



**AGENDA**  
**Committee on Ways and Means**  
**Wednesday, April 6, 2016 @ 8:15 a.m.**  
**10<sup>th</sup> Floor Conference Room, City Hall**  
**Updated – 4/6/2016 a.m.**

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

- 1. Call to Order**
- 2. Roll Call**
- 3. Minutes**
  - March 23, 2016
- 4. Public Comment on Agenda Items**
- 5. Discussion/Action:**
  - A.) RESOLUTION - BWL Commissioners Regarding Designation of BWL Auditor for FY 2016-2020
  - B.) RESOLUTION – MDOT Local Bridge Program Funding
  - C.) Approval of Structure, Policies and Procedures of the City of Lansing Internal Auditor
  - D.) Discussion – Tie Bar Memo
  - E.) Discussion – Health Care Re-Selection Option
  - F.) Discussion – Recycling Contract (Revenues and Expenses)
  - G.) Setting Threshold on Council Approved Separation Agreement
- 6. Other**
- 7. Adjourn**

DRAFT



**MINUTES**  
**Committee on Ways and Means**  
**Monday, March 23, 2016 @ 8:15 a.m.**  
**10<sup>th</sup> 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 -excused  
Councilmember Tina Houghton, Member

**OTHERS PRESENT**

Sherrie Boak, Council Staff  
Joseph Abood, Deputy City Attorney  
Jim DeLine, Internal Auditor  
Sid Seringer, City WWTP  
Bill Brunner, City WWTP  
Brian Love, City Public Service

**MINUTES**

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE MINUTES FROM FEBRUARY 17, 2016 AS PRESENTED. MOTION CARRIED 2-0.

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE MINUTES FROM MARCH 2, 2016 AS PRESENTED. MOTION CARRIED 2-0.

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE MINUTES FROM MARCH 14, 2016 AS PRESENTED. MOTION CARRIED 2-0.

**PUBLIC COMMENT**

No public comment

**Discussion/Action**

Sole Source Purchase; Public Service Department Request for Engineering Services; Vendor Tetra Tech

## DRAFT

Mr. Seringer outlined the proposal using the design by Tetra Tech to switch to radio communications for the SCADA system. This will allow during power outages, monitoring conditions with battery powered backup radios.

Council Member Houghton asked if the price was \$50,000 a year. Mr. Brunner stated it was for the project, design and implementation. They will then bid out for and pay for the radios separately. Council Member Brown Clarke asked what the projected cost of the radios would be, and Mr. Brunner stated they could range from \$3,800 to \$5,000 because in this case they also have to install antennas. The antennas will be located on the pump stations where the radios will be used and the police tower on Holmes and one at the waste water treatment plant. Council Member Houghton asked if this would cover all the rest of the pump station, and it was confirmed it would they would no longer have the ATT connect or bill. Mr. DeLine asked if Tetra Tech would recommend the vendor for the radios, and Mr. Brunner stated they (3) vendor recommendations. Council Member Brown Clarke asked for the timeline. It was confirmed that since the project was not budgeted for this year, they will plan the project of engineering within 2-3 months and the entire project will be within the next fiscal year.

MOTION BY COUNCIL MEMBER HOUGHTON TO PLACE ON FILE. MOTION CARRIED 2-0.

Council Member Brown Clarke asked if they were going to use on other cell towers, and Mr. Seringer noted they are partnering with O & M, Police and Fire moving forward. Once the antennas are installed they will see what signal is available.

### Approval of Structure, Policies and Procedures of the City of Lansing Internal Auditor

Mr. DeLine confirmed that the recent version dated March 3, 2016 includes the definition from Law for performance audit and Ms. Bennett's bullet points. Mr. DeLine recommended for approval to pass along to Council.

The Committee, Mr. DeLine and Law reviewed the specifics on page 2 of 3, iv.2. a., b. and c. It was determined to make changes to reflect:

- a. In preparation for issuance of a final report, supervisors involved in the audit/investigation, the appropriated Department Head of the unit being audited, and the Finance Director shall be delivered a draft (both electronically and hand delivered) copy of the report.
- b. Copies of the draft are to be delivered to recipient's staff with return receipt requested.
- c. Recipients of the draft will submit, in writing, any or all of the following:

Council Member Brown Clarke asked Mr. DeLine make the changes and forward to Law highlighting those changes, then also deliver to the Finance Director. The item will be back on the agenda April 6<sup>th</sup> for review and potential forwarding to full Council. Also at the April 6<sup>th</sup> meeting Mr. DeLine will present what of the 8 Sections of the Procedures needs to be addressed in sequential order. Research with the BWL Auditor and the Kalamazoo Auditor position process for things the City can add to the procedures.

