



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator
John Fournier, Assistant City Administrator
Matthew V. Horning, Interim Financial Services Area Administrator & CFO
Kim Buselmeier, Budget and Finance Supervisor

SUBJECT: FY21 Budget: 40/40/20

DATE: April 17, 2020

Question #38: February 10 work session LQ1. Last year, we conducted a statistically valid resident survey asking folks how they would spend the county Mental Health and Public Safety millage proceeds and the results were much different than 40/40/20. Recognizing that, the FY21 budget included additional GF spending in the priority areas identified by residents. Is it expected that will occur in the FY21 proposal as well? (Councilmember Lumm)

Response: The FY20 Fiscal Plan included funding for the survey results in both FY20 & FY21. In FY21 the funding is budgeted partially from the General Fund (\$649k for Police) and partially from the fund balance of the county millage fund for the other areas (\$1.3 million).



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator
Matthew V. Horning, Interim Financial Services Area Administrator & CFO
Kim Buselmeier, Budget and Finance Supervisor

SUBJECT: FY21 Budget: Audit Committee/CAFR

DATE: April 17, 2020

Question #54: In response to a question about year-to-year cost increases in public safety, one of the explanations was \$350K for additional contracted services for ticket processing. That seems like a large increase - how much do we pay for ticket processing in total? (Councilmember Lumm)

Response: The annual cost for ticket processing varies with the volume of tickets. The City currently pays \$1.92 per ticket for processing. The City paid \$324,817 in FY18, \$297,884 in FY19 and for FY20 has paid \$195,118 through March 31, 2020 for ticket processing. In FY18 and years prior the cost of the ticket processing was netted against the incoming ticket revenue. Beginning in FY19, an accounting change was made to stop netting this expense against the ticket revenue and that therefore increased expenditures by \$350K, but also increased the parking revenue by \$350K.

Question ##55: In response to a question on the city's fine and forfeit revenue, a worksheet was provided that showed the various accounts/line items making up fines and forfeits. One item for \$80K was titled "UM Defaults Owed to City" which is an intriguing title. Can you please explain what that is? (Councilmember Lumm)

Response: The City of Ann Arbor has a contract with the University of Michigan to provide collection services related to parking enforcement on campus. Part of the compensation for these services includes the revenue posted under 'UM Defaults Owed to City'. The City retains any revenue for tickets paid as of a result of additional collection efforts including, but not limited to, sending additional default notices to registered owners and impoundment of vehicles with excessive outstanding parking violations.



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator
Matthew V. Horning, Interim Financial Services Area Administrator & CFO
Kim Buselmeier, Budget and Finance Supervisor
Susan Pollay, Downtown Development Authority (DDA)
Sara McCallum, Accounting Director, DDA

SUBJECT: FY21 Budget: Downtown Development Authority (DDA)

DATE: April 17, 2020

Question #7: Is 721 N Main within the DDA boundaries? (Councilmember Ramlawi)

Response: The City's 721 N. Main Street property is not located within the DDA District. However, it is located with the ¼ mile radius around the District boundaries within which the DDA has permitted itself to participate financially with affordable housing projects.

Question #8: Personnel Services for the DDA increased due to severance pay – Who's severance pay? (Councilmember Ramlawi)

Response: The DDA's FY21 budget includes severance payout for employees eligible to retire (Executive Director Susan Pollay) and an amount for potential crossover training to allow for a smooth succession.

Question #9: Susan Pollay mentioned \$400,000 for sidewalk repairs. Will this amount address all the sidewalk repairs in the DDA area in the A2 Fix It App? If not, how will the DDA prioritize sidewalk repairs? (Councilmember Griswold)

Response: The DDA and City staff work closely to address needed repairs in the downtown sidewalk zone - the area between the building and the street curb. The City of Ann Arbor uses the Sidewalk Repair Millage to make repairs to the walking zone - the area of sidewalk that is typically 6 feet wide and kept clear for pedestrians. The City program is focused on trip hazards and other issues that limit mobility within this zone.

The DDA dollars focus on the elements outside of this walking zone and those that are not funded through the millage repair program. This work has included concrete work outside of the walking zone, brick pavers, tree grates, benches, streetlights, trees, vaults, trash cans, and removal of hazards/nuisances, such as the failing canopy on 4th Avenue.

The DDA is not directly connected to See, Click, Fix, but City staff forward relevant requests to the DDA to address through the DDA's sidewalk zone repair fund.

Question #10: Susan Pollay mentioned that the new lighting will meet current lighting standards. What are those standards? Are there lighting standards for crosswalks? (Councilmember Griswold)

Response: All DDA project installations are consistent with FHWA guidance to achieve positive contrast as defined in FHWA Publication Number FHWA-HRT-08-053, which is available at <https://www.fhwa.dot.gov/publications/research/safety/08053/>.

In addition to meeting FHWA standards projects are also designed to the ANSI/IES RP-8-14 Roadway Lighting standards and dark-sky compliant.

Question #11: Susan Pollay's presentation cited many crash reduction statistics. What are the sources for those statistics? (Councilmember Griswold)

Response: These statistics are crash modification factors from the Federal Highway Administration and were provided by the consultants that worked on the projects. The numbers are based on years of study and data collection to provide a measure of the safety effectiveness of a particular treatment or design element. The modification factors help to predict crash reduction percentages and thus, inform design choices.

