



---

TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Steven D. Powers, City Administrator

SUBJECT: AAATA

DATE: May 9, 2014

---

**Question:** On page 6 of the Budget Message, the AAATA expenditures are shown as \$9,797,711 and in that same response, the net transferred to AAATA was indicated as \$9,699,734. Can you please reconcile the difference? (Councilmember Lumm)

**Response:** The AAATA expenditures are made up of the transfer to AAATA (\$9,699,734) and the 1% fee paid to the City by the AAATA per the contractual arrangement with the City (\$97,977). The total expenditure line is \$9,797,711 with a net transfer to the AAATA of \$9,699,734.



---

TO: Mayor and Council

FROM: Tom Crawford, CFO  
John Seto, Safety Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Animal Control

DATE: May 9, 2014

---

**Question:** Page 219 includes “K-9 unit” as a police service. Line item 3159 shows \$341,371 as the 2014 forecast and \$360,138 for 2015. What activities does this support and what contributes to the increase? (Councilmember Petersen)

**Response:** K-9 activity in the budget includes all costs associated with the two K-9 officers and the K-9s. The total increase from FY14 forecasted to FY15 for the K-9 activity is 5.5%. The following items make up that increase:

- Salaries for the two officers increased by 4.4%. That is made up of step increases plus a yearly increase for each officer.
- Payroll Fringes increased by 5.8%, with the biggest increases being VEBA and Pension.
- The two K-9 Officers require specialized police vehicles. Fleet charges increased by 18%, with the biggest increase being Fleet Depreciation, due to a change in vehicle types being purchased.

**Question:** Line 3172 for “Animal Control” is \$28K; I assume this is for our contract with the county? (Councilmember Petersen)

**Response:** Yes

**Question:** Why are these separate line items? (Councilmember Petersen)

**Response:** They are separate because these are different activities. K-9 encompasses law enforcement activities by police officers and their canine partners. In

addition to general patrol, these two K-9 Units also perform narcotics detection and tracking for criminal suspects and missing persons. Animal Control encompasses the enforcement of the City's Animal Control Ordinance. These tasks fall on police officers or assistance from Washtenaw County Animal Control Officers.



---

TO: Mayor and Council  
FROM: Tom Crawford, CFO  
CC: Steven D. Powers, City Administrator  
SUBJECT: Asbestos Abatement Project  
DATE: May 9, 2014

---

**Question:** In the response to my question requesting detail on the \$1.0M Larcom Asbestos Abatement Project, \$905K (90%) was simply listed as “lump sum” contracts (\$732K for floors 3-5 and \$173K for floor 2) with no detail provided. I’m sure that for contracts of this magnitude there is a good bit of supporting detail, so could you please forward that detail. Also, in the response, it was indicated that the project budget “does not include costs for cabling, painting, moving walls or new furniture and fixtures since these are considered maintenance versus capital expenditures.” While you may account for them as maintenance, and that’s fine, I would still like the detail on how much was spent and for what. (Councilmember Lumm)

**Response:**

**Floors 3-5:** \$731,900 existing approved asbestos removal contract with Emergency Restoration including one change order in the amount of +\$2,900 for flooring material changes. (The detailed Contract is attached)

**Floor 2:** \$173,000 is an estimate of costs based on the current Emergency Restoration Contract. An ITB is planned to be issued for the work on the second floor this upcoming July.

Painting of 3 <sup>rd</sup> , 4 <sup>th</sup> , and 5 <sup>th</sup> floors	\$16,521
Refurbished furniture (cubicles, desks) for the 5 <sup>th</sup> floor	\$19,890
Network cabling	\$39,705
3rd floor	In process - tbd



# City of Ann Arbor

301 E. Huron St.  
Ann Arbor, MI 48104  
[http://a2gov.legistar.com/  
Calendar.aspx](http://a2gov.legistar.com/Calendar.aspx)

## Council Action

Resolution: R-13-381

File Number: 13-1463

Enactment Number: R-13-381

Resolution to Approve a Contract with Emergency Restoration Company for the Asbestos Abatement and Restoration of Floors 3, 4 and 5 in the Guy C. Larcom City Hall Building (\$729,000.00) (ITB No. 4310) and to Appropriate Funds (\$400,000.00) (**8 Votes Required**)

Whereas, There is a need to remove asbestos containing materials from the Guy C. Larcom City Hall building for the safety and welfare of staff and the public;

Whereas, The project to remove the remaining asbestos containing materials from the building is planned in two phases during 2014;

Whereas, Four bids for phase one of this work, which includes floors 3, 4 and 5, were opened November 6, 2013, and Emergency Restoration Company, submitted the lowest responsible bid under ITB No. 4310;

Whereas, Emergency Restoration Company, received Human Rights and Living Wage approval on November 18, 2013;

Whereas, Funding for the entire project was included in the approved FY14 Capital Improvements Plan; and

Whereas, The timing of the proposed work makes it necessary to move the entire project funding into the approved FY14 General Fund Budget and eliminate the funding in the proposed FY15 General Fund Budget, resulting in no unanticipated impacts to the General Fund over the current two-year budget cycle;