### Sole Source Purchase; Public Service Department Request for Quadguard Attenuator; Vendor Carrie and Gable

Mr. Love outlined the location on MLK & I-96 and project for replacement. As an acting MDOT contractor they are also hiring contractor to install with the intent the money will be fully reimbursed from MDOT when it is complete. Carrier Gable is the distributor for the area and one used throughout the city. Council Member Brown Clarke asked how old the barrier was and if it was on the list to be replaced. Mr. Love confirmed it was not scheduled for replacement, and usually last forever it wasn't struck. The Committee discussed design and detail of the barrier

## DRAFT

absorption device and speed impact it can take. The mph the barrier can withstand is reflected in the price.

Mr. DeLine asked details about the vendor, lack of sole source purchase approvals from Council for the vendor in the past, and why the need. Mr. Love stated his knowledge was that they only ask for sole source when over \$15,000.

MOTION BY COUNCIL MEMBER HOUGHTON TO PLACE ON FILE. MOTION CARRIED 2-0.

### **ADJOURN**

Adjourn at 9:13 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on \_\_\_\_\_



March 23, 2016

Lansing City Council President Judi Brown Clarke  
Lansing City Council Members  
City of Lansing  
124 West Michigan  
Lansing, MI 48933

Dear Council President Brown Clarke:

At a regular meeting of the Board of Water and Light of the City of Lansing, Michigan, held March 22, 2016, at which meeting a quorum of members was present, the following resolution was unanimously adopted:

**RESOLUTION 2016-03-04**

Lansing Board of Water & Light External Auditor Recommendation

WHEREAS, Lansing City Charter Section 3-404.1 requires an independent audit of all accounts of the City government, including the Board of Water and Light (BWL), at the close of each fiscal year, and all such audits shall be made by a Certified Public Accountant designated by the City Council; and

WHEREAS, BWL staff engaged in its normal public procurement process for the purpose of soliciting and evaluating proposals from a variety of independent public accounting firms that have municipal utility audit experience to perform an audit of the BWL as required by Lansing City Charter Section 3-404 for fiscal years ending June 30 on the following respective years: 2016, 2017, 2018, 2019, and 2020; and

WHEREAS, based on the public procurement evaluation of the proposals received, the BWL staff recommends the firm of Baker Tilly to perform these BWL audits; and

RESOLVED, that the Board of Commissioners support BWL staff's recommendation;

FURTHER RESOLVED, the Board of Commissioners recommends that Lansing City Council approve and designate Baker Tilly to perform the annual financial audit for each of the fiscal years ending June 30 on the following respective years: 2016, 2017, 2018, 2019, and 2020 in accordance with Lansing City Charter 3-404.1; and

FURTHER RESOLVED, that the Corporate Secretary is hereby directed to submit this resolution on behalf of the Board of Commissioners to City Council requesting their approval of Baker Tilly as recommended by the Board of Commissioners.

**Motion** by Commissioner Ross, Seconded by Commissioner McCloud to approve the Resolution designating the firm Baker Tilly as the BWL's External Auditors.

**Action:** Carried Unanimously

In accordance with Lansing City Charter Section 3-404.1, the financial audit of the BWL shall be made by a Certified Public Accountant designated by the City Council. Pursuant to Board of Water & Light Commissioner resolution 2016-03-04, the Board of Water & Light Commissioners respectfully request the City Council's designation of Baker Tilly as the BWL's Certified Public Accountant for the BWL's annual financial audit for the fiscal years ending June 30, 2016 through June 30, 2020.

