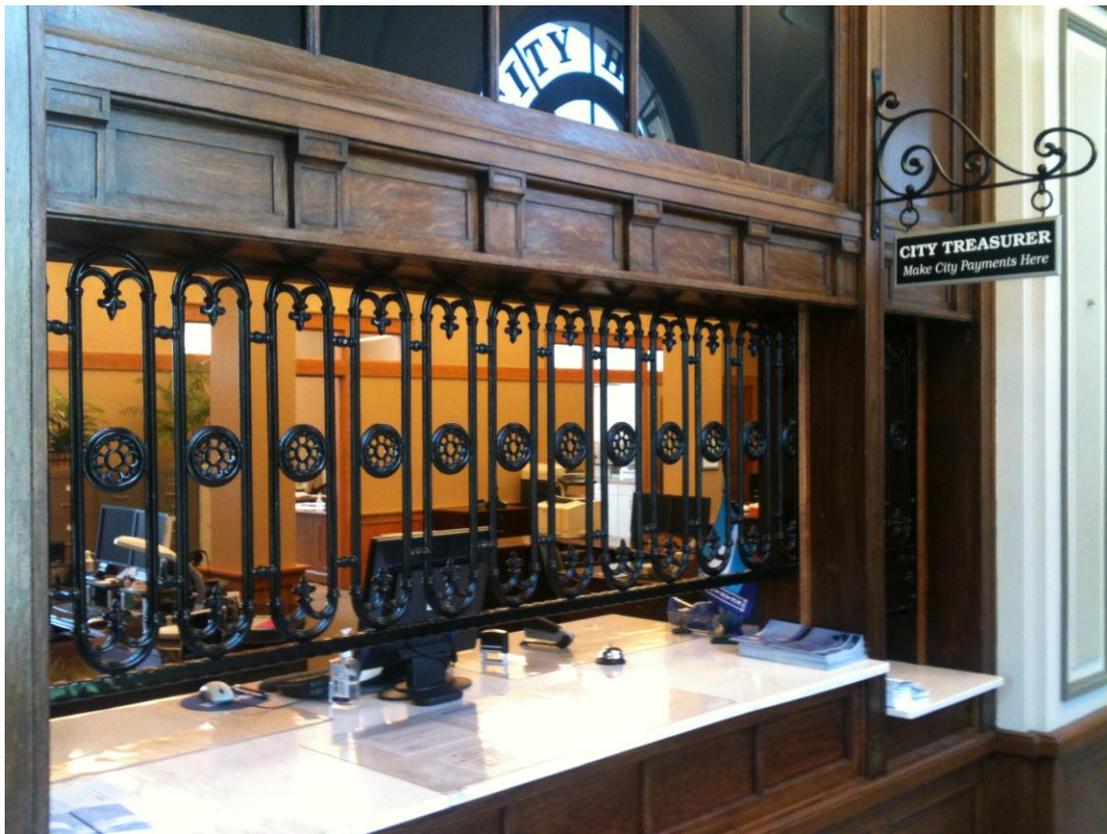




Exploring Clerk, Treasury & Finance Services in the City of Manistee





January 14, 2014

Dear Mayor Kenny and Members of City Council:

This document is the sixth in a series of internal “whitepaper” studies that the City has undertaken. The report reviews the Clerk and Financial Services departments both from an organizational and operational perspective.

For the past several years, Council, Administration and the Community have faced significant financial challenges. More lie ahead. The intent of the study is to provide objective information to allow City Council to make informed and educated, albeit sometimes difficult, decisions regarding these services. This report builds upon and complements the previous MATRIX and CRC reports. When taken as a whole, these reports provide City Council with the best and most complete information available.

This report has been researched and compiled by Finance Director Edward Bradford, City Clerk Michelle Wright and City Manager Mitchell Deisch.

Sincerely,

Edward Bradford, Finance Director

Michelle Wright, City Clerk

Mitchell Deisch, City Manager

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INTRODUCTION

The purpose of this report is to research and document various options for providing Clerk, Treasury and Finance (collectively, “CTF”) services in the City of Manistee. As a result of other recent departmental restructurings and staff retirements, this paper also explores restructuring and expanding the scope of responsibility of the Clerk & Financial Services departments.

The information presented is an objective look at various options that are available to the City to provide CTF services. The document is a collaborative effort between the City Manager, City Clerk and Finance Director. The completed document has been reviewed by all parties who had a role in compiling, preparing and reviewing the information.