RESOLVED, That City Council amend the FY14 General Fund Budget by appropriating \$400,000.00 from the General Fund balance for this project;

RESOLVED, That City Council increase the fund 00CP established project budget by the \$400,000.00 additional general fund appropriation for a total project amount of \$1,000,000.00 to cover both phases of the proposed abatement project including asbestos abatement, fireproofing, air monitoring, restoration, relocation and contingency for floors 2-5 of the Guy C. Larcom City Hall building;

RESOLVED, That City Council approve a contract, per ITB No. 4310, with Emergency Restoration Company, in the amount of \$729,000.00;

RESOLVED, That City Council authorize a construction contingency of \$72,900.00 to cover potential contract change orders, subject to the approval of the City Administrator;

RESOLVED, That the project funds are available for the life of the project without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said contract after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution, including the approval and execution of change orders within the approved contingency amount.

At a meeting of the City Council on 12/2/2013, a motion was made by Christopher Taylor, seconded by Jane Lumm, that this Resolution R-13-381 be Approved. The motion passed.



---

TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Steven D. Powers, City Administrator

SUBJECT: Leaf Pick-Up

DATE: May 2, 2014

---

**Question:** What is the impact to Solid Waste Fund if loose leaf pick-up was restored and funded from Solid Waste Fund? (Mayor Hieftje)

**Answer:** In 2010, the City of Ann Arbor transitioned away from providing two bulk street leaf pickup days per neighborhood to expanding the weekly curbside compost pickups to accommodate unlimited bagged leaves through mid-December.

The general benefits include:

- Providing weekly curbside leaf pickups instead of relying on two seasonal street collections.
- Avoiding problems with vehicles parking over leaves on the pickup day, impeding truck collection access, and resulting in complaints from neighborhoods with street leaves left behind for a season.
- Increasing the efficiency of leaf collection by not deploying additional specialized vehicles and staff to pick up bulk leaves.
- Increasing safety for bicyclists along marked bike lanes and other streets.
- Responding to seasonal weather variations. If warm, dry weather delays the leaf-drop or early snowfall reduces the opportunity for street collection at the end of the season, every resident gets the same weekly access to leaf pickup each year.
- Allows for the proper labor and equipment resources for the complete city-wide street sweeping prior to winter maintenance activities.
- Provides for an annual cost savings of \$285,000 per year.

The environmental impacts:

- Prevents the contamination of leaves by street trash and oil.
- 28% decrease in stormwater system customer services requests for plugged inlets, flooding, etc.

**Storm System Request History: Bagged Versus Bulk Leaf Collection**

Year	Leaf Collection Type	Total Storm System Requests (Plugged Inlets, Flooding, Etc.)	Averages	Percent Decrease
2013	Bagged	41	53	28%
2012		33		
2011		85		
2010	Bulk Street Collection	115	74	NA
2009		100		
2008		71		
2007		32		
2006		52		

- Prevents leaves from clogging storm drains, which leads to neighborhood flooding and results in pollutants entering the Huron River, which is the primary source of the city’s drinking water.
- The City streets are part of stormwater system. Raking leaves in to the system will clog it, pollute it, and support the sense that citizens can throw things in to it.
- The MS4 NPDES stormwater permit requires the City to “prevent or reduce the discharge of pollutants from municipal facilities and operations”.
- In the guidance documents for municipal stormwater permitting, the USEPA has offered that a bagged curb-side leaf litter pick-up program is able to maximize the reduction of leaf litter and prevent it from entering the storm drain.
- Street sweepers avoid leaf piles and this reduces the effectiveness of this practice (sweepers may also emulsify leafy debris and make it more easily entrained by runoff)
- Leaf debris entrained by runoff causes water quality issues in the receiving waters of the state (i.e. Huron River). Because the City’s entire storm drains outlet to the Huron River, they are a direct conduit for leaf debris and any materials that are in the debris materials. The leaf litter that is washed down the storm drains contributes total suspended solids (TSS) in the storm water. TSS are regulated by a total maximum daily load (TMDL) in some of our creek sheds. The decomposition process of leaf debris uses oxygen from within the river water.
- Bagged curbside collection of leaves incentivize residents to either mulch leaves on their own lawns or compost them in their backyards. The table below shows a 26 percent reduction in leaf tonnage since the program began.



### Bulk Vs. Bagged Leaf Pick-Up Comparison

Year	Leaf & Yard Waste Tonnage
2013	4,211
2012	3,946
2011	2,856
Bagged Leaf Average:	3,671
Past Bulk Leaf Pick-up Average:	4,930
Difference:	(1,259)

The disadvantages include:

- Residents additional cost for paper bags.
- Resident additional effort required to purchase and fill bags.

Restoration of a **loosebagged** leaf pick-up program would have budget and program impacts:

#### Budget:

The potential budget impacts include:

- One-Time Capital Cost: \$406,000
- Increased recurring annual operating leaf collection costs: \$293,500

Budget impacts would not have an immediate effect on cash flow; however, future year cash flows will be effected depending on the development of the below listed forecasts and programs.