Respectfully,

Mar 23 2016

X *M. Denise Griffin* ✓



M. Denise Griffin  
Corporate Secretary



1201 S. Washington Ave.  
Lansing, MI 48910  
Office: (517) 702-6033



**OFFICE OF THE MAYOR**

9th Floor, City Hall  
124 W. Michigan Avenue  
Lansing, Michigan 48933-1694  
(517) 483-4141 (voice)  
(517) 483-4479 (TDD)  
(517) 483-6066 (Fax)

Virg Bernero, Mayor

TO: City Council President Judi Brown Clarke and Councilmembers  
FROM: Mayor Virg Bernero  
DATE: 3-23-16  
RE: Local Bridge Program Funding

---

The attached correspondence is forwarded for your review and appropriate action.

VB/rh  
Attachment



**City of Lansing**  
**Inter-Departmental**  
**Memorandum**



To: Virg Bernero, Mayor  
From: Chad A. Gamble, P.E., Director of Public Service  
Subject: CITY COUNCIL AGENDA ITEM - Local Bridge Program Funding  
Date: March 17, 2015

---

Please forward this resolution to City Council for placement on the Agenda.

If you have any questions, or need additional information, please give me a call.

**Attachments**

BY THE COMMITTEE ON WAYS AND MEANS  
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

RESOLUTION APPROVING APPLICATION TO MICHIGAN DEPARTMENT OF  
TRANSPORTATION FOR LOCAL BRIDGE PROGRAM FUNDING

WHEREAS the Michigan Department of Transportation (MDOT) is currently soliciting applications for candidate projects for the Local Bridge Program to be funded in the 2019 fiscal year; and

WHEREAS May 1, 2016 is the anticipated deadline for submitting the applications; and

WHEREAS up to five funding applications for bridge projects can be submitted in accordance with the MDOT Call for Projects; and

WHEREAS the City of Lansing, Public Service Department, intends to submit Local Bridge Program funding applications to MDOT for the following four projects listed in the order of priority and funding category:

<u>Priority</u>	<u>Project</u>	<u>Funding Category</u>
1.	Aurelius Road over Pawlowski Creek	Replacement
2.	Aurelius Road over GTW RR	Replacement
3.	E Elm Street over Red Cedar River	Replacement
4.	S. Washington Avenue over Grand River	Preventative Maintenance
5.	N Grand River Avenue over Grand River	Rehabilitation

WHEREAS, if successful, the City would receive state or federal funding to finance 95% of construction cost, and the City would fund 5% of the construction and 100% of the engineering costs for any bridge project selected; and

WHEREAS the estimated construction cost of the above listed projects and City's share of construction and engineering costs are tabulated below; and

#	Project	Estimated Construction Cost	City's Share		
			Match 5%	Engineering 25%	TOTAL
1	S Washington at Grand River	\$334,000.00	\$16,700.00	\$83,500.00	\$100,200.00
2	N Grand River Ave over Grand River	\$1,506,000.00	\$75,300.00	\$376,500.00	\$451,800.00
3	E Elm St over Red Cedar River	\$2,317,000.00	\$115,850.00	\$579,250.00	\$695,100.00

4	Aurelius Rd over Pawlowski Creek	\$1,186,000.00	\$59,300.00	\$296,500.00	\$355,800.00
5	Aurelius Road over GTW RR	\$2,673,000.00	\$133,650.00	\$668,250.00	\$801,900.00

WHEREAS, any one or any combination of the above five projects could be approved for 2019 funding;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council approves the submittal of the FY 2019 funding applications for the MDOT's Local Bridge Program as listed in the priority above.

BE IT FURTHER RESOLVED that upon grant award, the Mayor is authorized through the Public Service Director to appropriate administratively the necessary accounts for the Local Bridge Program funding and City costs associated with any bridge project selected will be budgeted in ACT 51 funds.



