawford, CFO
Derek Delacourt, Community Services Area Administrator
Jason Forsberg, Acting Police Chief
John Fournier, Assistant City Administrator
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Nick Hutchinson, City Engineer
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Tom Shewchuk, ITSU Director
Brian Steglitz, Water Treatment Plant Manager

SUBJECT: March 2, 2020 Council Agenda Responses

DATE: February 27, 2020

AC-2 - Memorandum from City Administrator - Response to Council Resolution R-19-238 - FY20 Budget Amendment No. 2. Amendment to Acceleration the Nixon Corridor Improvement Projects in the CIP and to Include \$2,020,000.00 for the Phase 1 Improvements (Huron Parkway to Bluett- Project in the FY21 Capital Budget

Question: Q1. The first resolved clause of the budget amendment approved by Council last May stated that “it is Council’s expectation that Phase 1 of the Nixon Corridor Improvement Project (Huron Parkway to Bluett) be included in the FY21 capital budget”. The staff recommendation is to maintain the timing that was proposed prior to the budget amendment (FY25 for Phase 1). The rationale as stated in the response is that “*Achieving the goals of the City’s pavement Asset Management Plan requires that the city spend less of its resources on higher-priced road reconstruction projects, and more on light duty resurfacing and pavement preservation projects in the near term (FY21 through FY24,*

specifically). Therefore, scheduling reconstruction projects such as the Nixon Corridor project, for beyond 2024 is consistent with the City's strategy to improve the overall road conditions throughout the city." While I understand that argument, I'm assuming there are still some "higher-priced reconstruction projects" planned over the next four years (FY21 through FY24) and if that's correct, please provide a description of those "higher-priced re-construction projects" and why they are prioritized in the plan higher than the Nixon Corridor? Also, based on this response, I'm assuming we still plan to meet the overall road condition target by 2025 – correct? (Councilmember Lumm)

Response: There are no reconstruction projects scheduled for the next four years. Scheduled projects are all resurfacing or preventative maintenance projects, as is consistent with the pavement asset management plan.

Staff is planning road improvement projects in such a manner as to provide the greatest opportunity to meet the stated goals. Over the next few months, staff will be reviewing the pavement condition data collected this past Fall to assess progress towards those goals, and will reflect the results of this work in the next full Capital Improvements Plan this Fall.

Question: Q2. The Nixon Farms residential developments were approved by city council in late 2015. At the time, the Mayor and council fully acknowledged the already-problematic traffic congestion on Nixon would be exacerbated by the added units and committed to making the necessary improvements. How is waiting 10 years for Phase 1 and who knows how many years for the balance of the project consistent with that commitment, especially as other major projects are prioritized over the Nixon corridor? (Councilmember Lumm)

Response: Decisions on the planning of road construction project are being made to be as consistent as possible with the pavement asset management plan.

Question: Q3. The response indicates the design is "substantially complete". What remains to be done to complete the design and does staff plan to schedule a neighborhood meeting or open house to review the final designs and discuss the project construction timing? (Councilmember Lumm)

Response: The consulting team working on the project needs to complete maintenance of traffic plans and finalize the project specifications, among other more minor details. This work is expected to be completed by the end of March. At this time, an additional public meeting has not been scheduled, however this will be taken into consideration.

Question: Q4. The response also indicated that the STP funds are "programmed through 2023" and are requested through a regional collaborative process managed by WATS. Is it the city's plan to push for STP funding for this Nixon Corridor project when the group next submits its regional request to the feds? (Councilmember Lumm)

Response: Yes. Staff envisions applying for both STP funding and Congestion Mitigation-Air Quality (CMAQ) funding (which could potentially fund the roundabout work), likely in multiple years, to help offset the cost of the project.

CA-4 - Resolution to Approve a Purchase Order and Master Service Agreement with CenturyLink Communications, LLC for Managed SIP (Session Initiation Protocol) Trunking (\$25,448.54)

Question: Regarding CA-4, it's great to see the monthly costs savings with the new system. Is that based on some sort of introductory rate or will the savings continue for an extended period? Also, are there any differences in functionality between the new and existing systems? (Councilmember Lumm)

Response: The savings will be permanent. We are eliminating our older copper phone lines and switching to the Internet to send/receive calls coming into the city.