Question #28: L15. The DDA presentation does not include any reference to the Ann-Ashley expansion and Ms. Pollay didn't mention it either. What is the status/plan for that project (will it be brought back to council or does the DDA no longer recommend it)? (Councilmember Lumm)

Response: In October 2019 City Council voted to defeat the request to secure a bond to fund the Ann Ashley expansion. In November 2019 City Council voted unanimously to declare a climate emergency and set forward an ambitious carbon-neutral goal by 2030. To support this goal, in its FY21 budget the DDA redirected funds from the Ann Ashley project to parking facility improvements aimed at helping the City reach its carbon neutrality goals. As an example, the DDA commissioned an engineering study to analyze potential costs to substantially increase the number of Electric Vehicle chargers in the garages, including greatly increasing the amount of electrical capacity. And a second study scheduled for FY21 will examine how to substantially reduce energy consumption through the installation of new LED lighting and sensors. The DDA has included \$2M in its FY21 budget to implement the purchase and installation of equipment recommended by these studies in its eight parking structures.

Question #29: L16. Slide 13 (infrastructure stewardship) references \$8.2M for the parking system. Can you please provide the project detail for that \$8.2M? (Councilmember Lumm)

Response: \$3,250,000- Annual restoration and maintenance work planned for FY21; includes work at Ann Ashley, Maynard, Forest and 4th & Washington. This work typically includes applying sealers, traffic coatings, caulking, concrete repairs, striping, painting and mechanical system repairs. Extensive work at the 4th Washington structure including replacement of the SE stairwell and elevator repairs are included

\$3,500,000- Parking equipment. Includes revenue control equipment, software upgrades and maintenance. Current equipment is running on Windows Seven, and is no longer supported by the manufacturer

\$450,000- Below rooftop fencing in the garages. Specifically exploring, in coordination with UM, options for the Forest structure (co-owned by the City & UM)

\$500,000- Improvements/buildout at the parking operator customer service and administrative office

\$156,000- Elevator repairs and upgrades at Ann Ashley

\$30,000- Installation of electric vehicle charging stations in parking structures

\$20,000- Parking facility lighting study, including recommended upgrades and implementation plan

\$30,000- Continuing work to add parking locations to City's fiber network

\$20,000- Condition assessment of existing mechanical infrastructure in parking structures. Will include anticipated life expectancy, and maintenance/replacement budgets for the next 20 years. This work would bring the mechanical systems in line with the regular structural assessments including long-term budgeting underway in the garages

\$150,000- Curbside management study. Intended to provide guidance on street space allocation based on context and community goals. The project will shape goals to guide management and programming decisions, particularly as it relates to commercial goods delivery and loading, TNC pick-up/drop-off, and parking (car, bike, motorcycle).

\$63,000- General repairs as needed.

Question #30: L17. Slide 14 references \$700K for the "Alley project". Can you please provide details of the project (and timing)? Also, is the project endorsed by the impacted businesses and business associations and is it consistent with the recommendations of the SWRMP? (Councilmember Lumm)

Response: The DDA has budgeted \$700,000 to enable it to make improvements to downtown alleys as may be required by the Solid Waste Plan.

Question #31: L18. Slide 15 includes the bullet point in the carbon neutrality section “budget capacity to support capital improvements recommended by the A2Zero plan and other studies: \$2,000,000”. Can you please elaborate on what “budget capacity” means, and how it is defined/calculated? Is this DDA “budget capacity” available for other priorities or just for Carbon Neutrality? (Councilmember Lumm)

Response: Please see response (above) to question 15. The term budget capacity indicates that this amount is included in the budget as a contingency item. It has been earmarked for use on neutrality initiatives in the parking structures that will be defined after studies are completed.

Question #32: L19. The AAHC presentation referenced needing to change the DDA ordinance to facilitate DDA funding related to affordable housing. Are there any changes to the ordinance required to facilitate DDA funding of climate action/carbon neutrality programs? Also, what does the DDA enabling legislation and/or spending guidelines say about spending on things like climate action programs/carbon neutrality? (Councilmember Lumm)

Response: Since 1996 the DDA has used its Housing Fund to support a wide variety of affordable housing projects targeting individuals earning from 0%-80% AMI. In 2016 City Council made an ordinance change that limited the DDA’s use of its Housing Fund to projects targeting individuals earning <50%; this limitation now hinders the DDA’s ability to financially support the plan to develop affordable housing on several downtown city properties because planning is aimed at individuals earning 60% AMI. There are no constraints in the state enabling legislation or in city ordinance that restrict the DDA’s ability to participate in climate action programs.

Question #33: L20. The AAHC presentation indicated their FY21 request from the DDA was to fund the pre-entitlement for 415 W. Washington and the Y Lot with a rough cost estimate for both of \$400K -\$560K. What else is contemplated in the \$1.3M city-owned property/ affordable housing support referenced in the first bullet on slide 17 of the DDA presentation? (Councilmember Lumm)

Response: The Housing Commission asked the DDA to budget a total of \$1.25M for project support, which will include providing the funding to pursue pre-entitlement approval for the 415 W. Washington and Y Lots, as well as other city properties. An additional \$50K is budgeted as general affordable housing grants.