## CITY OF LANSING

INTERNAL AUDITOR  
124 W MICHIGAN AVE FL 10  
LANSING MI 48933-1605  
(517) 483-4159  
Fax (517) 483-7630

### 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  
March 3, 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. See Appendix A.
    - ii. Cash Audit Form
      1. Currently in use. See Appendix B.
  - 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.
    - 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. Compiled in format listed below
  2. Reviewed by associated personnel
    - a. In preparation for issuance of a final report, supervisors involved in the audit / investigation, the appropriate Department Head of the unit being audited, and the Finance Director will be given a draft copy of the report.
      - i. The above may be circumvented if the audit involves suspected fraud, in which case findings are handled in consultation with the City Attorney's Office and the Lansing Police Department.
    - b. Copies of the draft are to be delivered both electronically and hand delivered to recipient's staff with return receipt requested.
    - c. Within a fair and reasonable time period (to be stated in business days), recipients of the draft 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.
      - iv. A request for extension of the time period established for response.
    - 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. Format

- a. Background / Research
  - i. Include objectives and scope
- b. Analysis
  - i. Include conclusions
    - 1. Tie to analysis
  - ii. Include relationship to strategic goals and performance measures
- c. Recommendations
  - i. Include action plans
- d. Comments from head of unit audited, affiliated Department head, and / or Finance Director.
- e. Acknowledgement and notes concerning comments from head of unit audited, Department head, and / or Finance Director.

2. Distribution

- a. Distribution of the final report shall be made in the following order:
  - i. The appropriate Council Committee, the Department Head of unit audited and the Finance Director
  - ii. The Mayor and City Clerk
  - iii. Council Office Manager for inclusion in appropriate committee packet
  - iv. Each Councilmember

CASH AUDIT CHECK LIST

Department \_\_\_\_\_  
 Cash Receipt Point of Collection \_\_\_\_\_

Date \_\_\_\_\_  
 Prepared by \_\_\_\_\_

General:

	YES	NO	N/A	comments
Separate list of incoming cash receipts	_____	_____	_____	_____
Daily Reconciliation's of cash receipts to Bank deposits	_____	_____	_____	_____
Use of prenumbered cash receipts	_____	_____	_____	_____

At Location:

Are checks accepted	_____	_____	_____	_____
Endorsement stamp used at point of Collection	_____	_____	_____	_____
Daily Report dated				_____
Completed by				_____
Cash register tape dated				_____
Control number on tape	_____	_____	_____	_____
Bank deposit slip matches Cash register tape total Amount	_____	_____	_____	_____
Any over and shorts reported	_____	_____	_____	_____
Amount				_____

At Parks Administration Office:

Date daily report received from location				_____
Date bank deposit slip received from bank				_____
File copy of bank deposit slip total at location matches bank deposit slip cleared by bank	_____	_____	_____	_____
Department deposit slip matches bank deposit slip dated	_____	_____	_____	_____
Over and shorts accounted for by				_____
Voids approved by				_____
Compare daily report data to Cash register tape	_____	_____	_____	_____
Foot and extend daily report	_____	_____	_____	_____

After Parks Administration Office:

Date reported to Treasurers office				_____
Date posted by Finance Department				_____

**CITY OF LANSING**  
**Internal Audit**  
**CASH COUNT SHEET**

Department: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_ AM/PM

Currency	Quantity	Total
\$1.00	X _____	= _____
\$2.00	X _____	= _____
\$5.00	X _____	= _____
\$10.00	X _____	= _____
\$20.00	X _____	= _____
\$50.00	X _____	= _____
\$100.00	X _____	= _____

Sub total currency-----

Coins					
\$0.01	X _____	+	_____ rolls	\$0.50/ Roll	= _____
\$0.05	X _____	+	_____ rolls	\$2.00/Roll	= _____
\$0.10	X _____	+	_____ rolls	\$5.00/Roll	= _____
\$0.25	X _____	+	_____ rolls	\$10.00/Roll	= _____
\$0.50	X _____	+	_____ rolls	\$20.00/Roll	= _____
\$1.00	X _____	+	_____ rolls		= _____

