



AGENDA
Committee on Ways and Means
Wednesday, March 2, 2016 @ 8:15 a.m.
10th Floor Conference Room, City Hall

Councilmember Judi Brown Clarke, Chair
Councilmember Carol Wood, Vice Chair
Councilmember Tina Houghton, Member

- 1. Call to Order**
- 2. Roll Call**
- 3. Minutes**
 - February 17, 2016
- 4. Public Comment on Agenda Items**
- 5. Discussion/Action:**
 - A.) DISCUSSION- Vacancy Report as of 12/31/2015
 - B.) UPDATE – Structure, Policies and Procedures of the City of Lansing Internal Auditor
- 6. Other**
 - Tie Bar Memo Update
- 7. Adjourn**



MINUTES
Committee on Ways and Means
Wednesday, March 2, 2016 @ 8:15 a.m.
10th Floor Conference Room, City Hall

CALL TO ORDER

The meeting was called to order at 8:19 a.m.

ROLL CALL

Councilmember Judi Brown Clarke, Chair
Councilmember Carol Wood, Vice Chair
Councilmember Tina Houghton, Member

OTHERS PRESENT

Courtney Vincent, Council Administrative Assistant
Mark Dotson, Deputy City Attorney
Angie Bennett, Finance Director
Mary Riley, Human Resources Director
Jim DeLine, City Council Internal Auditor

MINUTES

Councilmember Brown Clarke placed the minutes from February 17, 2016 on hold until the next meeting to allow further time for review.

PUBLIC COMMENT

No public comment

Discussion/Action

DISCUSSION – Vacancy Report as of 12/31/2015

Ms. Bennett stated that the quarterly Vacancy Report was done to gauge if there was a need for any adjustments to the \$800,000 allocated to the vacancy factor in the General Fund. She explained that the first page of the report showed vacancies for positions paid out of the General Fund and the second page showed vacancies for non-General Fund positions. An additional column had been added to the report to show the hiring status for the position as requested by Council.

Councilmember Brown Clarke asked if future reports could include a key providing the definitions of terminology used in the hiring status column. Ms. Bennett defined “active process” as everything from the position being posted through to when an offer is about to be made, and

“reviewing process” as when a City Department is reviews the position with Human Resources and what they need to do to start the hiring process for a vacancy. Councilmember Brown Clarke asked for clarification for positions marked “offset by contract” and “on hold.” Ms. Bennett replied that it was most likely that a contract employee was in that position to perform the duties while the position was being reconfigured.

Councilmember Wood asked if Ms. Bennett could report back to them on which positions, if any, were being filled by retirees returning under contract. She also asked for a report on the cost savings of the non-general fund positions, and for there to be an additional column on next quarter’s report showing how long a position any of the positions have been vacant.

Councilmember Houghton asked for clarification on a position that was listed as “offset by contract” but with a hiring status lists “hiring shortly.” Ms. Bennett explained that the report was as of 12/31/15, but the hiring status information was timelier than that.

Councilmember Houghton asked for a status update on the Chief Information Officer, a position listed as “hiring shortly” on the report. Ms. Riley replied that interviews for that position have been ongoing since January and candidates were being narrowed down, but that she did not have an exact date on when that position would be filled. Councilmember Brown Clarke asked Ms. Riley if she was a part of the hiring process for this position. Ms. Riley replied that she was; she had been to three face-to-face interviews and one over Skype.

Councilmember Wood asked if Ms. Bennett could report back to them with a comparison on what they were spending on overtime versus how the cost of filling vacancies for both firefighters and police officers.

Councilmember Brown Clarke asked if there was an update on the status of the firefighter vacancies and when they were going to start the process for hiring. Ms. Riley replied they did not have an active process to fill those vacancies as of yet. Councilmember Brown Clarke asked if Ms. Riley could provide the Committee with an update on the status of the firefighter vacancies during the next quarter’s report.

