



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.