WHY THIS REPORT HAS BEEN CREATED

The topic of preparing White Papers for all City departments was brought to the forefront during the 2010-2011 FY budgeting process. At the start of the budgeting process that year, a large general fund deficit was projected. In response to that deficit, several restructuring initiatives were proposed in the recommended budget.

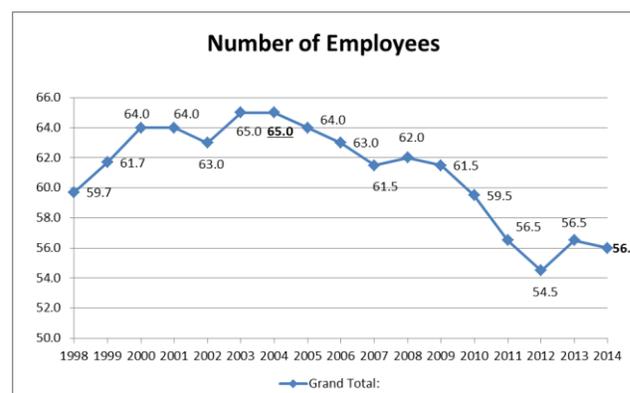
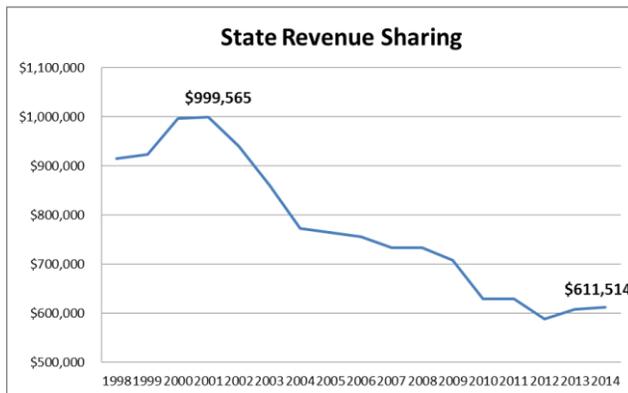
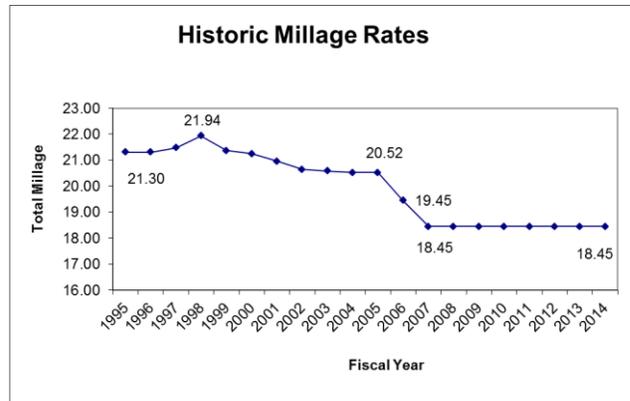
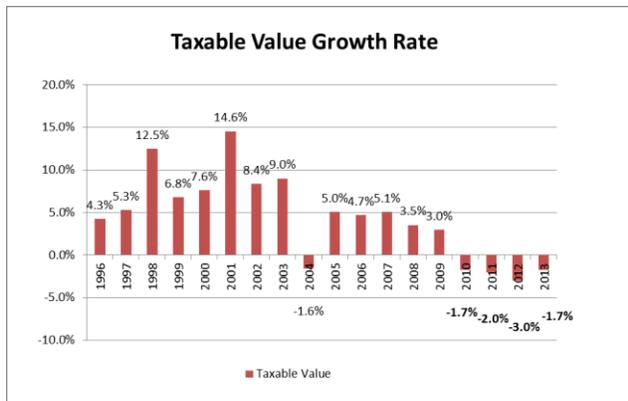
Following that difficult budget, this report is the latest in a series of departmental whitepaper reports, following Assessing, Public Safety, Public Works, Ramsdell Theatre and Community Development. It will be used to evaluate various options available to provide CTF services, and various ways to more effectively deliver services. The paper is being presented in advance of the next budgeting cycle so that the public and Council have ample time to evaluate it prior to adopting the 2014-2015 budget.

Any discussion of reorganizing departments tends to be emotional for people. The key is to focus on the facts and information and not emotions. It is hoped that this paper will provide the objective information needed to make an informed and educated decision about the CTF operations. This whitepaper report is intended to provide Council with sufficient information to evaluate options for the future management and operation of these important departments.

Finally, this report also explores succession planning for key staff in the departments as they get closer to retirement. As we have seen with previous employees who retired with numerous years of experience, there is a tremendous amount of institutional knowledge that is housed solely with them. Losing this information due to lack of succession planning and an appropriate transition period would be unwise, imprudent and have potentially damaging consequences.