Operational anticipated changes:

- **Landfill tip fees:** The current contract expires June 30, 2017. The rates that we currently have are very favorable. Current market rates project increases from 13%-50%, \$89,900 and \$345,800 respectively.
- **Additional recycling truck:** An additional recycling truck may be needed to handle collection from the expanded commercial recycling program. Additional one-time costs are estimated at \$310,000 with additional annual operating costs of \$35,000.
- **Recycling markets:** Recycling markets have fluctuated substantially in recent years, with high of \$1,353,571 in FY 12 and a low of \$315,000 in FY 10. The periods of positive market conditions resulted in additional dollars being added to the solid waste fund balance. Projected market conditions level off and average approximately \$600,000 annually.

The potential program impacts include:

- **Year-round residential food waste collection:** Currently, food waste is collected seasonally with compost. The Solid Waste Plan suggested that the

City implement a year-round collection for food waste. Originally, this was going to be paid for with savings from going to every other week refuse collection. Because this option was eliminated in the approved plan, a move to year-round food waste collection will result in approximately \$300,000 additional operating costs.

- **Commercial food waste:** The Solid Waste Plan identifies commercial food waste as suggested program. Implementation of this would not only involve additional collection costs, but would likely involve a new processing system. The current compost site would likely not be able to be able to handle the volume and concentration of food waste from the commercial sector. This would likely be processed through a biodigester, or a similar technology. The City currently has an RFP to evaluate the feasibility of a biodigester. An additional \$150,000 of annual operating costs and \$310,000 in capital investments are projected.
- **Multi-family recycling:** The City provides recycling collection to all multi-family units in the city, but the participation in this program is much lower than for the single family sector. The City currently has an RFP out to evaluate recycling incentive programs for the multi-family sector. Additional operating costs are initially projected at \$150,000 annually; however, it is possible that the recommendations from this program will result in a reduction of waste and a decrease of associated costs in the long term.
- **Additional recycling initiatives:** The Solid Waste Plan identified a number of additional recycling initiatives. These included “Away from Home recycling”, such as recycling in Parks, DDA, and special events. This would also include expansion of zero waste initiatives.



---

TO: Mayor and Council

FROM: Tom Crawford, CFO  
Craig Hupy, Public Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Corridor Transportation Studies

DATE: May 9, 2014

---

**Question:** There is also \$200K in one-time expenses for two corridor transportation studies in FY15 - \$150K for State Street and \$50K for Ellsworth. There is also \$150K shown for State Street Corridor Transportation Study on the capital page in the column "prior FY's" (a total of \$300K). I'm confused on the various State Street Corridor studies (Transportation or otherwise) that have been done or are planned and would appreciate a recap. Can you please list what studies have been done already and what is planned with these in FY15 including the general scope of each study, prior and planned, as well as its cost and funding source? (Councilmember Lumm)

**Answer:** The South State Street Corridor Plan was a land use planning effort led by the City's Planning and Development Unit, which was adopted by City Council in July 2013 as a component of the City of Ann Arbor Master Plan. The South State Street Corridor Plan established planning objectives for the land use along the corridor. That plan examined the State Street corridor from Stimson Street to Ellsworth Road and recognized the area as a major employment center and retail destination. It described the corridor as a high-activity area that is primarily automobile-oriented, connecting I-94 to the downtown and recommended that transportation and aesthetic improvements be examined for the corridor. This effort was performed by in-house staff.

The South State Street Transportation Corridor Study is an upcoming project that will examine the transportation characteristics of South State Street from Oakbrook Drive to Ellsworth Road with the overall goal to evaluate community and transportation needs in this key corridor and provide base conceptual engineering plans for the redesign of the corridor. Of interest is the potential to create a modern boulevard "Complete Street" design or similar alternative that will: address all modes of travel; enhance vehicle flow;

improve safety; create an aesthetically pleasing entrance to the City; and, utilize sustainable concepts such as low impact design ("LID"), and low energy use lighting. It is anticipated that an item will come before City Council at its regular meeting on June 2, 2014 to award a contract for this work, utilizing \$150,000 from the current (FY14) General Fund budget (the "prior years" funding in the proposed FY15 budget) and the \$150,000 in the proposed FY15 General Fund budget.

The \$50,000 for Ellsworth Road will be a project similar to the above-described transportation study, examining the Ellsworth Road transportation corridor for all modes of travel, from South State Street to Platt Road.



---

TO: Mayor and Council

FROM: Tom Crawford, CFO  
Craig Hupy, Public Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Energy Office

DATE: May 9, 2014

---

**Question:** There is no reference I could see to funding/adding the second position in the Energy Office. Is that correct? (Councilmember Lumm)

**Answer:** Funding for the second Energy Program Analyst position will require General Fund resources. As noted in Mr. Powers' memo to Council regarding *Resolution R-14-095 Recommending Staff Resourcing for Community Energy Efficiency* dated May 5, 2014.