Councilmember Brown Clarke requested that the information on the following:

- number of contract positions filled by retirees
- calculations of offset by contract, since we are not paying benefits there are additional savings
- costs of overtime versus filling vacant police and firefighter positions
- cost savings of the non-general fund positions be reported to the Committee at the March 16, 2016 meeting of the Committee on Ways and Means
- additional column requested for the vacancy factor report to show the length of time the position has been vacant and to be included for the next quarter

Ms. Bennett replied that it would be difficult for her staff to have the information prepared by the next meeting because they are currently working on the budget and that is the most important thing right now. Councilmember Brown Clarke suggested that Mr. Jim DeLine, the City’s Internal Auditor, could perform the calculations and report back to the Committee if Ms. Bennett could have her staff pull the numbers. Ms. Bennett agreed to have her staff gather the information for Mr. DeLine.

UPDATE – Structure, Policies and Procedures of the City of Lansing Internal Auditor

Councilmember Brown Clarke stated that she and Mr. DeLine had been scheduled to meet yesterday, but had been unable to do so because City offices had closing due to a Snow Emergency. She commented that the Internal Auditor for the Lansing Board of Water and Light (LBWL) has both fiscal responsibilities and performance based budgeting and suggested contacting them to find out more about their structure for the position. Mr. DeLine replied that he had a contact at the LBWL that he could talk to about it.

Councilmember Brown Clarke noted that there was a Committee on Personnel meeting scheduled for March 9, 2016, commenting that both that Committee and the Committee on Ways and Means were discussing aspects of the Internal Auditor position; the former to address the scope of the position and the later to address the candidate to fill that position. She remarked that it is important that both parts are on the same page.

Councilmember Wood asked the City Attorney's Office had provided definitions on "performance audit" and "final report." Mr. Dotson replied that he had sent the information to the Committee members and that he could re-send them if needed. Councilmember Brown Clarke stated that she would forward her copy to Councilmember Wood.

Councilmember Wood suggested that the Committee could meet before the March 14th meeting of the City Council to review and vote on the structures, policies, and procedures of the City of Lansing Internal Auditor in order for it to be placed on the agenda for the March 14, 2016 meeting of the Lansing City Council.

Mr. Dotson commented that he had researched the requested definitions with assistance from Ms. Bennett, and that his correspondence had outlined more what process might need to be employed to get to a final report as opposed to only a definition of what a final report would be. He added that Mr. DeLine had provided the definition for "performance based audit."

Mr. DeLine stated that he had prepared a prototype of what the structures, policies, and procedures document would look like, mentioning that one of its eight parts pertained to reports and that the other seven sections were still only drafts.

Other

Tie Bar Memo Update

Mr. Dotson reported that he has been searching for the memo, but the City Attorney's Office has been unable to disclose anything other than a memo from last year that was the subject of a FOIA request. He suggested checking with the City Attorney to see if it is something she might be familiar with. He asked why the Committee thought the Mayor received it.

Councilmember Wood replied that there had been an email from the City Attorney stating she had completed the Tie Bar memo and had given it to the Mayor for review and approval before it could be submitted to the City Council. She noted that there were two memos done, one on retiree health care and then the City Attorney's email. Mr. Dotson asked if Councilmember Wood could forward him a copy of the email and then he would provide an update to the committee members by email.

Councilmember Brown Clarke noted that the City Attorney had been the one to draft the memo.

Mr. Dotson asked if this would resolve the issue with the retiree benefit elections.

Councilmember Wood replied that the issue was not resolved; retirees had not been given the

opportunity as they had been told they would to change their healthcare benefits once the memo came out determining what their true costs would be.

Ms. Bennett stated that she would look into that issue.

ADJOURN

Adjourn at 8:49 a.m.

Submitted by,

Courtney Vincent, Administrative Assistant

Lansing City Council

Approved by the Committee on March 23, 2016

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MINUTES

**Committee on Ways and Means
Wednesday, February 17, 2016 @ 8:15 a.m.
10th Floor Conference Room, City Hall**

CALL TO ORDER

The meeting was called to order at 8:15 a.m.

ROLL CALL

Councilmember Judi Brown Clarke, Chair
Councilmember Carol Wood, Vice Chair
Councilmember Tina Houghton, Member arrived at 8:17 a.m.