NEED FOR EVALUATION OF CITY SERVICES

As is typical in most communities across Michigan (and the rest of the country too), budgetary constraints are forcing a top to bottom evaluation of how and what type of services they should provide. Manistee is not immune from these budgetary pressures. Reduced tax base, sharply reduced state revenue sharing, pending reductions in personal property taxes and increases in personnel and operating costs have put the City on an extremely challenging fiscal path. The operating millage rate has also declined by 1.2 mills or 6.5% since 2001.



Previous cost containment measures have included reducing the number of general fund employees by 9.5 or 18% since 2004, implementing significant healthcare reforms thru cost sharing, addressing pension costs by moving to MERS and trimming benefits, slowing wage growth and/or freezing wages as needed, cutting other benefits and reducing operational budgets.

The conclusion from all of this is inescapable: The City's declining or stagnant revenues can no longer support the service delivery model of the past. Manistee must reinvent how it delivers services so it can maintain the high quality of life enjoyed by residents, yet balance that with financial realities and respect for employees. Without doing this or; alternatively, finding significant new revenue, the City will not be able to continue to function effectively.

Significant restructuring has been accomplished over the past several years. Each of the prior whitepapers has resulted in structural changes to the departments being reviewed. This is not change simply for the sake of change; but rather change needed to become more efficient, reduce costs and/or increase revenues and in some instances, increase the level of service.

WHY REVIEW THE CLERK & FINANCIAL SERVICE DEPARTMENTS

Every organization, not just the City, can benefit from conducting a periodic review of its operations and organizational structure. The Clerk & Financial Services departmental structure was last reviewed in 2002 when it underwent reorganization after the retirement of long time Clerk/Treasurer Ken Oleniczak. In reviewing the current Clerk & Financial Services departments, there may be limited alternative methods and/or organizational structures to provide CTF services other than how the City of Manistee currently provides them. In addition, there may be ways to deliver the services provided in a more efficient manner through process changes and/or initiatives.

In 2010 the City commissioned Matrix Consulting Group (MATRIX) to perform an Operational Service Assessment (OSA) to get an outside evaluation of organizational service provision. This assessment was performed for each city department. It also commissioned the Citizen's Research Council of Michigan (CRC) to perform benchmarking of the City versus some of its peers. In regards to the OSA:

"The overarching purpose of this project was to: Sustain, provide and develop City services in the most economically efficient manner, in keeping with the vision of the City to be a "Community of choice on the northwest Michigan Coastline. This project will focus on departmental efficiencies, consolidation, collaboration with other entities, potential outsourcing of services, and collaboration with other entities, potential outsourcing of services, and a long term reorganization recommendations for the Departments of Public Works, Police Department and Fire/EMS Department; and other departments as may be determined to be beneficial."¹

The OSA did recommend some changes both organizationally and operationally to the Clerk and Financial Services departments. These recommendations will be addressed later in this paper. In addition, other options and actions will be explored and discussed. As with the previous whitepaper reports, this review is not intended to single out or balance the budget on the back of these departments, nor is it to be the last comprehensive review of City departments.

The ongoing white paper reviews should be viewed as a type of continuous improvement undertaking. In these challenging economic times, every service provided by the City, and how they are delivered, needs to be scrutinized. Taxpayers are tightening their own belts and prioritizing their own budgets and should expect no less from the City of Manistee.

¹ Matrix Consulting Group Report on the City – Wide Departmental Operational Service Assessment, City of Manistee, Michigan, (January 12, 2010): 1

In revisiting the City of Manistee’s service levels and delivery methods for CTF services, there are several fundamental questions that must be answered. By answering each of these, the community and Council can arrive at the model that is best for Manistee.

- What service levels are desired by the community?
- What service levels are needed by the community?
- What level of service can the community afford?
- Is the current service delivery method the most effective & efficient?
- Are there alternative service delivery methods?

In order to evaluate these questions, it is imperative to understand what the current service levels are, how they are delivered and what it costs to deliver these services. This information is critical in evaluating alternatives so one can intelligently gauge what the real and perceived trade-offs are for various options versus the status quo. It is also important to document these service levels to address any misperceptions that citizens may have. Equally important is a discussion of internal and external constraints on the City thru laws, regulations, policies, and financial condition.

In evaluating the level of CTF services, one can look at high level statistical data compiled by the department. However, to really understand this data (and thus the services provided) requires a closer look at the details. Drilling down into the data and looking at the component pieces is crucial. Summary data can often be misleading. It should also be noted that it is difficult to look at CTF services and make objective judgments of their relative “quality” versus other communities, as this is a complex question.