---

TO: Mayor and Council  
FROM: Craig Hupy, Public Service Area Administrator  
CC: Steven D. Powers, City Administrator  
SUBJECT: One-time Expenditures for Facilities  
DATE: May 9, 2014

---

**Question:** In looking at the capital budget proposal, there are 3 items in the city-owned buildings section related to fire stations that total \$168K. Is that what the \$178K is for and the numbers are just off (or is there's \$10K for something else) or is this \$178K for something else? (Councilmember Lumm)

**Answer:** The one-time expenditures for Facilities include \$10,000 in funding to hire an engineering consultant to seek recommendations for potential replacement of fire stations 3 and 4:

\$ 38,000	Fire Station Mechanical Replacements
\$ 45,000	Fires Station Asbestos Abatement Stations 1, 3, 4, & 6
\$ 85,000	Fires Station 3 Roof Replacement
<u>\$ 10,000</u>	Engineering Consultant – Fire Stations 3 & 4
<b>\$178,000</b>	



---

TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Steven D. Powers, City Administrator

SUBJECT: GASB #68

DATE: May 9, 2014

---

**Question:** Regarding the GASB #68-related changes, the draft budget resolution in the budget book indicates the impact on both revenues and expenses is \$11,199,502, but the April 17 response to a question indicated the impact was about \$125K lower at \$11,074,485. Can you please confirm which is the correct impact? (Councilmember Lumm)

**Response:** The correct impact is \$11,199,502 and is reflected in the FY2015 recommended budget. The \$11,074,485 was the original impact number and was not reflective of all the personnel activity changes throughout the past month.



TO: Mayor and Council

FROM: Tom Crawford, CFO  
Craig Hupy, Public Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Hydro Power

DATE: May 9, 2014

**Question:** If it's available, could you also please provide a P&L or cash flow analysis for Hydropower over the last five years or so? (Councilmember Lumm)

**Answer:**

	<u>2009</u>	<u>2010</u>	<u>2011*</u>	<u>2012</u>	<u>2013</u>
<b>Revenue</b>	<b>528,299</b>	<b>413,410</b>	<b>161,022</b>	<b>505,412</b>	<b>514,089</b>
<b>Expenditures</b>	<b>(362,008)</b>	<b>(248,716)</b>	<b>(510,325)</b>	<b>(523,225)</b>	<b>(119,216)</b>
	<b>166,292</b>	<b>164,694</b>	<b>(349,303)</b>	<b>(17,814)</b>	<b>394,873</b>
<b>*Superior Dam was out of service</b>					

The dams require periodic capital improvement work which are sometimes recorded as an expense in the above numbers. When the work is performed the dams may need to be taken out of service, which effects revenue generation. Due to this and other factors, there are years that the dams show profitability and years where they do not.





---

TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Steven D. Powers, City Administrator

SUBJECT: Medical Costs

DATE: May 9, 2014

---

**Question:** In the presentation April 21<sup>st</sup>, one slide indicated that employee medical costs were up 4%. Can you please explain how the 4% was derived, and what your assumption is for medical cost inflation? Are there any changes in the employee health care plans contemplated for FY15 including plan design, employee deductibles and co-pays, and employee premium sharing? (Councilmember Lumm)

**Response:** The 4% was the estimated increase in the General Fund from one year to the next excluding the changes from GASB #68 but including changes for things like employee waivers of coverage, revised staffing allocations, etc. The per employee inflation assumption behind this is 6.45%. This estimate is derived in collaboration with our benefits consultants, and illustrates the City's health insurance plan is still out performing the Blue Cross Blue Shield of Michigan (BCBSM) national trend annual increase of 9.6%.

Since the City changed its plan year to a calendar year, it will not consider plan design changes until September when it can better determine if it will remain under the State's "hard cap" limits. If medical rates are projected to be over the hard cap limits, the City will be required to make plan design changes to bring the plan back in line with the hard cap.



---

TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Steven D. Powers, City Administrator

SUBJECT: Non-Departmental

DATE: May 9, 2014

---

**Question:** In the non-departmental service area, there are \$23.4M in expenditures proposed which includes \$9.2M in general debt service and \$9.8M transfer to AAATA. Can you please provide the detail for the remaining \$4.4M including the detail supporting the \$846K proposed for personnel services and \$236K for other services? (Councilmember Lumm)

**Response:** See chart below.

<b>Description</b>	<b>Amount</b>	<b>Expenditure Category</b>
Severances projected for employees eligible to retire	\$846,000	Personnel Services
Tax Refunds for Michigan Tax Tribunal Decisions	\$200,000	Other Charges
Citywide Memberships and contract for SPARK services	\$127,135	Other Charges
Contract & Legal Settlement Contingency	\$1,619,286	Other Charges
Transfers to the debt service fund from the General Fund	\$1,007,187	Pass Throughs
City-wide phone charges, training, employer's share of parking, additional VEBA funding	\$235,409	Other Services
City Administrator's contingency	\$182,974	Other Charges
All other items such as postage, other pass-throughs, etc.	\$193,970	Various



---

TO: Mayor and Council

FROM: Tom Crawford, CFO  
Sumedh Bahl, Community Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Parks