Question #34: L21. The FY20 projection for “charges for services” at \$24.4M is \$1.6M higher than budget and the higher revenue levels continue in the FY21 budget request. Can you please explain the FY20 variance? Also, Ms. Pollay mentioned that parking revenues are being impacted by COVID-19 and that’s certainly not surprising. Can you

please provide data for the last month or so that can help quantify the weekly/monthly impact? (Councilmember Lumm)

Response: There are two primary variables between the FY20 budget and the FY20 Projection in Charges for Services: Ann Ashley revenues and meter revenues. The FY20 budget had anticipated a \$790K one-time reduction in revenues for the Ann Ashley structure during construction of the planned expansion; the FY20 projection eliminated that revenue drop since construction is not moving forward. Meter revenue increases for the first half of the FY20 fiscal year exceeded budget levels due to increased use of the ePark application. Because the budget was assembled prior to the COVID-19 crisis, the projection had anticipated that trend continuing, and projected further increases for the second half of the fiscal year as well. The resulting increase in projected revenues totaled \$679K.

Rate increases were planned for FY21 and account for the increase for that year.

Beginning in mid-March, there was a sudden and dramatic plummet in public parking use. DDA staff is working with its parking operator to assemble March revenue data so COVID-19 impacts on the public parking system can begin to be assessed.

Question #35: L22. Thank you for the explanation of the large year-to-year increases in the other charges (carbon neutrality) and grant/loan recipient (affordable housing) expenditure categories. Can you please provide the full list of grant/loan recipients that totals the \$2.8M for FY21? (Councilmember Lumm)

Response: Grants included in the FY21 budget request are detailed below.

| Ann Arbor DDA | | | |
|---------------|---------------------------------|---------------------------|-------------|
| FY21 Grants | | | |
| Fund | Recipient | Purpose | FY21 Budget |
| TIF | City of Ann Arbor | Misc Events & Programs | 7,800 |
| TIF | City of Ann Arbor | Sidewalk Maintenance | 30,500 |
| TIF | City of Ann Arbor | City Hall/Police Facility | 508,600 |
| TIF | Various | Discretionary | 75,000 |
| Parking | AAATA | Alternative Transportatio | 774,100 |
| Parking | AAATA | Bike Share | 50,000 |
| Parking | The Guild of Artists & Artisans | Art Fair Trolley & Map | 20,000 |
| Parking | Various | Discretionary | 35,000 |
| Housing | AAHA | Project Support | 1,250,000 |
| Housing | Various | Discretionary | 50,000 |
| Total | | | 2,801,000 |

Question #36: L23. Can you please provide the project detail for the \$16.4M capital outlay request? (Councilmember Lumm)

Response: Capital Improvement Plan projects for all funds are included below.

| Ann Arbor DDA | | |
|-----------------------|------------------------------------|-------------|
| FY21 Capital Projects | | |
| Fund | Project | FY21 Budget |
| TIF | Alley Project | 700,000 |
| TIF | Sidewalk Repairs, Tree Maintenance | 400,000 |
| TIF | Streetlight Repairs/Maintenance | 150,000 |
| TIF | State Street Streetscape/Sidewalk | 1,620,000 |
| TIF | People Friendly Streets | 1,400,000 |
| TIF Const | First Ashley & William | 4,059,200 |
| Parking | Curbside Management Study | 150,000 |
| Parking | Parking Facility Energy Assessment | 200,000 |
| Parking | Ann & Ashley | 600,000 |
| Parking | Elevators | 156,000 |
| Parking | Fencing | 450,000 |
| Parking | Forest | 658,000 |
| Parking | Fourth & Washington | 1,409,000 |
| Parking | Maynard | 579,000 |
| Parking | Parking Facility General Repairs | 63,000 |
| Parking | Republic Office | 500,000 |
| Parking | Parking Equipment | 3,500,000 |
| Parking | Vehicle Charging Stations | 30,000 |
| Total | | 16,624,200 |

Question #37: L24. With this budget request, what are the projected beginning and ending fund balances for the General (TIF) fund, the Parking Fund, and the Housing Fund? (Councilmember Lumm)

Response: Fund Balances are presented for all funds, below.

| Ann Arbor DDA | | | |
|--------------------|-----------------------------------|----------------------------|------------------------------------|
| FY21 Fund Balances | | | |
| Fund | FY20 Projected Ending Fund Bal | FY21 Budget Net Rev/Exp | FY21 Budget Ending Fund Balance |
| Housing | 800,985 | (764,400) | 36,585 |
| TIF General | 5,100,015 | (2,523,400) | 2,576,615 |
| TIF Construction | 1,958,718 | (1,915,000) | 43,718 |
| Parking | 9,637,838 | (5,841,800) | 3,796,038 |
| Parking CIP | 4,121,700 | (21,000) | 4,100,700 |
| Total | 21,619,256 | (11,065,600) | 10,553,656 |