CLERK & FINANCIAL SERVICES DEPARTMENTAL OVERVIEW

The Clerk & Financial Services departments have a rather unique structure. Although technically two departments, the staff really works as one integrated unit. Combined, the two departments have four full time employees. Ramsdell Theatre oversight adds one full-time, one permanent part-time, and numerous temporary part-time employees. Election administration adds 8 to 60 temporary election workers for up to four elections per year. The departments also manage several contracted services.

The departments are unique in that they provide services not only to the public, but also to other City departments. In fact, the level of internal service is equal to or exceeds the level of external service, in terms of amount of time and effort being spent. Those internal services are vitally important to the smooth functioning of the City.

Due to the nature of the responsibilities of these departments, staff must be able to interact with a wide-variety of constituents. They must also have impeccable time management and multi-tasking skills, as a typical day is filled with constant disruptions thru requests for service.

The ability of the departments to maintain a very high level of responsiveness and excellence is being challenged by the ever increasing demands for service and competing responsibilities.

The office is also a very busy place. The statistics below show a snapshot of some of the activities of the office.

- 8,000 tax bills
- 40,000 water bills
- 5,000 miscellaneous receipts
- 200+ transactions per day
- 2,400 A\P checks – 5,000+ invoices
- Up to 100 customers per day at counter
- 1,900 payroll checks
- 1,700+ absentee ballots issued
- 2,500+ QVF voter file changes

Organizational Structure

Full Time Employees (5)

Chief Financial Officer (Finance Director\Treasurer)

Edward Bradford is a full time, salaried, City Manager appointed (with Council approval) position and reports directly to the City Manager. This position is budgeted in the Financial Services Department.

City Clerk\Deputy Treasurer

Michelle Wright is a full time, salaried, City Council appointed position and reports directly to the CFO. This position is budgeted in the Clerk Department.

Deputy Clerk\Payroll Clerk

Mary Bachman is a full time, hourly, hired position and reports directly to the City Clerk and CFO. This position is budgeted in the Clerk Department.

Utility Billing\Accounts Receivable Clerk

Heather Pefley is a full time, hourly, hired position and reports directly to the City Clerk and CFO. This position is budgeted in the Financial Services Department.

Ramsdell Theatre Executive Director is a full time, salaried, hired position and reports directly to the CFO and indirectly to the Ramsdell Governing Authority. This position is budgeted in the Ramsdell Theatre.

Permanent (1) and Temporary Part-Time Employees (numerous)

Ramsdell Theatre Caretaker

Sarah Cater is a Ramsdell Theatre Caretaker which is a permanent part-time position (19-20 hours per week) that reports directly to the Ramsdell Theatre Executive Director. This position is budgeted in the Ramsdell Theatre. There have traditionally been two part-time caretakers at the Ramsdell Theatre in the past.

Ramsdell Theater Site Managers are temporary workers who are used for various events at the Ramsdell Theatre in a variety of non-technical capacities. They report to the Ramsdell Theatre Executive Director.

Light Technicians, Sound Technicians, and Projection Technicians are temporary workers who are used for various events at the Ramsdell Theatre in a variety of technical capacities. They report to the Ramsdell Theatre Executive Director.

Election Workers are temporary workers who staff various local, state and federal elections held in the City of Manistee. The number varies depending on how many elections are held during the year. They report to the City Clerk.

Contracted Service Providers (11)

The following are contracted professionals whose work is overseen by the Clerk & Financial Services departments.

BRA Consultant (Eftaxiadis Consulting) is an independent contractor who works with the CFO and the Brownfield Redevelopment Authority on all of the City of Manistee Brownfield projects. The CFO serves as the primary point of contact. They are also used for non-Brownfield environmental services. The Clerk & Financial Services departments handle contract administration.

Information Technology Provider of Record (IT Right) is an Information Technology consulting firm that services the City of Manistee in areas of networking, user support, IT planning, security and consulting. The CFO serves as the primary point of contact and also as front line IT triage and technology planning and design. The Clerk & Financial Services departments handle contract administration.

Audio Visual Consultant (Central Interconnect) is a technology and audio-visual consulting firm that services the City of Manistee and Ramsdell Theatre in the areas of telephones, sound systems, projectors and related a\v equipment and planning. The CFO serves as the primary point of contact and also as front line IT triage and technology planning and design. The Clerk & Financial Services departments handle contract administration.