DATE: May 9, 2014

---

**Question:** Also on fees, the budget book did not include anything for Parks and Recreation other than the Farmer's Market stall rate proposal. Are there any other recommended increases in Parks and Recreation fees for FY15? (The reason I ask is that in the GF Revenue by Agency detail, the "charges for services" amount for Parks and Recreation is budgeted to increase about \$240K in FY15 to \$3.9M.)? (Councilmember Lumm)

**Response:** There are no other fee increases proposed for Parks & Recreation Services.

The increase in revenue is primarily composed of the following:

- \$163,741: Farmer's Market revenue now recognized in the General Fund
- \$55,500: Increased revenue projections at Argo Livery, based on usage experience the last two seasons
- \$30,000: Increased participation and new programming at Mack Pool

**Question:** Specifically on the Farmer's Market, I understand that these fees have not been raised since 2009 and appreciate that the increases proposed (if passed) would not be billed to the vendors until May 2015. However, these proposed increases are very large (30% to 50%) and the anticipated increase in rents (\$25K in total) would certainly present a hardship for the market vendors. What feedback has been received from the vendors on the proposed fee and rent increases? Did Staff (or the Market Commission) consider a multi-year phased approach rather than implementing these

increases all at once? Also, can you please elaborate on the intended use of the increased revenues? (Councilmember Lumm)

**Response:** The proposed fee increases have been discussed at multiple Public Market Advisory Commission (PMAC) meetings and were shared with vendors early on in the process.

Here are dates that fee increases were discussed at PMAC:

October 17, 2013 (Stall Fee Evaluation & Market Revenue Generation on PMAC agenda)

January 16, 2014 (Budget Update, GASB Information and Stall Fee Review)

February 27, 2014 (Stall Fee Increase Proposal Memo)

March 20, 2014 (Vote on Stall Fee Increase Memo)

The PMAC composition includes two vendor representatives and both have spoken in support of the increases at multiple meetings. The daily vendor representative suggested PMAC consider larger increases. During public commentary at the March 20<sup>th</sup> PMAC meeting a vendor spoke in support of the increases. The Market Manager has received a few questions regarding when the proposed fees would go into effect; but by and large her conversations with vendors at market have either been neutral or supportive of the increases. Prior to the start of this discussion at PMAC in October 2013, several long-standing vendors voluntarily suggested a fee increase to the Market Manager for market stalls.

Vendors receive monthly newsletters (the vast majority of vendors receive these via email and hard copies are also available in the Market office) that include the upcoming dates of PMAC meetings with the links to the agenda, minutes of previous meetings, and video recordings. As such vendors could access information about the stall fee evaluation dating back to October 2013 when discussion of stall increases began. The proposed increases were officially brought to the February PMAC meeting. Each month vendors are encouraged to attend the meetings and are given the direct email address for PMAC if they have feedback and are unable to attend the meetings.

PMAC unanimously recommended approval of the fees at their March 20<sup>th</sup>, 2014 meeting and the Park Advisory Commission followed suit on April 15<sup>th</sup>, 2014.

The Market Commission and staff considered a phased approach to implementing the fees, but felt that comparative data strongly supported the implementation of the proposed fees in full.

The increased revenues will offset increased expenses at the Market. In the last five years the Market has experienced a significant increase in the number of transactions conducted in association with token programs. Each of these programs supports the market vendors in offering customer flexibility in payment methods and encouraging increased spending at the market, along with bringing new shoppers to the market. The

following programs are managed by the Market and new since 2009, the time of the last fee increase:

- Credit card tokens are available to customers who do not bring cash to shop at the market.
- Electronic Benefit Transactions (EBT) (for customers participating in the Federal Supplemental Nutrition Assistance Program (SNAP)), has allowed the market to become more accessible to low-income individuals who otherwise might not feel able to shop at the Ann Arbor Farmers Market. Beginning in 2010 the market has processed over \$100,000 of new market revenue in the form of SNAP benefit transactions. This program, which requires a greater degree of administrative work on the part of market staff, provides a significant additional source of revenue for the market's vendors.
- The volume of EBT transactions has significantly increased since 2010, when the market began participating in Double Up Food Bucks (DUFEB), a program of the Ann Arbor-based organization, Fair Food Network. The Market has received funding for this program to incentivize the use of SNAP benefits at farmers markets and to support Michigan produce farmers. The program doubles the money SNAP recipients receive when they purchase EBT tokens at farmers markets, specifically allocating the matching funds to be spent on Michigan fruits and vegetables at participating farmers markets. The DUFEB program has brought more than \$90,000 in additional spending money to Ann Arbor Farmers Market since 2010.

The significant financial benefits of these various token programs to market customers and vendors have come with associated costs, in terms of staff time and administration. Due to the growth of the token reimbursement programs, and in order to adequately accommodate the number of customers and vendors utilizing token transactions, a support staff person must be present to support the market manager on market days. In order to continue providing outstanding customer service to both visitors and vendors at the Market, it is necessary to increase the budget for staffing by \$10,000. Staff support for these programs ensure that market vendors have every opportunity to make sales while allowing the shopper a convenient shopping experience.