CA-5 – Resolution to Approve the Collective Bargaining Agreement between the City of Ann Arbor and Local 693 of the International Association of Fire Fighters (Ann Arbor Firefighters Union) effective January 1, 2020 - December 31, 2024

Question: Q1. New hires in the large majority of City employee groups (union and non-union) are now offered a hybrid pension structure, but for Firefighters, new hires continue to be offered the old defined benefit pension plan. Was changing the pension plan structure for Firefighter new hires proposed by the city and discussed with the bargaining unit, and if not, why not? (Councilmember Lumm)

Response: The City proposed the hybrid plan for firefighter new hires. The hybrid plan was not an option that the Firefighters were willing to consider, and given that the City lost this issue in arbitration in 2017, we did not think we would have success implementing a hybrid plan without the union's support. The Firefighters did, however, agree to increase the pension contribution from 6% to 6.5% within their Defined Benefit Plan. By January 1, 2022, all IAFF members will be contributing 6.5% to Pension.

Question: Q2. The cover memo indicates that, "The city achieved many beneficial operational changes that also have a cost savings for the department." Can you please elaborate on the most significant changes, what the primary benefits of the changes are, and provide a rough estimate of the annual cost savings? (Councilmember Lumm)

Response: The various cost savings are impossible to measure at this point because there are too many variables, but we are very confident that the financial impact will be positive for the City. Below are the primary management and other benefits gained:

- Overtime may be cancelled with 12 hour notice, before we could not cancel overtime once scheduled.

- The ability to schedule overtime for planned events with 30 day notice. Previously, we could only schedule 48 hours in advance, which created shortages and strain on administration.
- Closed the double-pay loop hole in the call back language. Employees could report to work at their regularly scheduled time yet claim they responded for a call back. The employee would then receive their scheduled pay plus 4 hours of overtime.
- A 90-minute threshold was placed on responding to the station for a callback to receive full pay. Previously, there was no limit, as long as the employee responded back within 4 hours. The employee now receives a pro-rated amount after 90 minutes.
- Mutual aid can now be received or provided without having to do a callback.
- Major reforms to the Fire Prevention Bureau consisting of training requirements, background check requirements, and creation of a progression system. This progression system is the first for the Fire Department.
- Language was obtained requiring participation in community events and defining station duties.
- The Fire Chief can now pick from the top three candidates on the eligibility list for training officer and assistant training officer.
- A comprehensive plan to address driver shortages was implemented. Driver shortages have been driving increases in overtime for the Fire Department.
- Increased experience and training standards for all officer-level positions
- Firefighters can now cancel vacation if no overtime has been scheduled, before they could not cancel in any event so we were paying unneeded overtime.
- Requires firefighter who attend outside trainings to teach that material internally to avoid additional training costs; before they were not required to do so.
- Added a 3.75% wage differential for EMS transport activity if an ambulance is ever added to the fleet. We were able to proactively address any potential labor issue with this provision.

Question: Q3. The cover memo indicates that, “all members hired after July 1, 2012 will be subject to a new pay scale, effective January 1, 2020.” How many members are there that were hired after (and before) July 1, 2012 and for those hired after July 1, 2012, please summarize the differences between the old and new pay scales and what the cost impact of the change to the city will be both near term (if any) and longer term? (Councilmember Lumm)

Response: Currently, there are 27 employees who were hired after July 1, 2012, and 50 employees who were hired before July 1, 2012.

The FY20 cost of moving the Tier 2 employees halfway to Tier 1 is \$38,369 and FY21 is an additional \$75,957 above the FY20 cost. This does not include the lump sum cost that will be paid to Tier 1 in each of these years. Tier 2 costs will increase by 1.5% in year 3, 2% in year 4, and 2.25% in year 5 as well as any applicable step increases.

As an example: A five year Fire Lt. hourly wage after ten year

Tier 1: \$37.28

Tier 2: \$32.55

New Scale: \$34.88

This is 49% of the wage difference between Tier 1 and Tier 2.

In the long term, had we not settled on a unified pay scale, it is likely this would have gone to arbitration and, necessarily, have brought unknown consequences. Settling this contract prior to the expiration date also prevented significant pay outs from retro payments. A five year contract also provides a known financial commitment, which has also not been realized for numerous years.