Website Designer & Host (Civic Plus) is a firm that designed and hosts the City's website. The CFO serves as the primary point of contact. The CFO is also responsible for the overall look and feel and content of the site, with assistance in maintenance from the Community Development department. The Clerk & Financial Services departments handle contract administration.

Financial Advisor (Robert W. Baird) is a professional services firm that assists the City in arranging bond financing and related services. The CFO serves as the primary point of contact. The Clerk & Financial Services departments handle contract administration.

Bond Counsel (Miller Canfield) is a professional services firm that assists the City in the legal aspects of arranging bond and other financing and related services. The CFO serves as the primary point of contact. The Clerk & Financial Services departments handle contract administration.

Auditing Provider of Record (Gabridge & Co.) is a professional CPA firm that conducts the City's annual financial audit. The CFO serves as the primary point of contact. The Clerk & Financial Services departments handle contract administration.

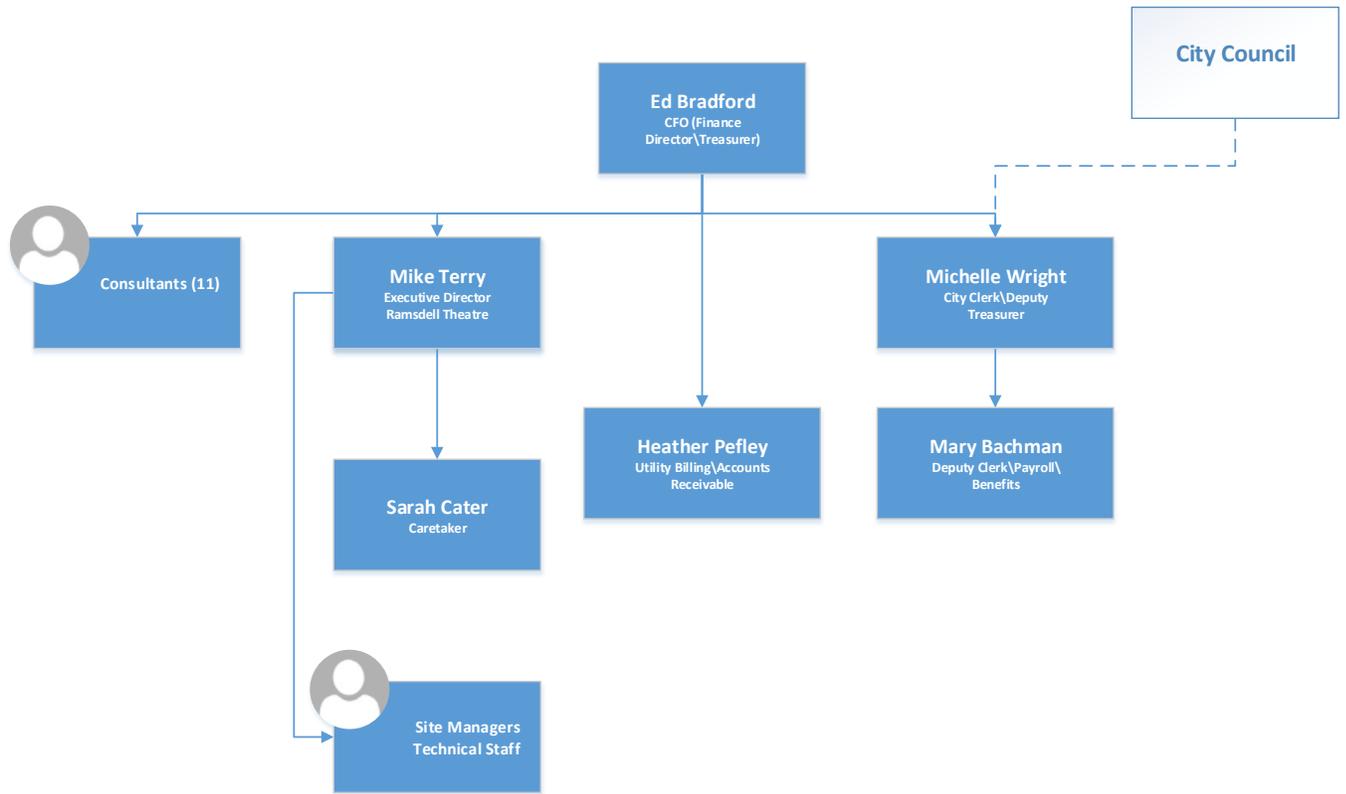
PEG Consultant is a contractor that operates the TV station for the PEG commission.

In addition, since the retirement of Community Development Director Jon Rose, the Clerk & Financial Services department has been the primary contact for the following service providers. The Deputy Building inspector also works closely with these vendors.

