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TO: Mayor and Council

FROM: Robyn S. Wilkerson, Director, Human Resources and Labor Relations

CC: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: Human Resources

DATE: May 10, 2017

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**Question #60:** Added FTE in HR – on p. 142, it indicates that “the HR unit added an FTE, but the addition was offset by reductions in temporary pay”. How much was the budget for temporary pay in FY17, how much is it in FY18, and what are the primary uses for the temporary pay? (Councilmember Lumm)

**Response:** The temps were budgeted as follows:

	FY17	FY 18	FY 19
HR Administration (General Fund)	\$42,900*	\$35,000	\$35,000
HR Benefits (General Fund)	\$10,000**	\$10,000	\$10,000

\*FY17 Actual to date is \$36,194.43. This includes the temp wages that were paid before the additional FTE was added.

\*\* Actual to date is \$16,764.85.

Please see additional attachment, which provides information on various temporary roles and their responsibilities.

# Human Resources Temporary Employee/Intern Job Responsibilities

## **Temp Benefits Analyst**

### General Benefits Tasks:

- Process tuition reimbursement requests- Pre approvals, Final Approvals, and questions in general.
- Gather monthly report data- Workers Comp and Wellness events
- Prepare bills for Unum- Life insurance and voluntary benefits monthly
- Assist with benefit enrollment for new hires/new dependents in UltiPro/portals for retirees changes, Consumerism Card benefits, etc.
- Process terminations and retirements: COBRA Qualifying Life Event creation, ICMA RC termination, Tuition reimbursement repayment (if applicable), FSA, HRA, etc. For retirements, transfer BCBS contract, and create a retiree contract for ESI.
- Monitor A2 Benefits inbox and respond to employees within 24/48 hours
- Monitor Wellness inbox respond to participants within 24/48 hours
- Assist the Benefits team with report creation as needed.

### Special Projects:

- COBRA transition to third party vendor and weekly audits. Contact person for issues that may arise between vendor and carriers (medical, dental, vision, EAP)
- 457 maximum tracking and bi-weekly audits during 2016 and 2017
- FMLA tracker creation
- Participated in Aclaimant implementation project. Prepared documents showing the current system set-up, analyzed new system with Benefits supervisor and identified fields that are needed to improve our current processes.
- Supported the Benefits team, HRIS and IT on 834 file creation
- Supported the Benefits team, HRIS and IT on Retirees data transfer to UltiPro. Currently maintaining this data up to date, processing address changes, Medicare information, new retirees, and deceased/surviving spouses.
- RHRA deduction for reporting purposes

### Audits:

- Add retirees to the retirement company in UltiPro, including medical plan information.
- Add deductions for people who elect consumerism card benefit monthly.
- Pension Deduction changes. Send all monthly changes to pension on the first week of each month.
- 457 maximum tracking

### Wellness

- Wellness credit tracking for approximately 350 participants

- Assists Benefits coordinator in communication creation
- Testing/implementation of Wellness credits tracking using sharepoint
- Assist with wellness event set up and posting to UltiPro
- Wellness website content updates, calendar management, announcements
- Annual Wellness Survey preparation
- Collect and analyze wellness survey results
- Team captain for commuter challenge 2016.

#### Workers Compensation:

- Input all Injury Reports into ClaimZone to submit to WC Administrator
- Assist Benefits Supervisor as needed

#### Retirees

- Medicare:
  - o Complete Monthly Medicare Audit for members turning 65
  - o Request Medicare ID cards from retirees and retirees' spouses. Update coverage information in BCBS portal and have claims reprocessed.
- Process address changes
- Process life claims for retirees who pass. Update UltiPro and BCBS/ESI coverage for surviving spouse if applicable.

#### ACA Reporting- 1095 C

- Work with vendor and HRIS specialist to create quarterly reports with employees' health insurance coverage data
- Audit and manipulate UltiPro reports to meet the vendor's requirements
- Follow up with retirees/active employees to collect accurate data (addresses, etc)
- Answer questions from employees and retirees regarding 1095 C forms

#### Open Enrollment

- Assist with testing and set-up of UltiPro portal for OE
- Assist in answering questions from employees during open enrollment.
- Voluntary Life open enrollment- assist with communication creation; mailed 230 letters to eligible employees with sick time less than 480 hours.