CA-6 - Resolution to Approve the Collective Bargaining Agreement between the City of Ann Arbor and Ann Arbor Police Deputy Chiefs, Teamsters Local 214, effective January 1, 2019 - December 31, 2021

Question: Regarding CA-6, how do the 2.75% pay increases for 2019 and 2020 compare with the police officer unit and with other larger employee groups (e.g, non-union, AFSCME)? (Councilmember Lumm)

Response:

Bargaining Unit	2019	2020
AAPOA	2.5%	Not yet negotiated
COAM	2.5%	Not yet determined, as COAM wages depend on AAPOA
PSS	2.25%	2.25%
AAPPA	2%	2%
IAFF	2.5%	Not yet ratified
Assistant Chiefs	Base of \$115,119.58	2.75%
AFSCME	2%	2%
TEAMSTERS	2.25%	2% and .5% lump sum payment

Question: Also on CA-6, my recollection is that for at least one of the police-related bargaining units, new hires are offered the hybrid pension plan structure, but that for the

officer unit, new hires are still offered the defined benefit plan. Is that correct, and if so, is it the DC unit where new hires receive the hybrid structure? (Councilmember Lumm)

Response: There are 7 unions within the Police Department – the Ann Arbor Police Officers Association, the Command Officers Association of Michigan, the Deputy Police Chiefs, the Police Service Specialists, the Ann Arbor Police Professional Assistants, members of the AFSCME union, and members of the Teamsters union.

As shown in the below chart, five of the seven unions in the Police Department have the hybrid pension plan for new hires - the Deputy Police Chiefs, the Police Service Specialists, the Ann Arbor Police Professional Assistants, AFSCME, and Teamsters.

Bargaining Unit	Effective Date
AAPPA	Employees hired on or after January 1, 2018 fall under the Hybrid Pension Plan.
PSS	Employees hired on or after January 1, 2018 fall under the Hybrid Pension Plan.
Deputy Chiefs	Employees hired on or after June 5, 2017 fall under the Hybrid Pension Plan.
AFSCME	Employees hired on or after January 1, 2017 fall under the Hybrid Pension Plan.
TEAMSTERS	Employees hired on or after January 1, 2017 fall under the Hybrid Pension Plan.

CA-7 – Resolution to Extend the Contract with Doan Construction Company for the 2020 Sidewalk Repair Program (\$811,524.50)

CA-8 – Resolution to Extend the Contract with CLI Concrete Leveling, Inc. (Bid No. 4523) for the 2020 Sidewalk Repair Program (\$90,350.00)

CA-9- Resolution to Extend the Contract with Precision Concrete, Inc. (Bid No. 4566) for the 2020 Sidewalk Repair Program (\$196,001.00)

Question: Regarding CA-7 through CA-9, can you please provide the annual amount we've spent for the sidewalk repair program (not new sidewalks or sidewalk gaps) since we started the annual 5-year cycle in 2012? (Councilmember Lumm)

Response:

2012 Program \$ 646,108
2013 Program \$1,087,657
2014 Program \$1,272,450
2015 Program \$1,636,029
2016 Program \$1,737,825
2017 Program \$1,195,912

2018 Program \$1,505,897
2019 Program \$1,343,052 (final project accounting not complete)

Question: Also on CA-7 through CA-9, the contingency amounts are relative high (20% on CA-7 and 50% on CA-8 and CA-9) compared with other construction contracts. Can you please speak to that and especially to the 50% in CA-8 and CA-9)? (Councilmember Lumm)

Response: The quantities that are in the contracts are based on estimations by staff, and can vary considerably from year to year and location to location. Often this will lead to one contract being higher than expected and another being lower than expected. Because of these unknowns, staff is requesting a higher contingency amount so that if it is found during the course of construction that additional spending authorization is needed on one or more of the contracts, it will not delay construction.

CA-12 - Resolution to Approve an Increase to the Purchase Order with Core and Main LP for the Purchase of Utility Infrastructure Materials (\$100,000.00)

Question: Regarding CA-12, the cover memo indicates this PO increase will cover requirements through the end of the fiscal year. Is the plan to conduct an RFP prior to June 30th to set prices for FY21? Also, in layman's terms, what has caused the increase in usage of the materials? (Councilmember Lumm)

Response: Public Works intends to increase the estimated quantities of parts in future Invitations To Bid (ITB) documents to account for the anticipated continued increase in maintenance activities. This increase in maintenance is related to an increase in planned repair projects completed in coordination with other City street and utility projects.