Question #53: In response to an audit committee question about the DDA’s June 30, 2019 housing fund balance, it was indicated that \$745K was committed to the Y Lot. Can you please provide the detail on that \$745K and is that in addition to the amount being requested by the AAHC for pre-entitlement expenses on the property? (Councilmember Lumm)

Response: In FY19 the DDA voted to commit \$745K from its Housing Fund toward efforts that would create a substantial number of new affordable housing units as part of the Y Lot property redevelopment. At the time, this amount represented the Housing Fund fund balance. The purpose to this commitment of funds was to serve as a catalyst, to lead to an affordable housing action plan. Subsequently, under the leadership of the City and Housing Commission, a strategy to redevelop multiple downtown properties has come together following a great deal of public input and feasibility analysis. Among the next steps will be to shape the details into re-entitlement plans for City Council approval. The DDA's \$1.3M budget includes the pre-entitlement amounts shown in the Housing Commission's budget presentation (\$400K-560K). When the funding request is presented to the DDA it is anticipated that its previous resolution may be either modified or a new, more targeted resolution will be approved.



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator
John Fournier, Assistant City Administrator
Matthew V. Horning, Interim Financial Services Area Administrator & CFO
Jacqueline Beaudry, City Clerk
Kim Buselmeier, Budget and Finance Supervisor
Matthew Kulhanek, Fleet & Facilities Manager

SUBJECT: FY21 Budget: General Fund

DATE: April 17, 2020

Question #40: February 10 work session LQ3. There's \$125K requested for Jobs Core Program Support. I know what the federal jobs core program is, but can you please elaborate on what's specifically envisioned for this \$125K in Ann Arbor? (Councilmember Lumm)

Response: The \$125K was proposed to fund part of the first year and a second year of the Future Corps program with the Neutral Zone. This is a program developed between the City of Ann Arbor and the Neutral Zone to fund temporary, professional employment opportunities for 18-year-old Neutral Zone participants who are ready to take the next step in the journey of their careers, but who may need extra support from the Neutral Zone and an opportunity with a good employer to make it. The program is planning to employ six Neutral Zone participants this spring, through the summer and fall. We hope to add a second cohort next spring.

Question #41: February 10 work session LQ4. There's an added position requested for a Facilities Maintenance Technician and in the budget impact write-up, it references that this position was eliminated back in 2010. We've been able to get along at the existing staffing levels for a while and what's changed that makes this position necessary now? (Councilmember Lumm)

Response: Since the reduction of the Facilities Maintenance Technician (FMT) position in 2010, the square footage of full-service buildings maintained by Facilities staff has increased by 68%. These "new" buildings include the Justice Center (105,200 sf), a large

portion (57%) of City Hall that was gutted and rebuilt (54,380 sf), and the Wheeler Service Center. The “new” buildings are now 10-13 years old and the maintenance demand has increased significantly as the buildings age. Most building systems were brand new, covered under warranty, and required little maintenance time for the first five years or so. That is no longer the case.

Getting along at existing staffing levels has not allowed for proper maintenance of these buildings and resulted in unplanned down time of important building systems. This lack of preventative maintenance is shortening the lifecycles of these buildings which will lead to significant replacement costs at an earlier point in time. Over the last five years, limited staffing has required us to rely more on the use of contractors for this work. Contracted services cost for the Municipal Center (Justice Center and City Hall) has increased by \$142,000.00 (up 46%) over the last five years (FY15-FY19). The Fleet Services building at the Wheeler Service Center has increased by \$26,000.00 (up 76%) in the same time period. These costs won't completely go away with an additional FMT position, but they can be reduced.

The City's emphasis on carbon reduction and renewable energy puts a greater focus on the need to operate our buildings at a high level of efficiency and maintain new sustainability initiatives (Fire Station #6 solar, composting, etc.), current staffing levels cannot address that.

The small Facilities staff is also heavily impacted by scheduled and non-scheduled time off. Facilities annually losses the equivalent of 1.15 FTE because of paid time off earned by the six existing FMTs (three General Fund & three Airport Fund). This does not include time missed due to workers compensation or unpaid medical leave, both of which have impacted Facilities significantly over the last two years.

The City has invested significant funds over the last decade to improve City facilities, it is important that the City provide adequate resources to maintain these facilities at a reasonable level.

Question #45: February 10 work session LQ8. Perhaps I missed it, but I didn't see anything in the materials about Marijuana permit fees. What's our projection for fees and city revenues for FY21 (or is it still too early to have a good sense)? (Councilmember Lumm)

Response: In FY19, the City collected \$80,000 in local marijuana permit fees. We are on track in FY20 to collect between \$90,000 and \$100,000 and we expect that to continue locally in FY21. We have not yet received any State-shared revenue related to sales tax collection for medical or recreational sales and we are not yet projecting to receive State money in the budget.

Question #85: I realize we do not have financial projections for the economic downturn, but can we communicate to the community that discussions are underway, we are being proactive and are cognizant of the challenges ahead.

Response: Information will be addressed in the introduction items on the April 20th City Council Agenda: 1) City Administrator's Recommended FY21 Budget and 2) COVID-19: Community Impacts and Solutions.