Finally, in order to adequately carry out Section III.4 of the Public Market Operating Rules, which stipulates that vendors will be inspected every two years to ensure their producer's-only status, the budgeted expense for inspector compensation is proposed to increase. The current budget allocates \$6,500 for contracted services to an inspector. In order to effectively conduct inspections in accordance with the two year schedule set forth by the operating rules, it is estimated that \$10,000 needs to be budgeted annually.



---

TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Steven D. Powers, City Administrator

SUBJECT: Parks Fairness

DATE: May 9, 2014

---

**Question:** The response to the question on the “parks fairness” resolution indicated that “we expect to satisfy \$70K of this requirement with a transfer from contingency to support an updated pay scale for temporary employees.” Can you please elaborate on that including the reference to contingency (how much contingency is built in the budget) and the details of the increases that would be implemented? (Councilmember Lumm)

**Response:** Over the last year Parks & Recreation staff worked collaboratively with Human Resources to develop an updated pay scale to make necessary market adjustments to remain competitive in hiring temporary employees. The new pay scale went into effect on May 4, 2014. The cost of implementing the new wage scale is anticipated to be approximately \$70,000 in FY2015.

Contingency is \$183k in the General Fund for FY2015 and would be used by the City Administrator for minor, unanticipated changes during the year, within city policy.

Service units do not budget contingency dollars without specific reasons that are highlighted to Council. Contingencies in this way are not “extra” budgeted dollars but a budget line to place the dollars in until the detailed allocation of the amount is known.



---

TO: Mayor and Council

FROM: Tom Crawford, CFO  
Craig Hupy, Public Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Project Management and Systems Planning Fees

DATE: May 9, 2014

---

**Question:** There are significant fee increases proposed in the Project Management and Systems Planning areas related to plan reviews, inspections, permits, etc. Have we benchmarked our planning/private development related fees with other communities and if so, what was the result? Also, did we update the fully-burdened cost estimates recently and, if so, what was the general outcome of that update? (Councilmember Lumm)

**Answer:** We have not benchmarked our fees with the fees from other communities. As each community's development process is different, it would not result in a meaningful comparison. The proposed fees strive for cost-recovery for each activity, and the rates and fees are based on our fully burdened cost estimates for the upcoming fiscal year.





TO: Mayor and Council

FROM: Tom Crawford, CFO  
Craig Hupy, Public Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Water, Sewer, and Storm Water Proposed Rate Increases for FY 15

DATE: May 9, 2014

**Question:** Can you please provide the respective Water, Sewer, and Storm rate increases for FY 15 that are assumed in the revenue projections and will be proposed? (Councilmember Lumm)

**Answer:** The proposed rate increases for the typical residential customer are as follows:

	2014	2015
<b>Water</b>	\$ 54.90	\$ 56.57
<b>Sewer</b>	\$ 80.60	\$ 84.40
<b>Stormwater</b>	\$ 31.62	\$ 33.09
<b>Subtotal:</b>	\$ 167.12	\$ 174.06
<b>Early Payment Discount</b>	\$ (16.71)	\$ (17.41)
<b>Average Quareterly Bill</b>	\$ 150.41	\$ 156.65

<b>Annual Increase</b>	\$24.96
<b>Effective Increase</b>	4.2%



---

TO: Mayor and Council

FROM: Craig Hupy, Public Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Roads Budget

DATE: May 9, 2014

---

**Question:** Can you please send me (for distribution) an e-version of the "roads" budget -- including maintenance/repair/resurface/reconstruction? (Councilmember Taylor)

**Answer:** Please see attachment.

**Road  
Expenditures by Fund-Activity**

<b>Fund-Activity</b>	<b>Actual FY2012</b>	<b>Actual FY2013</b>	<b>Budget FY2014</b>	<b>Forecasted FY2014</b>	<b>Request FY2015</b>
<b>0021 Major Street</b>	<b>6,190,449</b>	<b>6,168,955</b>	<b>8,028,188</b>	<b>7,180,926</b>	<b>7,084,197</b>
1000 Administration	1,654,453	1,503,750	1,837,160	1,954,808	1,941,215
1100 Fringe Benefits	846,911	759,168	580,279	580,279	564,741
4123 Signal Installaion/Rebuild	93,880	80,888	397,219	214,783	419,855
4124 Traffic Signal Maintenance	200,085	258,150	322,430	222,231	308,029
4125 Signal Prevent Maint	74,099	48,789	62,771	52,667	74,672
4126 Signal Emergency Repair	176,392	152,683	164,297	169,772	158,362
4127 Signal System Control	183,552	223,885	297,537	329,746	204,143
4128 Signal Shop Work	16,216	21,586	30,678	27,175	31,990
4129 Grid Expansion/Maintenance	5,650	10,577	6,515	6,489	6,778
4135 Sign Shop Work	6,268	9,817	16,984	16,764	17,702
4136 Sign, Work for others	46,017	41,292	30,914	50,092	31,537
4142 Major Sign Manufacture	20,394	22,322	21,527	25,131	22,495
4146 Football/Special Events	34,883	56,030	57,367	116,690	56,843
4147 Major St Pavement Marking	45,428	147,738	134,697	144,048	140,662
4149 Major Traffic Signs	96,289	101,608	165,005	157,115	118,955
4183 Trunkline Construction	1,055	2,761	7,909	8,037	8,079
4184 Trunkline Signal Install	5,985	21,002	8,309	8,933	8,479
4185 Trunkline Prev Maint	18,553	18,091	16,595	9,451	17,151
4186 Truckline Emerg Repair	19,572	39,139	26,920	27,044	27,476
4187 Trunkline System Control	3,593	3,183	6,909	6,212	7,079
4215 Local Salting/Plowing	-	-	-	-	-
4222 Pothole Repair	256,623	345,643	239,149	414,809	247,272
4227 Pavement Evaluation	26,028	36,368	184,398	183,774	31,105
4229 Right-Of-Way Studies/Maint	85,823	134,921	128,751	133,998	127,081
4231 BR 23 Sweeping	266	272	1,069	460	1,117
4232 BR 23 Pothole Repair	2,215	2,587	5,484	4,218	5,451
4235 BR 23 Winter Maintenance	7,503	10,280	13,648	14,323	14,127
4239 BR 23 Traffic Signs	940	691	6,199	2,870	6,454
4240 Major Base Repair/Overlay	132,300	93,411	301,639	177,797	277,054
4245 Major Salting/Plowing	362,347	278,221	590,002	479,643	557,663