#### Year End Audits

- Assist Benefits Supervisor with waiver audit
- Assist Benefits Supervisor with OQA's imputed income audit
- Managed Dependent Audit for Full time student status
  - o Sent letters to Active employees with dependents between 19-25 requesting proof of FT student status so they may stay on Dental and Vision (121 initial letters, and follow up emails)

- Sent letters to Retirees with dependents between 19-25 requesting proof of FT student status so they may stay on their Medical insurance (35 initial letters, and follow up emails/letters)
- Cancellation of coverage in Medical, Dental, and Vision for ineligible dependents in carrier portals, and UltiPro.
- Update all documents stored in UltiPro to prepare for the next year. Flores, Unum, BCBS plans, Express Scripts, etc.
- Update all documents stored in MOSS, including benefit summaries, etc.
- COBRA: notify all current participants of new rates- mailed letters
- Pension Deductions: Notify pension of any changes. This affects recent high plan retirees & cobra participants.
- Add/Change/Delete Retiree elections from OE

### **Temporary Compensation & HRIS Intern/Analyst role**

- Collect comparable market data for new or revised positions from external resources
- Compile comparable market data for new or revised positions and send out results to all participants
- Complete salary surveys and answer salary requests from other municipalities and third-party vendors
- Update union progression documents including progression outlines and checklists
- Maintain union progression website on a2central
- Maintain/update temporary handbook for new and revised positions
- Prepare cost estimates for salary adjustment proposals
- Collect and audit data for union negotiations
- Prepare charts and graphs for 312
- Process employee type and supervisor changes in HRIS
- Maintain the Citywide succession planning report
- Create job aides for HRIS
- Update/audit union wage tables in HRIS
- Prepare reports in HRIS for HR team & management
- Audit data in HRIS
- Assist the benefits team with HRIS projects
- Assist the HR Technology Specialist with new HRIS Projects from discussion of the project through implementation
- Assist HR Technology Specialist & Compensation & HRIS Supervisor with various administrative tasks
- Maintain organizational charts in Visio
- Assist in annual report data collection
- Update records and tables in HRIS
- Prepare and update documentation of various types including letters, communication and permission forms

- Complete or assist with special projects in HR

### **Temp Administrative Assistant/Recruiting:**

- Maintain files for the HR and Benefits Department
- Creating new files for regular and temporary employees.
  - Includes tracking job specific requirements and documentation
- Keeping regular and temporary employee paper I9's updated in appropriate binders, and purging I9's as employees leave the organization.
  - We are required to keep the I9 documents three years after an employee separates from employment, or retires. Once we have passed the three year mark, the I9s are appropriately destroyed.
- Processing new hires and rehires in UltiPro
  - Updating personal, job, and tax information as necessary
- Uploading job files (scanning paper files) to the U Drive
- Creating interview packets for all interview panels
- Making copies when needed for the HR and Benefits Department
- Following up via email with new hires after their first day with their email and proper network login information
- Performing new hire meetings with temporary employees to collect all necessary hiring paperwork.
  - Paperwork includes I9 form, tax forms, essential driving form (if applicable to position), copying proper identification, and obtaining signed offer letter.



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TO: Mayor and Council

FROM: Tom Crawford, CFO  
Carrie Leahy, LDFA  
Craig Hupy, Public Services Area Administrator  
Susan Pollay, Executive Director, DDA

CC: Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: LDFA and SPARK

DATE: May 10, 2017

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**Question #75:** Staff has responded that LDFA tax capture is \$350,000 more than projected at the work session. Kindly let me know what the LDFA is planning to do with these additional revenues. Also, please let me know what kinds of infrastructural improvements can be undertaken in the downtown area in the next 2 years? Are there any unmet infrastructural needs in terms of the 5<sup>th</sup> Avenue/Kerrytown street project that can be funded with these additional revenues? (Councilmember Kailasapathy)

**Response:** The LDFA has not had a chance to meet and discuss the potential use of the \$350k. Since the Board is working on a strategic plan for the next 15 years, the Board may address this during the fiscal year.