Mechanical/HVAC Provider of Record (Custom Sheet Metal) for the City is an independent contractor. The CFO and Deputy Building Inspector schedule necessary services for City Hall, Ramsdell Theatre and Municipal Marina and other municipal buildings as requested. The Clerk & Financial Services departments handle contract administration.

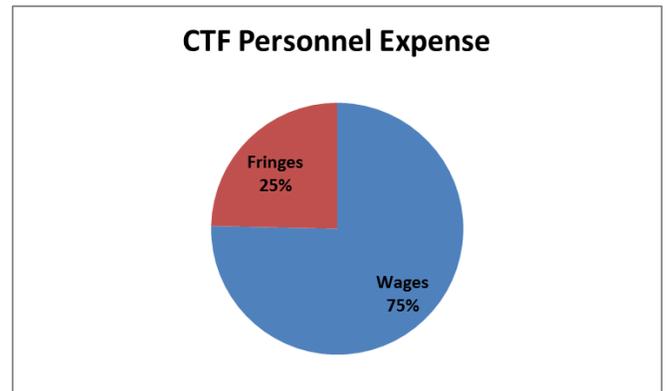
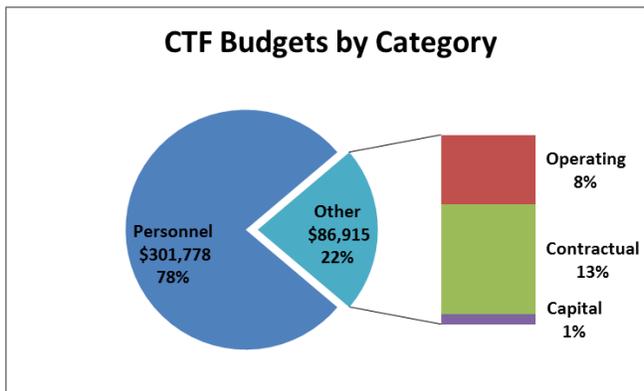
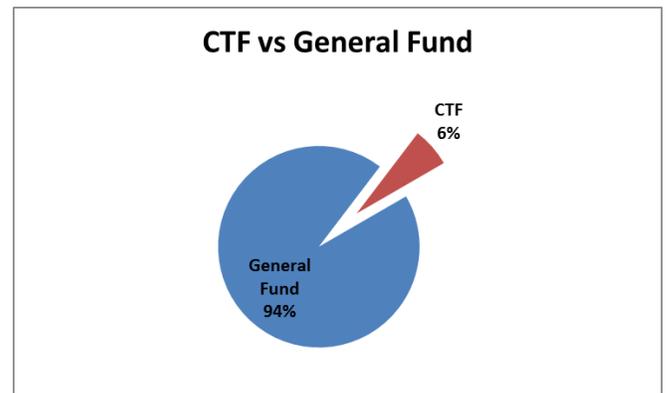
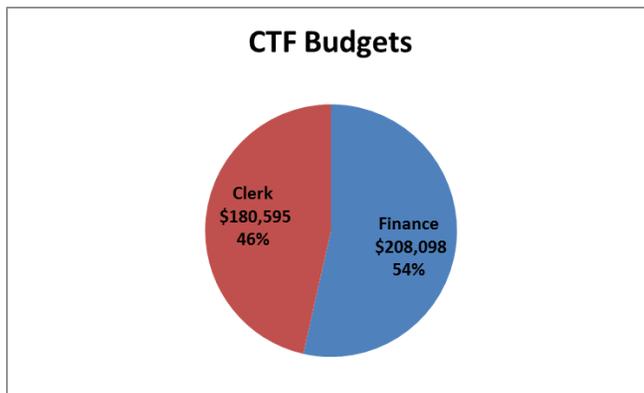
Plumbing Provider of Record (Personal Plumbing) for the City is an independent contractor. The CFO and Deputy Building Inspector schedule necessary services for City Hall, Ramsdell Theatre and Municipal Marina Building and other municipal buildings as requested. The Clerk & Financial Services departments handle contract administration.

Electrical Provider of Record (TopLine Electric) for the City is an independent contractor. The CFO and Deputy Building Inspector schedule necessary services for City Hall, Ramsdell Theatre and Municipal Marina Building and other municipal buildings as requested. Other departments also work directly with this provider. The Clerk & Financial Services departments handle contract administration.