**Road  
Expenditures by Fund-Activity**

<b>Fund-Activity</b>	<b>Actual FY2012</b>	<b>Actual FY2013</b>	<b>Budget FY2014</b>	<b>Forecasted FY2014</b>	<b>Request FY2015</b>
4248 Major Surface Treatment	2,941	4,117	109,464	128,596	198,105
4251 Street Sweeping	286,735	297,355	180,907	170,745	180,313
4252 Bridge Maintenance & Repair	11,872	1,416	5,515	2,489	5,753
4253 Shoulder Maintenance	26,541	23,265	17,183	27,604	17,857
4254 Misc Concrete Repairs	22,231	2,238	26,964	24,363	27,605
4255 Sidewalk Ramps	33,942	11,385	65,279	58,779	65,974
4256 Shop Work	1,899	1,250	3,258	1,623	3,400
4257 Eng Services/Inspections	66,298	66,528	56,203	56,203	58,703
4258 Work For Others	2,323	3,111	4,883	19,866	5,029
4520 Traffic Operations	284,015	312,536	370,648	370,648	333,488
4530 Design - Drafting	238	4,071	-	-	-
4531 Design - Engineering	63,723	14,451	-	-	-
4532 Design - Technician	(34)	-	-	-	-
4533 Design - Survey	-	-	-	-	-
4534 Construction - Drafting	-	-	-	-	-
4535 Construction - Survey	-	-	-	-	-
4536 Construction - Engineering	3,474	42	-	-	-
4537 Construction - Inspection	14	-	-	-	-
4538 Construction - Other	31,915	14,304	152,617	-	-
4542 Engineering - Roads	-	-	21,829	-	-
4940 BR 94 Base Repair	22,039	34,041	6,626	16,838	6,676
4941 BR 94 Sweeping	1,220	1,443	1,127	1,121	1,177
4942 BR 94 Pothole Repair	5,085	10,471	3,883	6,256	4,029
4943 BR 94 Shoulder Maintenance	15,887	43,724	9,000	9,000	9,000
4945 BR 94 Winter Mainitenance	27,879	51,636	26,849	40,432	27,781
4949 BR 94 Traffic Signs	4,436	3,309	6,799	3,903	7,054
7011 Call Center	7,407	9,420	7,175	7,153	7,430
7015 Study/Planning	-	81,534	83,468	-	-
7016 Design	1,181	2,194	2,600	-	-
7017 Construction	71,430	1,619	8,534	-	-
7018 Field Ops Charges	-	-	2,600	-	-