OTHERS PRESENT

Sherrie Boak, Council Staff
Joseph Abood, Deputy City Attorney
Angie Bennett, Finance Director
Ken Lane, Clark Hill
Karen Williams, Retirement
Gregory Stump, Boomershine Consulting Group
Dennis Parker, Chair Employee Retirement Board
Brad St. Aubon, Chair Police and Fire Retirement Board
Amber Paxton, Financial Empowerment Center
Alec Malvetis, Engineering
Jim DeLine, City Council Internal Auditor

MINUTES

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM JANUARY 20, 2016 AS PRESENTED. MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE MINUTES FROM THE FEBRUARY 3, 2016 MEETING AS PRESENTED. MOTION CARRIED 3-0.

PUBLIC COMMENT

No public comment

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Discussion/Action

Final - City of Lansing Employees' Retirement System Actuarial Valuation for Funding Contributions as of December 31, 2014 (Boomershine)

Final - City of Lansing Police and Fire Retirement System Actuarial Valuation for Funding and Contributions as of December 31, 2014 (Boomershine)

Mr. DeLine distributed a report on the compilation of the ERS and the Police/Fire. Council President Brown Clarke asked the report be sent to Council Staff.

Mr. Stump gave an introduction and presented an overlook on status of the systems, outlook, and pension funding background. Council Member Wood asked Mr. Stump to talk about where the City is in relation to the other retirement boards. The presentation began with funding background determination and contributions of pay. This addresses assets needed and actual. Shortfalls need to be amortized. Examples were given; details were presented on what causes shortfalls which included increases in benefits, investments lower than expected, longer retire lifetimes, retirements earlier, less turnover, and high salary increase. It was noted by Mr. Stump that the decline on graph is not unique to the City of Lansing. Historically contributions and funding go hand-in-hand and as they merge the costs go up. On the graph 2014-2015-2016 appeared to be level, in earlier years there were funds that were lost in stocks which explains the big increase.

In ERS there are 901 receiving benefits, paid at \$22.1 million, at an average benefit of \$2,065 and the average of 68. In the Police & Fire retirement there are 711 receiving benefits, paid at \$28 million, average benefit of \$3,302 at the average age of 66.

The presentation moved onto Cost Profile and details on the shortfalls. This summarized the valuation breakdown and combined, with the funding ratio combined at 66%. There are questions as to how will it change and they will look at that. Council Member Brown Clarke asked about the FY16 contribution and the number the City would put in for this fiscal year. Council Member Wood asked Mr. Stump about what the Retirement Boards have done to make adjustments. Mr. Stump informed the Committee that the Boards adopted written policies with each plan and every 5 years they look at all assumptions, look at expected returns, and change amortization. Ammonization a few years ago was not paying off the shortfall. The Board decided to close that ammonization to close the shortfall.

Mr. St. Aubin informed the group that there were changes in the amortization rate, then in 2005 the Administration changed to "open amortization rate". The retirement boards changed it back to "closed amortization rate". Mr. Parker added that the changes in 2010 speak to what those changes to the funding level are. Mr. Stump referred to the slide on Projected ERS Funding and the comparison to funded and unfunded. The next slide represented the differences between Amortization, Normal Cost and City Contributions. There was a question raised on the graph representation showing it leveling out, and Mr. Stump clarified that in 15 years they will use an "open amortization" and review it again. Council Member Brown Clarke encouraged with the drop in un-funding they would assume a different strategy.

Mr. Stump moved onto the Projected ERS Cost highlighting those changes with benefits is a normal cost. The current outlook is leveling at \$14,000,000 then going back down to 30%. It was admitted that it is hard to project into the future, but his opinion is that the City is dealing with it the best way. In regards to the OPEB, the City did start earlier than some communities on the prefunding, and are better off, however not to the percentage they need to be at. Ms. Bennett added to the presentation by stating that it also depends how you structure the benefits, because in some municipalities you do not get retirement unless you retire from the

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municipality. Council Member Brown Clarke asked, considering the universal challenge with most government bodies and no short term solution, what the best practice between now is and what is being recommended for strategies. Mr. Stump answered that the long term solution for OPEB is to address prefunding benefits, for the pension keep doing what retirement Board is doing now, looking at their amortization and be aware adjustments need to be made. Council Member Wood acknowledged that the Boards have discussed going to defined contributions and close system. However the City still has retirees that have to be paid and it means payroll contributions currently helping the system will be gone.