Budget

The annual budgets for the Clerk & Financial Services departments combined are \$388,693. This represents 6% of the general fund budget. The finance budget is \$208,098 and the clerk budget is \$180,595. The vast majority of the combined budget (78%) is personnel costs. The remaining 22% are for operations. Of the non-personnel expense, 58% is for contractual items such as the annual audit, software support and maintenance, and a contract with Manistee County equalization. Both budgets are quite stable and predictable from year to year, however the Clerk budget has more variation because of the number of elections and the resultant changing need for election workers.



The CTF department has been proactive in dealing with the City's recent financial challenges. The list below details some of the actions that have been taken.

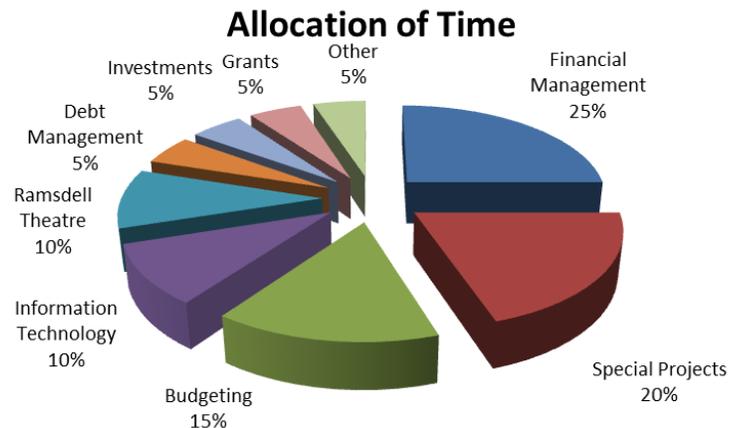
- ✓ Longevity was eliminated.
- ✓ Staffing was reduced by ½ FTE in FY 10/11
- ✓ CFO and Clerk took two furlough days in FY 10/11.
- ✓ Employee wage and compensation schedule was frozen and/or slowed for several years.
- ✓ Staff works a flexible schedule to accommodate departmental workload. This helps to eliminate overtime and/or comp time.
- ✓ Departments have eliminated most paper reports by using document imaging, saving paper, toner and copying costs.

Duties and Responsibilities

In order to adequately evaluate the structure and operations of the Clerk & Financial Services departments, it is critical to examine what the duties and responsibilities of the departments and its staff are. This section of the paper examines what each employee does.

Chief Financial Officer

Ed Bradford is the Chief Financial Officer, serving as both the Finance Director and Treasurer. He has been with the City for 11 years, being hired in March of 2002. Ed has a Bachelor of Arts in Financial Administration from Michigan State University and a Masters in Business Administration from the University of Oregon. He has earned the prestigious designations of Michigan Certified Professional Treasurer (2010); Certified Public Finance Administrator (2012) and Certified Public Funds Investment Manager (2012).



The CFO works closely on a daily basis with the City Manager. Typical areas of collaboration include negotiations, budgeting, human resources, project management and long range planning. Listed below are estimates of the amount of time spent annually on various responsibilities; however, allocations are not static and vary significantly from week to week:

Financial Management (25%): This includes all aspects of managing the finances of the City, as well as departmental oversight. All major back-office accounting functions as well as many other are included. Periodic reporting, financial analysis and projections, audit and compliance are also included here.

Special Projects (20%): This includes a wide variety of ever changing tasks and initiatives. Examples include research, union contract negotiations, HR research, utility negotiations, asset management plans, presentations, project management, software evaluation & training, review, research and assistance in other areas.

Budgeting (15%): This entails preparation of the budget document and all related projections, assumptions and exhibits; leading the internal process and assisting the City Manager in presenting the budget to Council for adoption. Also includes monitoring compliance with budget and budget amendments.

Information Technology (10%): In conjunction with IT Vendor of Record: planning and maintenance of IT infrastructure, project coordination, equipment replacement and software support; website management and design.

Ramsdell Theatre (10%): Oversight of Ramsdell Theatre and Ramsdell Theatre Executive Director; Ramsdell Theatre Governing Authority Treasurer; back office operations; strategic & tactical planning; meetings; Friends of the Ramsdell board; MCCF endowment.

Debt Management (5%): Management and arrangement of City's debt instruments, including bond issues, installment purchase agreements, lease arrangements and internal loans; continuing disclosure undertakings; paying agent, financial advisor and bond counsel relationships; financial projections.