**Road  
Expenditures by Fund-Activity**

<b>Fund-Activity</b>	<b>Actual FY2012</b>	<b>Actual FY2013</b>	<b>Budget FY2014</b>	<b>Forecasted FY2014</b>	<b>Request FY2015</b>
7019 Public Engagement	-	-	-	6,432	-
9000 Capital Outlay	59,473	60,557	502,900	-	-
9500 Debt Service	712,963	688,085	689,516	689,516	691,256
<b>0022 Local Street</b>	<b>1,426,286</b>	<b>1,707,157</b>	<b>1,943,323</b>	<b>2,238,612</b>	<b>1,872,414</b>
1000 Administration	64,132	(4,255)	61,651	61,651	62,237
1100 Fringe Benefits	44,038	45,155	45,872	45,872	47,060
4112 Local Sign Manufacture	38,898	39,340	54,951	43,201	57,394
4117 Local St Pavement Marking	7,457	16,996	29,982	39,127	29,982
4119 Local Traffic Signs	97,245	100,185	110,523	105,795	96,653
4137 Traffic Calming	20,596	1,239	75,150	75,150	80,150
4209 Local Grading	112,967	151,902	152,691	173,166	157,622
4210 Local Base Repair/Overlay	340,866	465,614	470,804	470,804	489,266
4211 Local Street Sweeping	275,878	251,124	376,486	253,986	384,962
4212 Local Pothole Repair	92,805	97,157	86,915	129,191	89,512
4215 Local Salting/Plowing	165,484	373,214	194,774	552,561	181,053
4217 Local Pavement Evaluation	20,581	27,901	80,158	79,343	30,155
4218 Local Surface Treatment	2,134	2,920	12,232	9,912	14,574
4219 Local Row Study/Maint	1,134	6,415	38,350	40,495	8,550
4253 Shoulder Maintenance	2,506	6,131	201	5,775	201
4254 Misc Concrete Repairs	1,099	-	12,500	12,500	12,700
4255 Sidewalk Ramps	52,122	39,650	53,552	53,552	43,552
9500 Debt Service	86,344	86,469	86,531	86,531	86,791
<b>0062 Street Millage Fund</b>	<b>18,196,027</b>	<b>21,442,274</b>	<b>37,642,341</b>	<b>14,260,597</b>	<b>10,937,699</b>
1000 Administration	-	821,062	-	-	-
1100 Fringe Benefits	(744)	-	3,127	-	-
1810 Tax Refunds	210,103	118,039	-	-	-
4530 Design - Drafting	162,460	112,183	101,544	-	-
4531 Design - Engineering	604,201	239,318	1,166,845	-	-
4532 Design - Technician	107,757	10,299	88,634	-	-
4533 Design - Survey	116,402	33,576	83,610	-	-
4534 Construction - Drafting	4,093	9,602	32,104	-	-

**Road  
Expenditures by Fund-Activity**

<b>Fund-Activity</b>	<b>Actual FY2012</b>	<b>Actual FY2013</b>	<b>Budget FY2014</b>	<b>Forecasted FY2014</b>	<b>Request FY2015</b>
4535 Construction - Survey	85,502	83,081	82,465	-	-
4536 Construction - Engineering	437,736	176,745	412,528	-	-
4537 Construction - Inspection	499,884	185,405	287,052	-	-
4538 Construction - Other	7,994,715	4,504,914	5,129,861	-	-
4542 Engineering - Roads	341	8,815	274,690	-	-
7015 Study/Planning	-	-	100,000	-	-
7016 Design	868,283	1,087,112	2,948,054	-	-
7017 Construction	6,064,862	13,079,195	17,145,413	-	-
7018 Field Ops Charges	135,579	434,662	146,914	-	-
7019 Public Engagement	-	-	-	-	-
9000 Capital Outlay	526,000	170,449	9,247,661	13,839,000	10,535,600
9042 Street Resurf Contingency	373,677	360,901	391,839	421,597	402,099
9541 Bad Debts	5,175	6,917	-	-	-
<b>Grand Total</b>	<b>\$ 25,812,761</b>	<b>\$ 29,318,386</b>	<b>\$ 47,613,852</b>	<b>\$ 23,680,135</b>	<b>\$ 19,894,310</b>



---

TO: Mayor and Council

FROM: Tom Crawford, CFO  
Sumedh Bahl, Community Services Area Administrator

CC: Steven D. Powers, City Administrator

SUBJECT: Sign Inventory

DATE: May 9, 2014

---

**Question:** What are the objectives of the sign inventory? Can you describe the process? (Councilmember Petersen)

**Response:** Sign inventory is one part of the City's Sign Ordinance Update project which has following objectives: 1) to identify community preferences for the placement and appearance of business signs; 2) to conduct an inventory to determine the extent and character of unauthorized signage; 3) to update or replace the ordinance to implement the community preferences; and 4) to develop processes for administration and enforcement of the updated ordinance.

The selected consultant would assist City staff and a citizen advisory committee in researching case law, review case studies and best practices from other communities; understanding the current conditions from the inventory data; and work with the public to identify desired changes.

## Solid Waste Worker Comp History

Year	# of Injuries	Days Lost Due to Injury
2004	12	31
2005	9	5
2006	8	33
2007	11	9
2008	5	186
2009	7	0
2010	2	81
2011	5	0
2012	2	0





---

TO: Mayor and Council  
FROM: Tom Crawford, CFO  
CC: Steven D. Powers, City Administrator  
SUBJECT: Wage Assumptions  
DATE: May 9, 2014

---

**Question:** Can you please provide information on the wage increases contemplated in this FY15 proposal – both the contractually committed increases by bargaining unit as well as for non-represented employees? (Councilmember Lumm)

**Response:** There are two contracts that extend past the fiscal year 2015 and those contracted rates are reflected in each individual service unit's budget for those represented employees. The AFSCME contract has a 0.5% increase in July 2014 and a 1.5% increase in January 2015. Police Professionals has 1% in January 2015.

There are six collective bargaining contracts expiring 12/31/2014 (Fire contract expires 6/30/14). The City does not publicly discuss wage increases or other contemplated changes since such discussion would affect collective bargaining negotiations.