TO: Mayor and Council

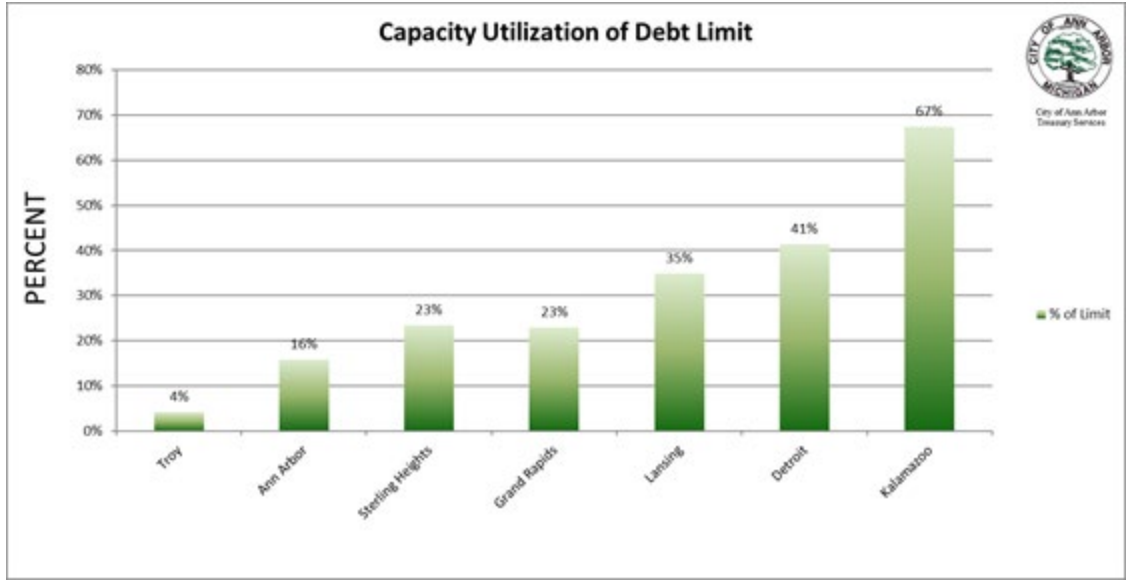
FROM: Tom Crawford, Interim City Administrator
Matthew V. Horning, Interim Financial Services Area Administrator & CFO
Kim Buselmeier, Budget and Finance Supervisor
Craig Hupy, Public Services Area Administrator
Marti Praschan, Chief of Staff, Public Services
Nick Hutchinson, City Engineer

SUBJECT: FY21 Budget: Public Services

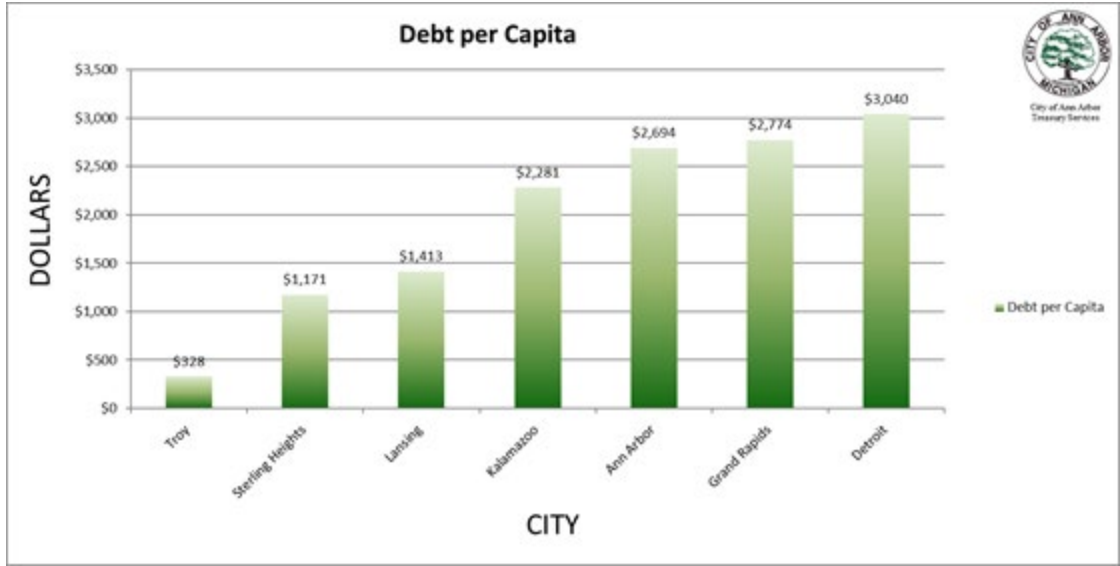
DATE: April 17, 2020

Question #47: February 24 work session LQ2. At the meeting I asked about debt capacity given the potential major investments on the table for consideration – \$50M for a new solar panel facility at the landfill, TBD millions for affordable housing, \$80M for a new train station, \$50M for the Treeline Trail. Specifically, I was interested in Mr. Crawford’s thoughts on what ongoing debt level he was comfortable with? (Mr. Crawford indicated he would provide his thoughts and I’d still appreciate seeing that as well as any thoughts our financial advisors may have on the matter).