Due to rising material cost and scope expansion, there will be some elements of the 5<sup>th</sup> and Detroit project that cannot be accomplished by the City or DDA. The scope of the Fifth Ave project in Kerrytown has expanded slightly to add work on the piece of Detroit Street between Kingsley and Fifth. In order to match grades with the reconstruction at the intersection, it appears this is becoming necessary. This increased scope may result in some unmet funding needs for this project. In particular, this expansion adds some water main work and increases the stormwater management needs by the area added. In addition, rising material costs make some elements of the original project scope cost prohibitive, including burying overhead lines (\$1M) and expanding brick along 5<sup>th</sup> Avenue, between Kingsley and Catherine (\$800K).

Outside of the 5<sup>th</sup>/Detroit project area, the other streetlight replacements in Kerrytown and on Liberty will be approximately \$115K short of the original City streetlight replacement project scope.

The MEDC has previously indicated that in considering the use of the LDFA funds, they look favorably on expenditures/investments where a line can be drawn between the expense and an increase in high-tech jobs.

**Question #81:** There is monies requested for Mobility support. What exactly is this program? (Councilmember Kailasapathy)

**Response:** The LDFA board recognizes the regional and State support for the American Center for Mobility (at the former Willow Run plan) and M-City (at the UM campus). As these investments by others seek to establish a “center of excellence” for research & testing in this region, the LDFA board desires to leveraging these investments by encouraging the formation of new companies and technologies related to connected & autonomous vehicles. The mobility funding is specifically allocated to hire an individual to work this space by connecting individuals & resources. This position doesn’t exist at the state level, and gives the Ann Arbor region the advantage to leverage tens of millions in state funding. The board discussed a three year commitment for this position.

**Question #82:** SPARK marketing expenses are steadily increasing. What are they marketing? Does this include the marketing of SPARK that we see in Ann Arbor Observer etc.? (Councilmember Kailasapathy)

**Response:** The LDFA has provided SPARK funding for marketing as funds and deliverables have permitted. The marketing expense is only for marketing the LDFA. SPARK utilizes other non-restricted funds for its other marketing initiatives. A specific marketing program may or may not include some LDFA funding depending on if the LDFA is served by the program. SPARK reports to the LDFA quarterly, as part of its regular quarterly reports, on the results of the marketing efforts. The board has been closely monitoring the marketing spend and impact and have observed a noticeable result in the tech related activities. One example is the Ann Arbor Tech Trek, which brings 1,400 people into the city specifically looking at tech companies and opportunities, and involves 65 companies in downtown tech business tours.

**Question #83:** Does the SPARK accounting expenses include the cost of an independent audit to verify their job creation claims? (Councilmember Kailasapathy)

**Response:** The SPARK Accounting line is for typical accounting activity such as paying consultants, collecting rent, paying all other incurred invoices, etc. It does not include any audit expense, which is in the Professional Services line under City of Ann Arbor Indirect Services. The auditors review SPARK’s processes and procedures for collecting jobs data and confirm they are collecting the information in a reasonable manner.



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TO: Mayor and Council

FROM: Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

CC: Tom Crawford, CFO  
Derek Delacourt, Community Services Area Administrator  
Craig Hupy, Public Services Area Administrator  
Jennifer Hall, Executive Director, Housing Commission

SUBJECT: Non-Departmental Funds

DATE: May 10, 2017

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**Question #45:** Planning indicates a Land Use Master Plan would be a \$500,000-750,000 cost with a three year timeline. Much work has already been done by Staff, Planning Commission, consultants, and residents (e.g., Sustainability Framework, Land Use Element, S State Corridor, Washtenaw Redevelopment Strategy, Allen Creek Greenway Master Plan [pending]). Can this work be retooled to update our Master Plan? Is there a cost and time savings? (Councilmember Ackerman)

**Response:** The development of implementation strategies for affordable housing (including workforce, low income, and permanent supportive housing) should be considered part of the City's approach to update its governance documents and master plans. The use of a portion of the \$750,000 provided in the combined FY18/19 budgets to conduct community outreach and stakeholder engagement (including those entities cited in the questions) is a reasonable and necessary component of the process, and can help to better define an efficient path forward for developing the components of the sustainability framework and ascertaining the true cost of this work for future programming.

**Question #46:** In 2015, City Council adopted a goal of building 2,800 units of new affordable housing by 2035. As the community seeks to accomplish that goal, are there opportunities to use the "Non-Departmental: Update Governance Plans" dollars to better set housing type (workforce vs low-income vs supportive) goals and strategies? Can these dollars help public bodies like the Planning-HHSAB Joint Committee and AAHC JPFA facilitate relevant public processes? (Councilmember Ackerman)



**Response:** Please see the response to Question #45 above.

**Question #78:** How much is being budgeted for the master plan review?  
(Councilmember Eaton)

**Response:** Please see the response dated March 3, 2017 labeled Non-Departmental Funds, which is attached for reference.