Ms. Bennett highlighted for the Committee that in the last round of negotiations, there were changes in defined benefits and some were dropped, but they still did not come close. In addition with new hires their contributions are less than it was but proportionally higher. In connection to the recent RFP with the FHT, the City is asking for recommendations on this, how to make sure we can make good on our promises with retirees, services, and active employees in turn come up with solutions now.

MOTION BY COUNCIL MEMBER WOOD TO PLACE THE REPORTS ON FILE. MOTION CARRIED 3-0.

RESOLUTION – Grant Acceptance; Financial Empowerment Center Carry Forward Funds for the Cities for Financial Empowerment Supplementary Grant

Ms. Paxton gave a history on the funds which the City received five (5) years ago and shared with Capital Care Community Services (CACS). The program was started late so there was \$93,000 under spent with the 3-year grant. In 2016 CACS decided to go a different route and with other cities, therefore the \$93,000 is the entire City's now. The City has decided to go with Cristo Rey for another hub site to serve the residents of Lansing. The funds were unspent from the 2nd year of the grant; therefore this would now take them into a 4th year. The funds will be used for 5 counselors and 2 sites. The City will pay \$54,000 per quarter to Cristo Rey hub site for the Financial Empowerment Center. The Committee discussed the use of wording "carry forward" and asked the resolution be changed to reflect "recaptured and reallocated unspent dollars".

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE GRANT FOR THE FINANCIAL EMPOWERMENT CENTER WITH THE CHANGE IN THE RESOLUTION TO STATE "RECAPTURE THEN REALLOCATED UNSPENT DOLLARS" INSTEAD OF "CARRY FORWARD". MOTION CARRIED 3-0.

RESOLUTION – Grant Acceptance; Capital Region Community Foundation Grant for the Financial Capability for Youth Employment

Ms. Paxton noted this grant will be partnering with Parks and Recreation who currently have an average of 100 contractual employees in the summer and 50 year round. It will be used as part of an orientation session to deliver financial education. Other entities partnering with the educational piece will be banks, and the Mayors Association.

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE RESOLUTION FOR THE GRANT ACCEPTANCE OF THE COMMUNITY FOUNDATION GRANT FOR FINANCIAL CAPABILITY FOR YOUTH EMPLOYMENT. MOTION CARRIED 3-0.

RESOLUTION- Authorizing Issuance of Wet Weather Control Program Limited Tax General Obligation Bond; Frances Park Pump Station Improvements Project

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Mr. Malvetis assured the Committee that the project was on track and was available for questions. Council Member Wood confirmed this request was bonds for the Frances Park Pump Station, and what the amount would be. Mr. Malvetis did confirm it was Frances Park Pump Station and the amount is determined by the DEQ. It was noted that the bids did come in 15% lower than the estimate, so the bonds could be over \$1 million less. The DEQ won't have the amounts with the loan approval by the Council Meeting on February 22, 2016 however Mr. Malvetis stated he could provide the Committee with an estimate. Mr. Malvetis then outlined the scope of the project which should begin in fall 2016 and encompass the west entrance of the park. They have measured the distance from the job site to the closest residents and there will be no effect or noise waiver required, however they will make every attempt to communicate with the residents the closer it gets to the start date. Council Member Wood suggested letters and Council Member Houghton suggested communication with the neighborhood associations. Ms. Bennett added to the discussion that these bonds act in different than the traditional bonds, as in usually bonds are paid up front but in this case the City incur a cost then submit it to DEQ to get reimbursed. There will be a not to exceed amount of \$5 million, and currently they are projecting \$3.8 million. If less is used then the City only repays the lower amount.

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE RESOLUTION FOR THE ISSUANCE OF THE WET WEATHER CONTROL PROGRAM LIMITED TAX GENERAL OBLIGATION BONDS FOR THE FRANCES PARK PUMP STATION PROJECT. MOTION CARRIED 3-0.