Response: State law dictates the maximum allowable debt for municipalities, based upon the Assessed Value of real & personal property within the municipality’s jurisdiction. This maximum level of debt for Ann Arbor is approximately \$750 million. At this time, the City utilizes only 16% of that capacity. This level of capacity utilization is common among peer communities. See graph below:



Another way to contemplate the magnitude of a municipality’s debt is to consider the debt per capita. That figure for the City of Ann Arbor is \$2,694. See comparison to other communities below:



The most important thing to consider when using debt financing is not necessarily how much we are able to borrow but whether the City’s revenue streams can reliably cover the debt service requirements. The City has a debt policy which requires an evaluation of the capacity to repay. Each project must stand on its own merits and ensure that future funding of debt service is available. For this reason and the fact that any individual project may have revenues that come with it and/or be funded from funds with varying restrictions, there is not a set answer to this question.

Question #48: February 24 work session LQ3. At the meeting, the Solid Waste Resource Management Plan (SWRMP) was discussed briefly. On slide 7, a bullet listed for performance measures is “receive direction on draft Solid Waste Resource Management Plan’ by June 30th”. It’s now been over 3 months since council tabled it. It would be a waste of taxpayer’s dollars – not to mention council not doing its job to provide policy direction - to just let the plan languish or die so what is the plan to get the specific strategies and recommendations back in front of council?

Response: City staff understand that tabling the Solid Waste Resource Management Plan (SWRMP) was a formal act of City Council; therefore, only a City Council action can bring the plan back for Council consideration.

While the City awaits Council decision regarding the SWRMP, staff have issued Invitation to Bid No. 4623: Residential Customer Recyclables Collections, with bids currently due April 30, 2020. Pending the outcome of the bid, the City anticipates having additional information on potential available funds for additional priority activities detailed in the SWRMP including Saturday and Sunday downtown service and year-round residential compost.

Question #49: February 24 work session LQ4. At the meeting I requested an update of the benchmark analysis that was done for water rates and it was indicate that would be provided. I’d still like to see those comparisons for single-family residential customers, and if possible, comparisons at a couple of water usage levels. (Councilmember Lumm)

Response: Please see the attached.

Question #50: February 24 work session LQ5. Also on water rates/revenue, obviously the COVID-19 impacts were not known at the time, but subsequently Mr. Crawford has indicated that with UM largely shut-down, water revenues will be reduced. Do we have a sense of what the revenue impact is per week or per month for UM and for other larger customers where volumes are down substantially? (Councilmember Lumm)

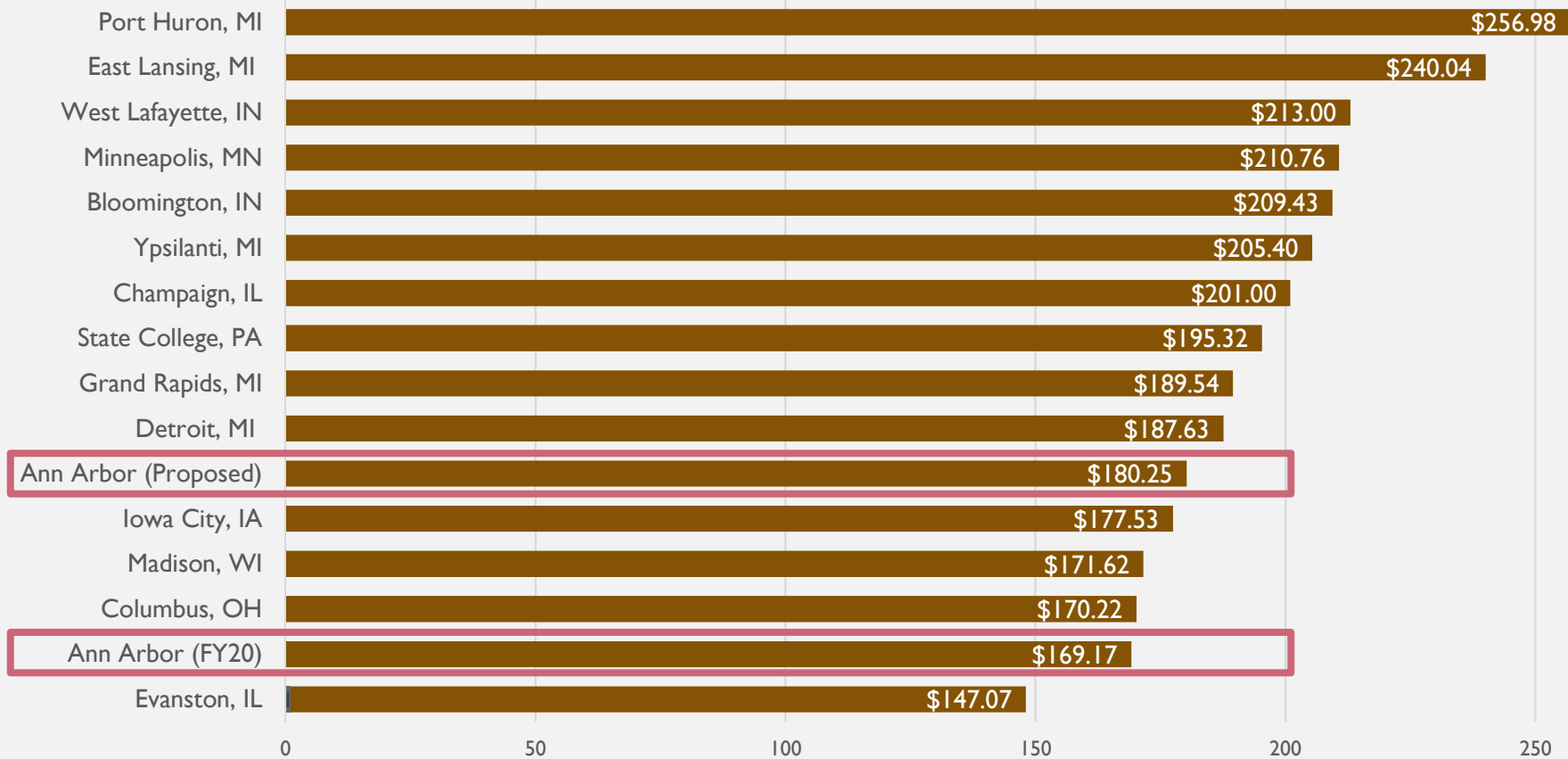
Response: We are closely monitoring water/sewer consumption and corresponding revenue impacts. As anticipated due to current circumstances, we are seeing a steep decline in Non-Residential consumption/revenue and a slight increase in Residential consumption/revenue. We currently have analyzed consumption data for the period of March 13, 2020 – April 9, 2020. For that period, we are estimating impacts of \$55,000/week in water and \$82,000/week in sewer. To date, the limited data has not indicated that increases in residential customer usage has resulted in bills with extraordinary charges in tiers 3 & 4. As additional data becomes available, the revenue impacts will be updated.