Sub total Coins -----

Checks -----

Paid outs -----

Receipts -----

**Summary:**

Currency -----  
 Coins -----  
 Checks -----  
 Paid outs -----

Total -----  
 Less: Receipts -----

Sub total -----  
 Less: Petty Cash Fund -----

Over (Short) -----

Auditor \_\_\_\_\_ Department Rep. \_\_\_\_\_





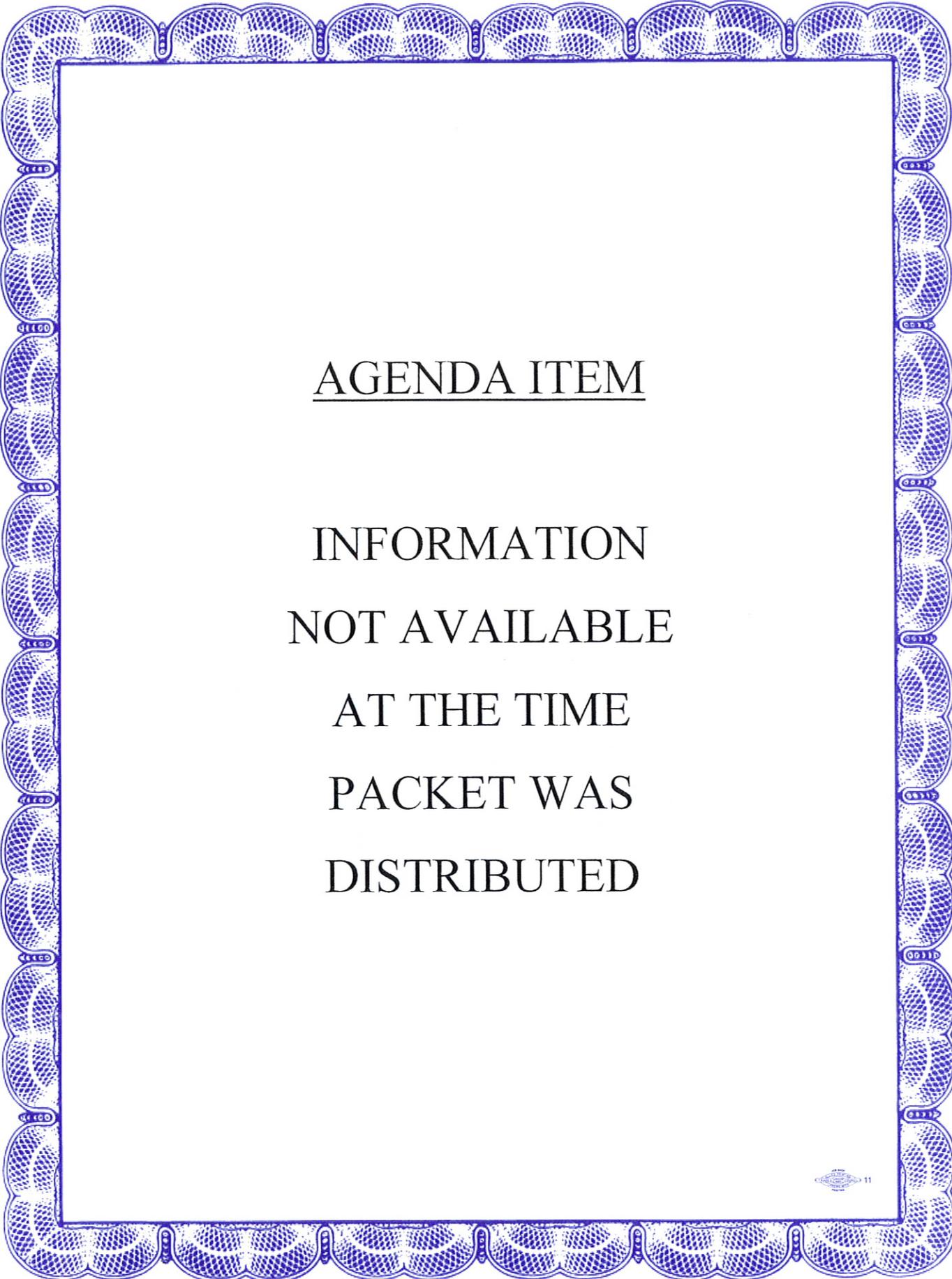
## CITY OF LANSING

INTERNAL AUDITOR  
124 W MICHIGAN AVE FL 10  
LANSING MI 48933-1605  
(517) 483-4159  
Fax (517) 483-7630

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

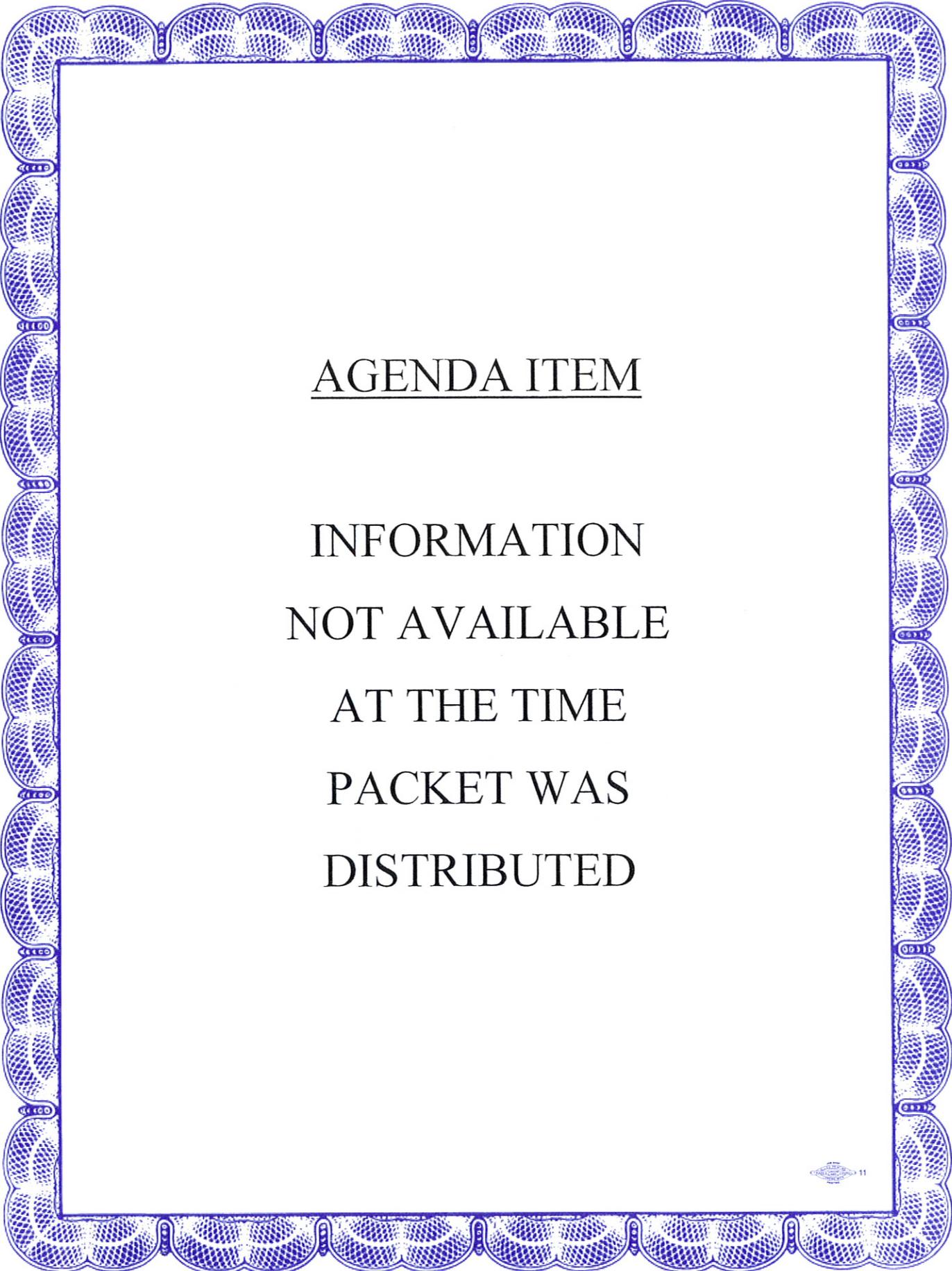
Jim DeLine  
Internal Auditor  
March 30, 2016

- I. Mission Statement: *"The mission of the City of Lansing Internal Auditor's office is to follow the City Charter, to improve the accountability for public funds and to improve operations of City government for the benefit of the citizens of the City of Lansing."*
- II. Objectives:
  - a. To ensure City programs are meeting goals and objectives by conducting performance audits which make recommendations based on criteria established and evidence obtained.
  - b. To ensure the integrity of City finances by conducting financial and cash audits focusing on economy, accuracy and efficiency in the use of resources used to achieve program results.
  - c. To provide City Council with information necessary to performing its legislative charge.