DISCUSSION- General Fund Status Report for Second Quarter of Fiscal Year 2016 & Updated Vacancy Report

Ms. Bennett stated to the Committee that the report is distributed per the Charter to the Clerk and the vacancy report is submitted at the same time, and in the past it has been referred to Committee of the Whole. Council Member Wood asked for the vacancy report that should also be submitted and noted that in the past it has come to the Ways and Means Committee and she will provide Ms. Bennett confirmation of that. Council President Brown Clarke asked for questions, and the only one was from Council Member Houghton who asked if there were any highlights the Committee should know about. Ms. Bennett noted the revenues are strong at this time, and we have received more revenue than last year. Ms. Bennet then distributed the vacancy reported dated 12/31/2016. Based on a request from the 2015 Ways and Means Committee a column was added to reflect the hiring status. Council President asked for the difference between "Review and Planning" label and the "Review Process" and Ms. Bennett corrected it stating it was an error and all those are the same status. She did add that in regards to the Public Service vacancies, the department is looking at the positions, prioritizing and figuring out how to process and put forth the process. Council President Brown Clarke asked Council staff to have the HR Department at the next meeting. Council Member Wood asked for an amount column to be added to the non-general fund positions.

Council Member Wood asked Mr. Abood for the status on the Tie-Bar memo that the City Attorney informed the Committee was written and given to the Mayor for review in December. In addition Council Member Wood asked Mr. Abood to research a recent concern with recent retirees insurance changes and they were informed if they picked an insurance that was valued less, and they want to make changes after they received clarification they could, now they are finding out they have not been given that option.

UPDATE – Structure, Policies and Procedures of the City of Lansing Internal Auditor
Moved to next agenda.

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Other

Ms. Bennett asked who would be paying for Mr. Stump's presentation. Council President Brown Clarke told her to provide the bill to Council when it arrives.

ADJOURN

Adjourn at 9:43 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on _____

**FY 2015 Vacancies
As of 12/31/2015**

<u>Dept/Div</u>	<u>Position</u>	<u>Bargaining Unit</u>	<u>Amount Towards Vacancy Factor 12/31/15</u>	<u>Hiring Status</u>
<u>Vacancies Counted toward General Fund Vacancy Factor</u>				
City Clerk	Election Coordinator	T-243 Sup	2,702	Reevaluating position/reclass
Finance/Accounting	Accountants (2)	T-243 CTP	offset by contract	Active process
Finance/Accounting	Budget Analyst	T-243 CTP	29,244	On Hold
Finance/Accounting	Administrative Specialist	T-243 CTP	27,246	On Hold
Finance/Treasury	City Treasurer	Executive	56,032	Hired on 1/2/2016
Finance/Assessing	City Assessor	Executive	50,718	On Hold
Finance/Assessing	Deputy Assessor	T-243 Sup	50,144	Hiring shortly
Human Resources	Part-Time Clerk	T-243 CTP	offset by contract	On Hold
City Attorney's Office	Deputy City Attorney	NB	offset by contract	Hired on 1/19/16
City Attorney's Office	Legal Advisor	T-214	offset by contract	On Hold
City Attorney's Office	Legal Assistant	T-214	offset by contract	On Hold
City Attorney's Office	Legal Assistant	T-214	offset by contract	On Hold
City Attorney's Office	Legal Secretary	T-214	offset by contract	Reviewing process
HRCS	HRCS Supervisor	NB	40,367	On Hold
Public Service/Facilities	Building Maintenance Manager	T-243 Sup	offset by contract	Reviewing process
Public Service/Facilities	Facility Maintenance Worker	UAW	offset by contract	Reviewing process
Public Service/Facilities	Facility Maintenance Worker	UAW	offset by contract	Reviewing process
Parks & Recreation	Part-Time Clerk	T-243 CTP	12,807	Reviewing process
Parks & Recreation	Part-Time Community Center	T-243 Sup	3,813	Active process
Parks & Recreation	Part-Time Therapeutic Specialist	T-243 CTP	18,460	Reviewing process
Fire	Clerk	T-243 CTP	offset by contract	Reviewing process
Fire	Part-Time Clerk	T-243 CTP	12,245	Reviewing process
Fire	Part-Time Clerk	T-243 CTP	12,245	Reviewing process
Fire	Part-Time Clerk	T-243 CTP	11,684	On Hold
Fire	Part-Time Premise Officer	T-243 CTP	5,619	Reviewing process
Fire	Inspector	IAFF	44,061	On Hold
Fire	Firefighters (14)	IAFF	substantially offset by overtime costs	Active process
Police	Lead Detention Officer	T-243 Sup	29,881	On Hold
Police	Administrative Specialist	T-243 CTP	offset by contract	On Hold
Police	Clerk	T-243 CTP	offset by contract	Active process
Police	Clerk	T-243 CTP	39,287	Active process
Police	Part-Time Clerk	T-243 CTP	11,079	On Hold
Police	Police Technicians (2)	T-243 CTP	offset by contract	Active process
Police	Radio Technician	T-243 CTP	offset by contract	On Hold
Police	Detective	FOP NS	substantially offset by overtime costs	Promotional forthcoming
Police	Sergeants (3)	FOP Sup	substantially offset by overtime costs	Promotional forthcoming
Police	Police Officers (11)	FOP NS	substantially offset by overtime costs	Active process
			\$ 457,635	
FY 2016 Budgeted Vacancy Factor:			\$ 800,000	
Year-to-Date Target:			\$ 403,053	
Year-to-Date Status as Compared to Target:			114%	