Question #51: February 24 work session LQ6. The 2020 engineering project work plan references mid-block cross walk enhancements on Huron Parkway at Glazier Way and at Baxter – can you please elaborate on what type of improvement is being considered

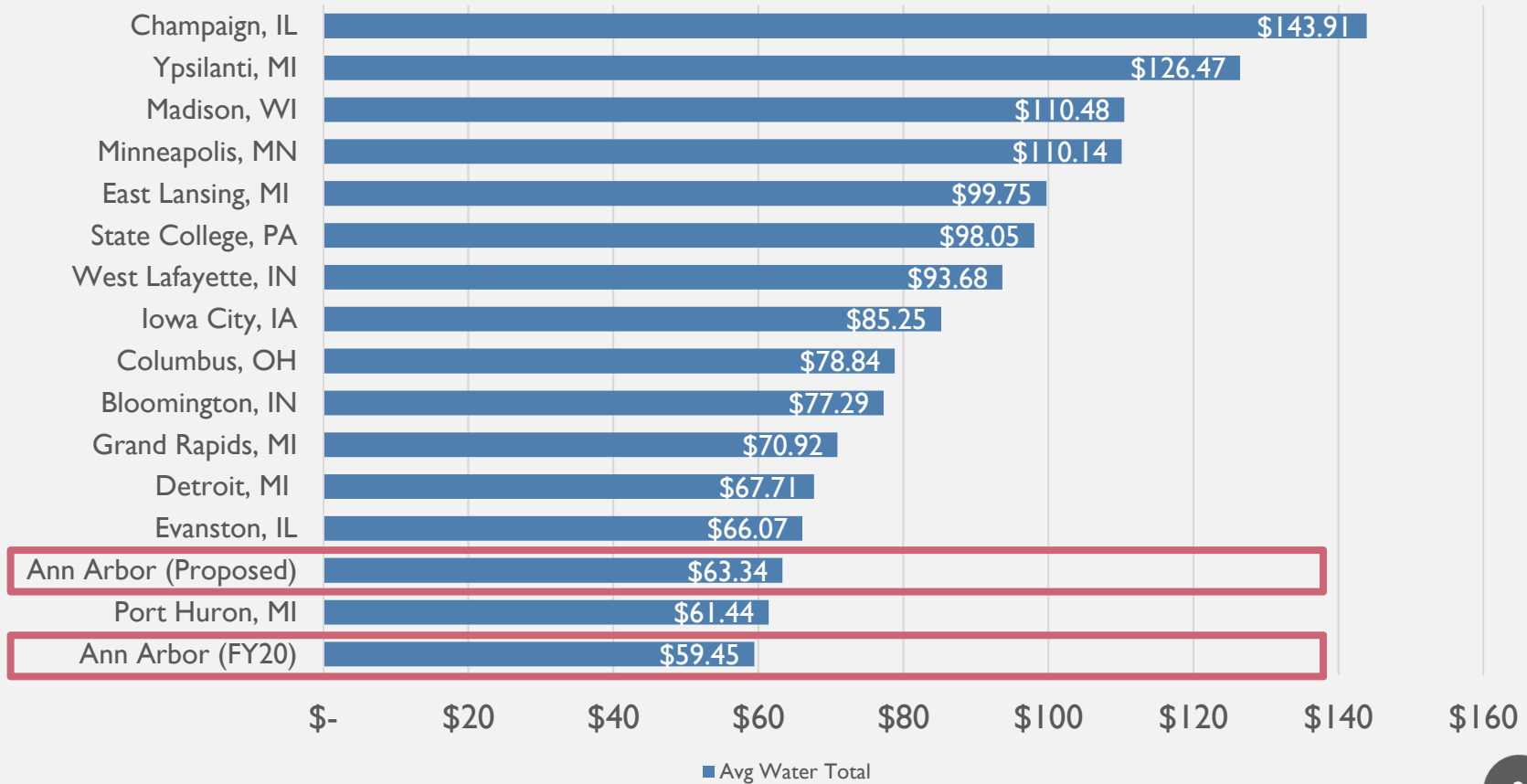
(e.g. RRFB, something else) and where specifically they'd be located? (Councilmember Lumm)