**Question #79:** In the Non-Departmental Service Area section of the proposed budget, there is a line item for other services. See page 355. In FY 2018, the amount is \$413,871 and in FY 2019 it is 663,671. Can you provide an itemized description of the projects these expenditures include? (Councilmember Eaton)

**Response:** Please see the response dated May 5, 2017 and labelled Non-Departmental May 5, 2017 Final, which is attached for reference. FY2019 was not included in the breakout but the \$250,000 increase from FY2018 to FY2019 was the increase for Updating Governance Plans discussed in the 3/3/2017 Non-Departmental Response.



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TO: Mayor and Council

FROM: Derek Delacourt, Community Services Area Administrator  
Craig Hupy, Public Services Area Administrator

CC: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: Non-Departmental

DATE: March 3, 2017

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**Question #1:** Please provide more detail on the Non-Departmental funding requests and the governmental plans and programs listed on slide 8 of the budget presentation (Transportation Master Plan, Land Use Master Plan, and Asset Management Plan). (Councilmember Lumm)

**Response:** BACKGROUND: The funding discussed in Slide 8 has been reduced to \$250,000 in FY18 and \$500,000 in FY19. This funding is programmed in the Non-departmental budget until such time as the service units complete their RFP and Council approval process. At that time, funding will be moved to the appropriate service unit.

The Land Use Master Plan is required by law to be updated at least every five years under the Michigan Planning Enabling Act (Act 33 of 2008). The scope of this update depends on the expressed desires of Council and interested parties. The Planning Director, Brett Lenart, has received feedback about this and estimates the process would be in the \$500K-750K range over a period of 2-3 years. This amount was based on surveying other communities who are considering or who have recently completed master plans.

The Transportation Master Plan is not required by law to be updated. However, updating major system plans should occur approximately every ten years, which allows the city to review our plan implementation activities, incorporate changes in city demographics, system use and reflect advances in infrastructure planning and design

considerations. The Public Services Area requested funding for the Transportation Plan Update in the amount of \$400,000. The City's current Transportation Plan was adopted in 2009 and our Non-motorized Transportation Plan was adopted in 2007. Staff will be seeking the opportunity to integrate both the motorized and non-motorized transportation systems to be addressed in an integrated manner.

The Asset Management Plan is a request to fund an analysis that enables the City to understand the preventative maintenance and major building renovation updates and timing for all City buildings (the majority of which use the General Fund as a revenue source). At this time, we do not have a comprehensive schedule for annual preventative maintenance on all buildings nor do we have an understanding when each building will need a new roof, new HVAC, or other updates thus we cannot set aside proper funding. At this time, we do not know what this study will cost until the RFP is developed but staff anticipates a cost greater than \$100,000.

Council has previously directed two additional plans (Ellsworth Corridor Study - \$109k & Connector Study - \$94k) which would need to be prioritized along with the above-proposed plans.



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TO: Mayor and Council

FROM: Tom Crawford, CFO

CC: Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: Non-Departmental

DATE: May 5, 2017

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**Question #74:** Non-departmental line item detail - Can you please provide a spreadsheet similar to the one provided last year (May 6 budget response) that details the expenditure line items for non-departmental “other services” and “other charges”. Also, can you please provide detail on the basis for the provisions included for unsettled contracts in the “personnel services” category (\$2.3M in FY18 and \$2.8M in FY19)? (Councilmember Lumm)