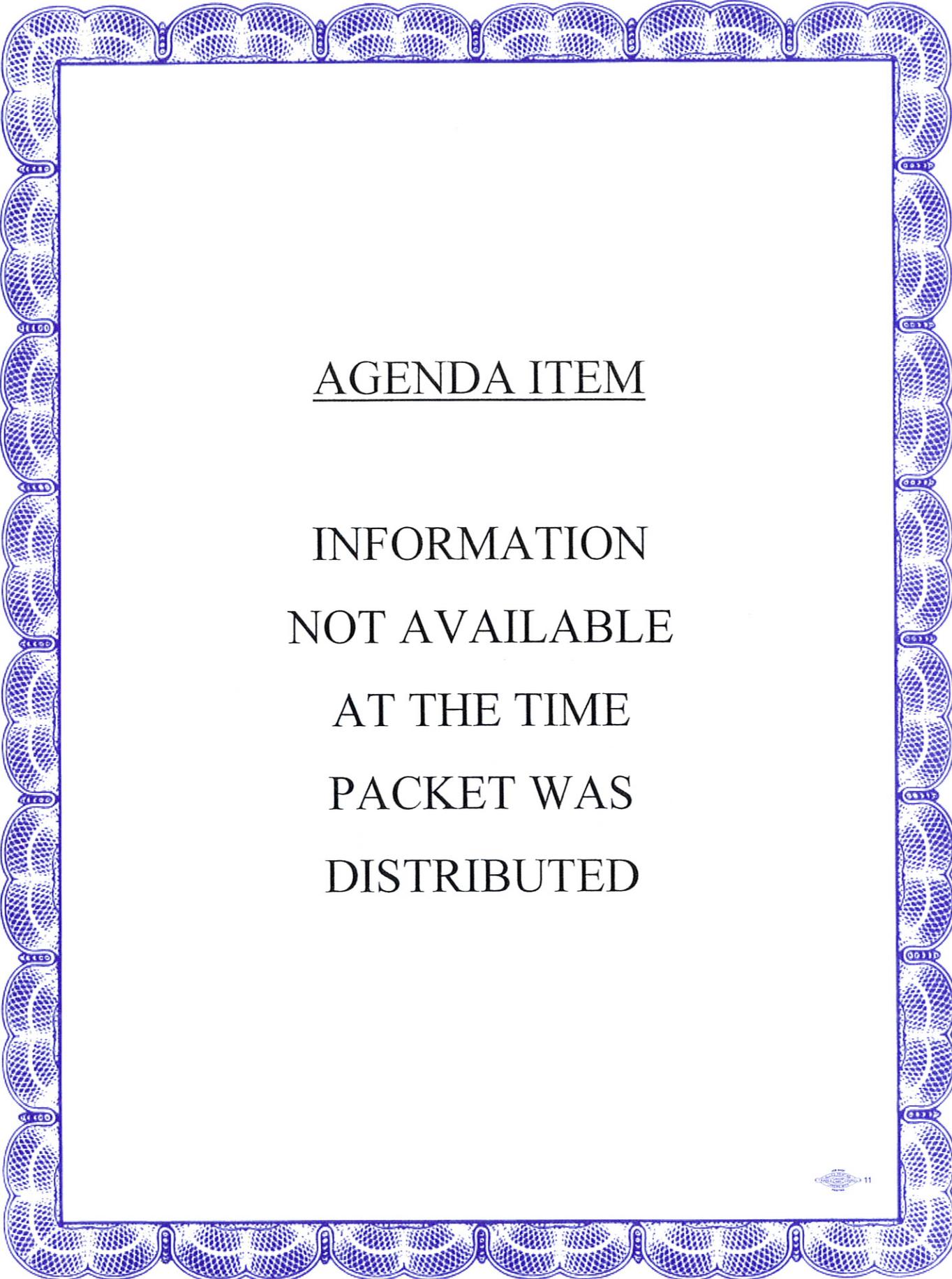
AGENDA ITEM

INFORMATION  
NOT AVAILABLE  
AT THE TIME  
PACKET WAS  
DISTRIBUTED



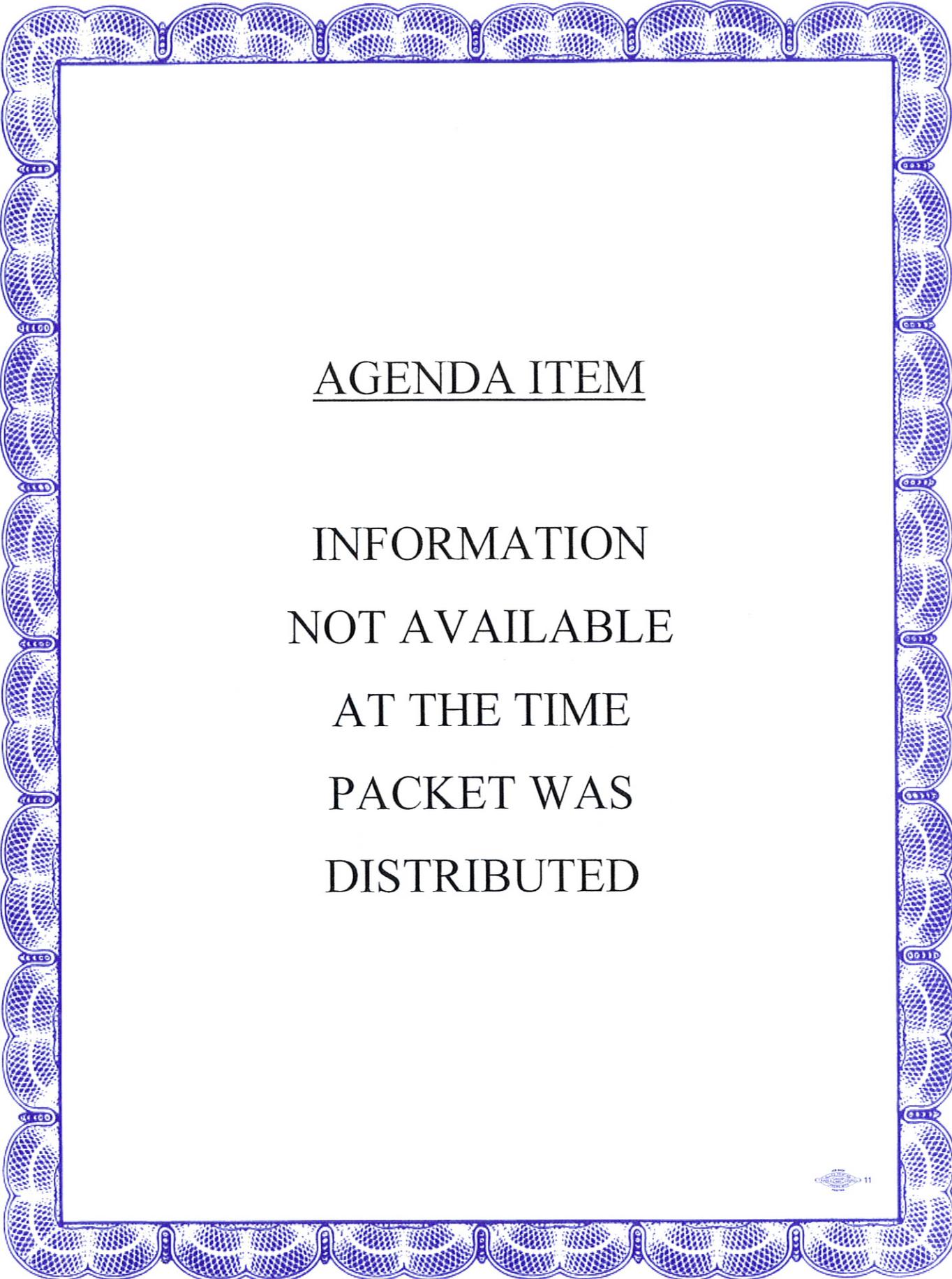
AGENDA ITEM

INFORMATION  
NOT AVAILABLE  
AT THE TIME  
PACKET WAS  
DISTRIBUTED



AGENDA ITEM

INFORMATION  
NOT AVAILABLE  
AT THE TIME  
PACKET WAS  
DISTRIBUTED



AGENDA ITEM

INFORMATION  
NOT AVAILABLE  
AT THE TIME  
PACKET WAS  
DISTRIBUTED