Response: Utilizing a Safety Grant, the City will be installing RRFBs and lighting for pedestrians crossing Huron Pkwy. At Baxter, the crosswalk is on the south side of the intersection. There will be two side-mounted RRFBs installed in each direction for vehicles traveling on Huron Pkwy (4 total RRFBs). At Glazier, there will be crosswalks on both the north and south sides of the intersection. Two side-mounted RRFBs will be installed at each of the four crosswalk legs (8 total RRFBs).

THE PRICE OF WATER AND SEWER BENCHMARKED



THE PRICE OF WATER BENCHMARKED





City of Ann Arbor Water Utilities Bill

Effective July 1, 2019

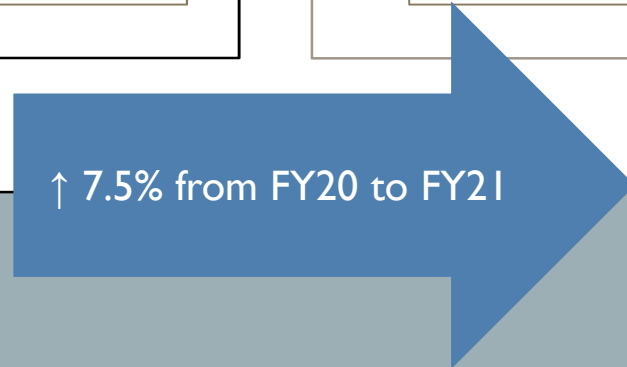
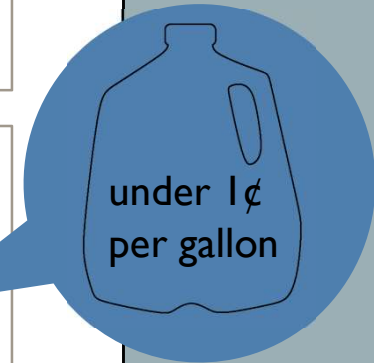
Water: 6%
Sewer: 7%
Storm: 13%

Average Quarterly Residential Customer Bill
(18 CCF Usage/Storm Tier 2 with on-time discount)
Water: \$66.06
Sewer: \$121.91
Storm: \$53.82
Total: \$217.61

Proposed July 1, 2020

Water: 6.5%
Sewer: 6.5%
Storm: 11%

Average Quarterly Residential Customer Bill
(18 CCF Usage/Storm Tier 2 with on-time discount)
Water: \$70.38
Sewer: \$129.90
Storm: \$59.37
Total: \$233.68



CUSTOMER IMPACT AT DIFFERENT VOLUME USAGE

| | 15 CCF | 30 CCF | 45 CCF | 90 CCF |
|--|------------------|------------------|------------------|--------------------|
| Cumulative Percent of Residential Bills | 60% | 93% | 98% | >99% |
| Ann Arbor (FY20) | \$ 153.95 | \$ 326.31 | \$ 610.03 | \$ 1,445.41 |
| Ann Arbor (Proposed) | \$ 154.52 | \$ 328.64 | \$ 617.33 | \$ 1,482.73 |

Note:

- (1) Realistically there would be a summer sewer discount for the higher usage customers
- (2) 10% early payment discount is applied
- (3) Water and sewer only, does not include stormwater fees



TO: Mayor and Council

FROM: Tom Crawford, Interim City Administrator
John Fournier, Assistant City Administrator
Matthew V. Horning, Interim Financial Services Area Administrator & CFO
Kim Buselmeier, Budget and Finance Supervisor

SUBJECT: FY21 Budget: SPARK

DATE: April 17, 2020

Question #43: February 10 work session LQ6. On slide 22, there's a bullet referencing a "SPARK-led reverse procurement initiative" - can you elaborate a bit on what that is? (Councilmember Lumm)

Response: This is an initiative with SPARK to create a reverse procurement program, where locally owned tech startups could pitch their products to city leaders and if there was interest in the product, the City and the tech startup would enter into a six month trial period where they buildout the product for city use and try it in real-world applications. It is a good way for the city to incorporate the most cutting-edge technology in its operations and for emerging startups to get good experience proofing their concept in the real world as they develop it for market. The program would have minimal cost on the City.

Work on this program has been stalled because of the pandemic, however it is still a priority project and has not been cancelled.