**Response:** Please see attached summary.

**Non-Departmental (Include Gen Fund & Debt Serv. Fund)**

Description	FY2017	FY2018	Comments
	Amended Budget	Budget Request	
<b>Other Services</b>			
Telecommunications	\$ 48,561	\$ 48,561	
Training	43,500	43,500	
Downtown Employee Parking Benefit (55%)	71,610	71,610	
Carryforward of in process items at year-end	11,309	-	These items were approved without regard to fiscal year.
HRC Police	200,000	-	\$150,000 was added to FY17 after the budget book was assembled. Unspent funds will carryover.
Governing Documents Update		250,000	
Bad Debt	1,000	200	
Total Other Services	\$ 375,980	\$ 413,871	
<b>Other Charges</b>			
Dues & Licenses	\$ 137,135	\$ 137,135	Includes SPARK services (\$75k) plus city-wide dues/memberships.
AAATA Fee	102,749	105,009	Fee is deducted from tax distrib.
Tax Refunds	100,000	100,000	Primarily Michigan Tax Tribunal estimated refund on prior year levies.
ACA Health Care		148,200	This is set aside for service units that have employees eligible for Health Care under the Affordable Care Act.
Pension Contribution	238,374	530,070	Portion of pension contribution required to comply with policy that contributions don't decline y-o-y.
City Admin. Operating contingency	272,000	250,000	
Workforce planning contingency	500,000	475,000	FY17 unused amount will roll-forward to FY18. This is not additive.
Debt Service	8,870,199	8,788,721	
Total Other Charges	\$ 10,220,457	\$ 10,534,135	
<b>Personnel Services</b>			
Severances	578	500,000	The majority of FY17 severances have been distributed to departmental budgets
Labor & Contract Settlement contingencies	367,059	1,753,904	Based on Labor Committee input. FY17 unused amount of \$367,059 will roll-forward to FY18. This is not additive.
Total Personnel Services	\$ 367,637	\$ 2,253,904	



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TO: Mayor and Council

FROM: James Baird, Police Chief

CC: Tom Crawford, CFO  
Karen Lancaster, Finance Director  
Howard S. Lazarus, City Administrator

SUBJECT: Police

DATE: May 10, 2017

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**Question #52:** Traffic enforcement near schools and in neighborhoods – I asked a budget question previously about what specific changes (if any) are planned for FY18 (add'l deployments etc) to enhance traffic enforcement near schools and in neighborhoods. The response (March 31) was “there are no changes currently planned in our allocation of Police”. Is that still your thinking/plan? If not and additional deployments are planned for dedicated traffic enforcement, please indicate how many additional hours are planned and what current Policing activities will receive less attention? (Councilmember Lumm)

**Response:** Yes. Currently, there are no changes planned in base level staffing. AAPD consistently reviews operational data and makes adjustment as needed. In FY18, we expect that the results of the consultant’s evaluation of our community engagement practices and our commitment to the A2 Be Safe initiative will also influence our deployments of resources.

**Question #66:** Police Performance Measures – all of the service units include performance measures and that’s helpful. Last year, the Police included service unit measures for downtown foot patrols and dedicated traffic enforcement. Will those goals be achieved in FY17 and are there similar targets for FY18?? (Councilmember Lumm)

**Response:** I anticipate that we will not reach the foot patrol goal. We have already met the pedestrian/bicycle traffic enforcement goal. The performance measures and goals for FY18 are provided in the budget document.



TO: Mayor and Council

FROM: Karen Lancaster, Finance Director


CC: James Baird, Police Chief  
 Larry Collins, Fire Chief  
 Tom Crawford, CFO  
 Howard S. Lazarus, City Administrator

SUBJECT: Safety Services

DATE: May 10, 2017

**Question #80:** I note that the safety services budget for fire and police is 40% of the total budget. Can you provide a comparison of the total safety services budget (police and fire only) for the last 5 years, as a percent of the budget and in absolute dollars? (Councilmember Eaton)

**Response:**

	FY2013	FY2014	FY2015	FY2016	FY2017
Safety Services	38,464,588	38,980,639	39,981,903	40,596,486	42,478,392
031 Police	24,551,485	24,475,751	25,318,872	25,542,873	26,593,353
032 Fire	13,913,103	14,504,888	14,663,031	15,053,613	15,885,039
Total Adopted General Fund Budget	79,070,842	83,152,688	97,976,783	99,650,343	103,240,048
Without Inter-fund Eliminations for GASB #68	49%	47%	41%	41%	41%
Adjusted for GASB #68 for historic comparability	49%	47%	46%	46%	46%
					
			GASB #68 Adopted		

This chart represents the adopted budget for the last five years. Because we had an accounting change in FY2015, we adjusted the percentages for historical comparability. Please note wage contingencies for each year in question are not part of the adopted budget. The amounts are held centrally in Non-departmental until the contracts settle. This does not materially change the trend shown above.