submitted @ 10/18

<u>Dept/Div</u>	<u>Position</u>	<u>Bargaining Unit</u>	
Non-Vacancy Factor Vacancies			
PND/Development	Community Development Coordinator	T-243 CTP	Active process
PND/Development	Housing Rehabilitation Agent	T-243 CTP	Active process
PND/Development	Community Dev/Planning Specialist	T-243 CTP	Active process
PND/Building Safety	Plan Review Supervisor	T-214	Active process
PND/Parking	Parking Manager	NB	On Hold
PND/Parking	Assistant Parking Coordinator	T-243 Sup	On Hold
PND/Parking	Customer Service Representatives (3)	T-243 CTP	Active process
PND/Parking	Parking Revenue Collectors (4)	UAW	Active process
IT	Chief Information Officer	Executive	Hiring shortly
IT	Information Technology Manager	T-243 Sup	Reviewing process
IT	Part-Time Secretary	T-243 CTP	On Hold
IT	Network Administrator	T-243 Sup	On Hold
IT	Senior Programmer Analysts (2)	T-243 CTP	On Hold
Public Service/Eng	Engineering Technician	T-243 Sup	On Hold
Public Service/Eng	Deputy Public Service Director	NB	Review/Planning
Public Service/Eng	Assistant City Engineer	T-214	Review/Planning
Public Service/Eng	Engineer	T-214 NS	Review/Planning
Public Service/Eng	Administrative Assistant	T-243 CTP	Review/Planning
Public Service/O&M	Assistant O&M Superintendent	NB	Review/Planning
Public Service/O&M	Senior Office Administrator	T-243 Sup	Review/Planning
Public Service/O&M	Accounting & Operations Specialist (2)	T-243 CTP	Review/Planning
Public Service/O&M	Arborist	T-243 CTP	Active process
Public Service/O&M	Arborist	T-243 CTP	Active process
Public Service/O&M	Parks Maintenance Worker	UAW	Active process
Public Service/O&M	Landscape Manager	T-243 Sup	Review/Planning
Public Service/O&M	Solid Waste Operator	UAW	Active process
Public Service/O&M	Solid Waste Supervisor	T-243 Sup	Active process
Public Service/O&M	Equipment Operator	UAW	Active process
Public Service/O&M	Sewer Maintenance Worker	UAW	Active process
Public Service/Fleet	Asst. Garage Supervisors (2)	T-243 Sup	Active process
Public Service/Fleet	Mechanics (3)	UAW	Active process
Public Service/Fleet	Vehicle Maintenance Worker	UAW	Reviewing process
Public Service/WWTP	Plaint Maintenance Supervisor	T-243 Sup	Review/Planning
Public Service/WWTP	Field Operations Supervisor	T-243 Sup	Review/Planning
Public Service/WWTP	Laboratory Supervisor	T-243 Sup	Review/Planning
Public Service/WWTP	Chemist	T-243 CTP	Review/Planning
Public Service/WWTP	Sr. Electrical Technician	T-243 CTP	Review/Planning
Public Service/WWTP	Industrial Surveillance Supervisor	T-243 Sup	Review/Planning
Public Service/WWTP	Plant Operations Supervisors (3)	T-243 Sup	Review/Planning
Public Service/WWTP	Utility Maintenance Worker	UAW	Review/Planning
Public Service/WWTP	WW Plant Operators (4)	UAW	Review/Planning
Public Service/WWTP	Wastewater Residual Handler	UAW	Review/Planning
Public Service/WWTP	Wastewater Systems Analyst	T-243 CTP	Review/Planning
Public Service/WWTP	Wastewater Maintenance Workers (4)	UAW	Reviewing process