CA-13 - Resolution to Approve Amendment No. 1 to the General Services Agreement for Electrical and Instrumentation Support Services with Utilities Instrumentation Service, RFP #19-23 and Appropriate Insurance Proceeds to the Filter Pipe Gallery Emergency Repairs Project Budget (\$1,280,000.00) (8 Votes Required)

Question: Regarding CA-13, the cover memo indicates that since the flood, portions of the filter process must be run manually. Presumably, that means the city has incurred extra personnel costs (overtime?) and if that's accurate, are we able to recover the extra labor costs (or other extra operating costs) through the insurance? (Councilmember Lumm)

Response: Yes, we are able to recover additional labor costs (including overtime) that the city has incurred associated with both the initial response to the flood event and to the continued rehabilitation.

C-1 – An Ordinance to Amend Chapter 55 (Ann Arbor Unified Development Code), Rezoning of 0.6 Acre from C2B (Business Service District) to C3 (Fringe Commercial District), MSGCU Rezoning, 2151 West Stadium Boulevard (CPC Recommendation: Approval - 6 Yeas and 0 Nays)

Question: Regarding C-1, the staff report for the January 22 Planning Commission meeting indicated the Planning Commission postponed action at their December 3 meeting because there were concerns about the plan. Have the site plan revisions addressed the concerns? Also, have any objections been raised to the re-zoning (or site plan)? (Councilmember Lumm)

Response: Yes, concerns about pedestrian safety, circulation/drive-throughs, and the total amount of impervious surfaces were addressed by the petitioner to the satisfaction of the Planning Commission. No objections have been raised to the rezoning. One public comment letter was received from a resident opposed to adding an auto-oriented use in this location. There were no speakers at the December 3 public hearing.

DB-1 – Resolution to Approve The Standard at Ann Arbor Site Plan and Development Agreement at 405 South Main Street (CPC Recommendation: Approval - 9 Yeas and 0 Nays)

Question: Q1. The cover memo states the building is 19 stories, but all the supporting documents (staff reports etc) indicate the building is 10 stories on the northern part of the building and 5 stories on the balance. I'm assuming the cover memo is a typo, but can you please confirm? Also, can you please confirm the sq ft of the building – the cover memo contains two different numbers (202,268 and 255,216)? (Councilmember Lumm)

Response: This was a typo, the proposed height of The Standard is 10 stories. The proposed square footage is 202,262 square feet. These typos have been corrected in Legistar.

Question: Q2. The normal D2 maximum FAR is 200% without premiums and the permitted FAR for this proposal is 400% including the premiums. How much of the additional 200% allowable FAR is generated from the residential aspect, the LEED aspect, and the affordable housing? (Councilmember Lumm)

Response: The residential premium (75% of residential floor area) provides 75,859 square feet, The green building premium (50% of lot area) provides 25,286 square feet, and the 2 affordable housing units provide 6,000 square feet.

Question: Q3. I recognize the proposal is being considered under the old premium rules, but what would be the allowable FAR for this proposal under the rules now in place? (Councilmember Lumm)

Response: 250% which includes 200% allowed in the D2 district plus 50% based on LEED Silver Certification.

Question: Q4. Regarding parking, what is the calculation that sets the 101 space minimum, and how many total bedrooms will the project have? (Councilmember Lumm)

Response: The petitioner is required to provide 1 parking spaces per 1,000 square feet of floor area above the base 200% FAR. The petitioner is proposing to provide 101,116 square feet of premium floor area above the 101,146 base floor area which requires 101 parking spaces. 102 spaces are proposed. 421 total bedrooms are proposed.

Question: Q5. Can you please summarize the neighborhood/public input that's been received on this proposal so far (if any) and if there have been objections/opposition what specifically were the concerns? (Councilmember Lumm)

Response: From the approved Planning Commission minutes: a) "there have been no substantial changes to the plan since the Citizen Participation meeting....concerned about alley access, traffic, trees and affordability."; b) "concerned about looking at construction every day...concerned with multiple users using the alley which may be blocked by delivery and pickup vehicles, also concerned about traffic"; c) "color is ugly and concerned about traffic and the need for public art"; d) "wondering about affordable units; encourage an increase in the number of units"; e) "concerned about traffic....propose an access drive through the middle of the building between S. Main and the alley". Written communication: "concerned about management of alley particularly regarding delivery vehicles and Ubers blocking access, etc., alley is currently used by many people including folks with disabilities".