

March 14, 2005

TO: John Szerlag, City Manager

FROM: Brian P. Murphy, Assistant City Manager/Services  
Carol K. Anderson, Parks and Recreation Director

SUBJECT: Agenda Item - Report and Communication - State of Michigan Ash Tree Removal Contract

**BACKGROUND**

In late 2004 the State of Michigan developed a plan to address the concerns of private property owners and communities facing enormous costs of removing ash trees infested with the Emerald Ash Borer. The plan would use the State's collective contracting system to establish a list of qualified tree removal vendors and standardized prices for ash tree removal, both on municipal property and on private property.

To date, assistance in the form of State grants has been available only to municipalities. Homeowners have had to bear the cost of private ash tree removals themselves. The State of Michigan Ash Tree Removal Contract is the product of a desire on the part of the State to offer low cost ash removal to private homeowners and municipalities.

Bids were received by the State and 26 tree removal contractors were approved to take part in the contract. Prices for tree removal were established and each of the 26 approved vendors are required to honor the established prices. The activities included in the State contract are cutting down ash trees in landscaped areas and hauling tree debris to approved marshalling yard for disposal. Removal of stumps, or other non-ash trees is not included. Resident would have to contract separately for those services.

In order for a resident to take advantage of the program, the local municipality must voluntarily sign on as the State's agent and administer the contract. For the municipality, this means designating one or more employees as municipal coordinator(s) to take calls from residents, verify quantities and sizes of trees via site visit, batch residential requests into groups large enough to make it worth while for vendor to bid upon, determine price for resident, collect payment from resident up front, coordinate removal work between vendor and resident, verify that the work was satisfactorily performed via site visit, release payment to vendor, and mediate any disputes between resident and vendor. The municipality would also have to set up a mechanism to deposit resident payments until work is performed and then release payment to vendor upon completion of work.

Staff has many concerns with participating in the state's program. First, Parks and Recreation staff estimates that administration of this contract would require an inordinate amount of time that currently is not available. Staff is already coordinating removal of the City's municipal ash trees, as well as its other normal duties. Taking on the additional work of the State contract would require backing off on other duties, or hiring additional employees. Secondly, accepting payment from residents for work that might not be completed for weeks or months, depending on scheduling of the contractor, will require involvement of the Finance Department to set up accounts to hold the deposits and Treasurer's Department to issue payment to the vendor upon completion of the work.

Staff has made contact with the vendors on the approved list to find out if they would be able to honor the prices established through the State contract without the municipality becoming involved with the program. Most stated they would not, while a couple said if a large number of jobs could be batched together, they would consider it. One indicated his company would honor the State established prices only if they could be named the exclusive vendor in the City.

To date, only 5 of the 90+ municipalities in the quarantine area eligible to participate in the State EAB program have elected to take part. The municipalities that are choosing not to participate have cited as their main reason the amount of staff time necessary to administer the program. They have indicated that they are already operating at near capacity and do not feel it possible to add such a time-consuming program.

### **RECOMMENDATION**

It is the opinion of staff that this program is not manageable with current staffing level and workload of the Parks and Recreation Department. While recognizing the difficulty facing private landowners in dealing with the removal of ash trees on their property, staff recommends the City of Troy not participate in the State EAB contract. Rather, staff urges residents contact several tree companies on their own to obtain the best price for removal of dead ash trees on private property.