CITY OF LANSING

INTERNAL AUDITOR
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REVIEW AND RECOMMENDATIONS ON STRUCTURE, POLICIES AND PROCEDURES FOR THE CITY OF LANSING OFFICE OF THE INTERNAL AUDITOR

■ FOLLOW-UP REGARDING REPORTS

Jim DeLine
Internal Auditor
January 14, 2016

- I. Policies and Procedures for Reports
 - a. Annual Reports
 - i. The required Analysis of the Financial Status of the City will be compiled as soon as possible after the submission to the State of Michigan of the City's Comprehensive Annual Financial Report (CAFR).
 - ii. As soon as possible after publishing the Financial Status of the City, the Internal Auditor will update Councilmembers on the City's Long Term Debt.
 - iii. Analysis of the Capital Improvement Plan is provided in conjunction with the budget process.
 - b. Cash Audits
 - i. Cash Audit Checklist
 1. Currently in use.
 - ii. Cash Audit Form
 1. Currently in use.
 - c. Performance Audits
 - i. Definition of "Performance Audit"
 1. Performance audit refers to an independent examination of a program, function, operation or the management systems and procedures of a governmental or non-profit entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources.
 - a. Performance Auditing Definition (Feb 2014) INTOSAI and GAO.
 2. Definition also to be provided from the City Attorney.

- ii. Audit Plan
 - 1. Prior to the start of a performance audit, an audit plan should be developed for the project.
 - 2. The Audit Plan is to include:
 - a. Audit methodology most suited to the operations being audited.
 - b. Expected time frame for steps within the proposed methodology to be conducted.
 - c. The format and general content of the report to be prepared.
- iii. Field Work
 - 1. Review of like operations in municipalities similar to Lansing.
 - 2. Review of benchmarks available for like operations.
 - 3. Interviews conducted.
 - a. Have interview summaries reviewed by the interviewee for accuracy / need for follow-up.
 - 4. Conduct on site visits to operations discussed in the interviews.
- iv. Draft Report
 - 1. Reviewed by Department Head of unit audited
 - a. In preparation for issuance of a final report, the appropriate Department Head of the unit being audited will be given a draft copy of the report.
 - b. The Department Head of the unit being audited may gather input on the draft from the Director of Finance or other members of the Administration as they feel appropriate.
 - c. Within ten business days of being presented with the draft, the Department Head of the unit will submit, in writing, any or all of the following:
 - i. Items in the draft believed to be factually in error
 - ii. Items in the draft believed to be interpreted incorrectly
 - iii. Responses to recommendations made in the draft
 - d. Following receipt of the written comments, the Internal Auditor will meet with the Department Head or their representative to discuss same and potential action plans if any.
 - e. These written comments may or may not be cause for changes in the draft prior to publication.
 - f. These written comments will be included in the final report. See below.
- v. Final Report
 - 1. **Definition of “Final Report”**

- a. The City Attorney has agreed to issue a formal legal opinion as to the definition of a Final Report for purposes of this document. This document will remain in draft form until receipt of that legal definition.

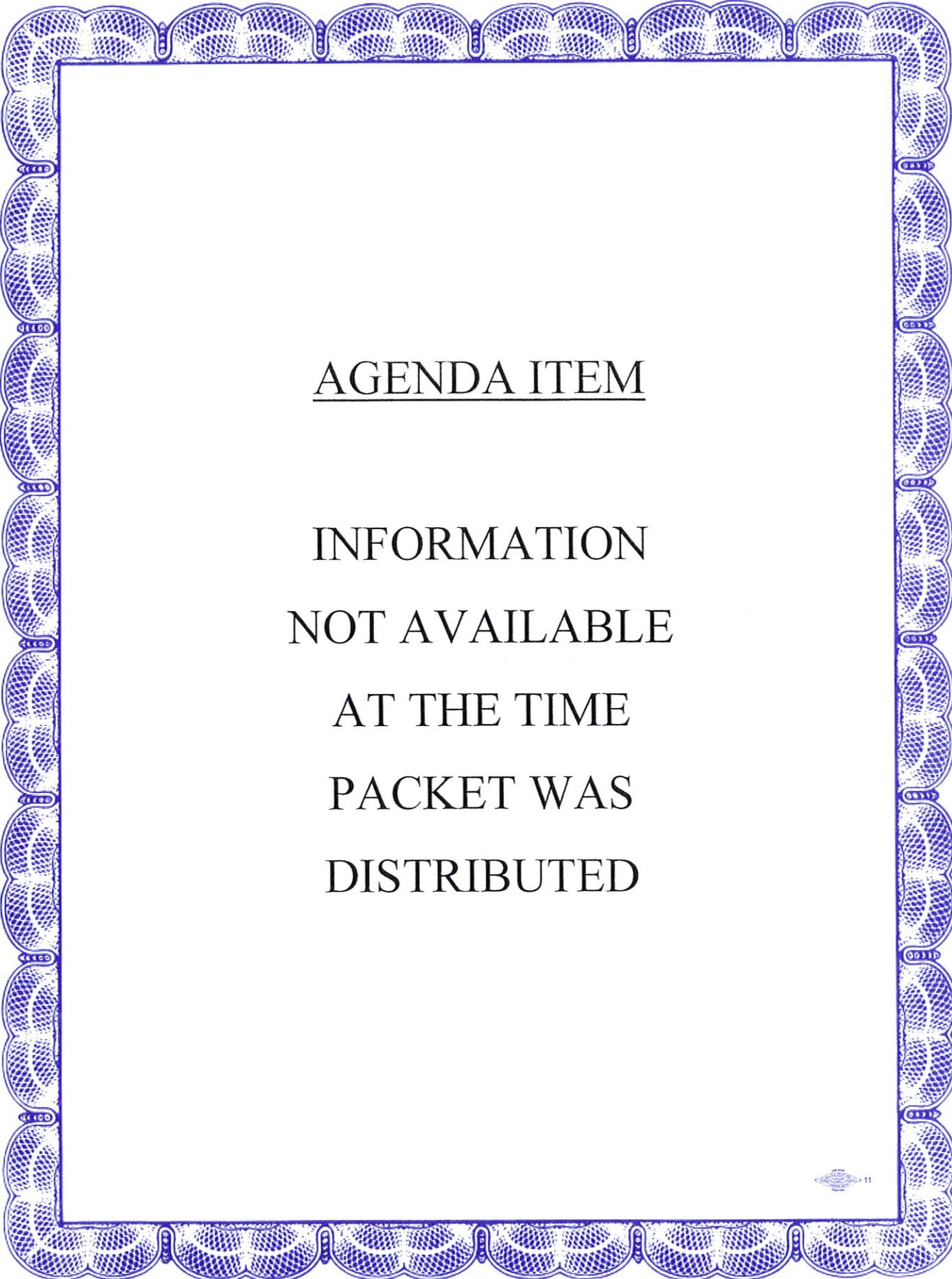
2. Format

- a. Background / Research
 - i. Include objectives and scope
- b. Analysis
 - i. Include conclusions
 - ii. Include relationship to strategic goals and performance measures
- c. Recommendations
 - i. Include action plans
- d. Comments from head of unit audited and / or Finance Director.

3. Distribution

- a. Presented to appropriate Council Committee and Department Head of unit audited.
- b. Placed on file with Mayor and City Clerk
- c. Distribute to each Councilmember.

DRAFT



AGENDA ITEM

INFORMATION
NOT AVAILABLE
AT THE TIME
PACKET WAS
DISTRIBUTED