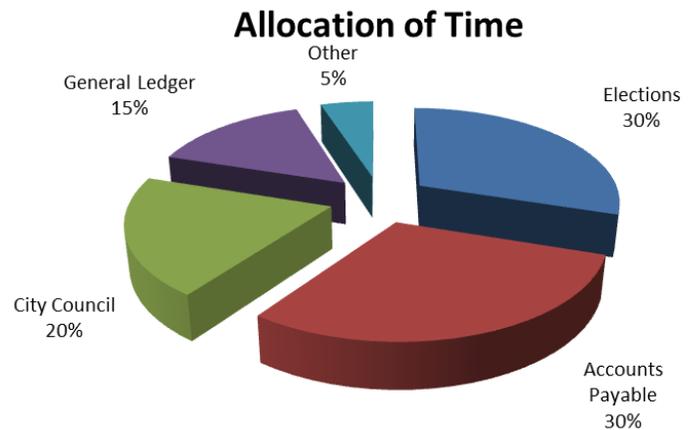
Investment Management (5%): Management and investment of City's cash balances and investments; research; oversight of investment advisor for Oil & Gas board; banking relationships.

Grants (5%): Grant administration, including reporting and compliance and grant writing in conjunction with other departments (this will likely increase in future).

Other (5%): Other tasks including Boards & Commissions (Oil & Gas, Brownfield Redevelopment Authority), BRA Administrator, meeting with public, questions, phone, etc.

City Clerk\Deputy Treasurer

Michelle Wright is the City Clerk\Deputy Treasurer. She has been with the City for 24 years, being hired in August of 1989. She has served in a variety of positions with the City and was appointed City Clerk in 2002. Michelle has a Bachelor of Applied Science in Finance & Leadership, with a minor in HR and Marketing from Davenport University. She has earned the prestigious designations of Certified Municipal Clerk (2005); Certified Public Finance Administrator (2006, 2012); Michigan Certified Professional Treasurer (2010) and Master Municipal Clerk (2012). She also is a certified election inspector, a notary public and is State accredited as an election official.



The Clerk works closely on a daily basis with the CFO. Listed below are estimates of the amount of time spent annually on various responsibilities; however, allocations are not static and vary significantly from week to week:

City Council (15% - 20%):

- Attend all regular/special meetings
- Minutes / meeting preparations / printing / distribution
- Obtain appropriate signatures on Council approved documents
- Archival filing / Laserfiche document imaging
- Maintain resolution book
- Correspondence for approvals or appointments by the Council
- Council assistant: conference registrations & reservations
- Advertisements / postings
- Create agenda requests / memos
- Council policy book maintenance
- General policy book maintenance
- Keeper of the official City Seal
- Administers oaths of office
- Document certification
- City Directory updates and publishing
- "Welcome to a Meeting" brochure maintenance and publication
- Creates and maintains files on all legal
- Knowledge of City Charter, ordinances, and official City policies

Boards & Commissions (included with Council %)

- Maintain City Directory, publish, distribute

- Advertise vacancies (MNA, MPA, Facebook, web, 2-1-1, and City Hall locations)
- Send letters to board members – term expiration, new term, new appointees
- Staff liaison to: PEG Commission, Election Commission, Compensation Commission, Board of Canvassers
- Maintain permanent minute books for all boards & commissions / Laserfiche / archive
- Bylaw Book (for all boards) maintenance / archival
- Administer oaths of office
- Posting (public copies/notice) of minutes and meetings

Accounts Payable (30%):

- Receive, review & distribute invoices to various departments
- Vendor relations – phone calls & e-mails regarding payment status / a go-between for vendors & departments
- Obtain necessary legal forms from vendors prior to payment
- Obtain necessary approvals prior to payment
- Purchasing Policy requirements
- Legal expenditure requirements
- Credit applications
- Monthly statement analysis & follow up
- Vendor file maintenance
- Data entry – verify GL number accuracy
- Maintain recurring invoice / installment payment records
- Issuing / printing checks & distribution
- Reporting & balancing
- Transfer funds / verify fund availability
- Laserfiche / archival of all checks and invoices
- Distribute “Monthly Bills” report to City Council and Audit Committee
- Annual reporting (1099-M, 1098, IRS) & balancing

General Ledger (15% - 20%):

- Make most manual journal entries that are not automated thru other programs
- Verify correctness of imported journal entries from other programs
- Import all tax payments
- Balance monthly bank statements & reconcile with GL
- Chart of Accounts maintenance
- Reporting (monthly/annual)
- Prepare various reports for annual audit
- Work with auditors / requests / explanations
- Enter audit adjustments
- Budgeting and budget data entry

Elections (25% - 35%):

- “Off Year” (school/special/council elections) (25%)
- “Big Year” (Presidential, State + school/council elections) (35% - adjust the above items accordingly)

- Administration
 - Keep up with constantly changing laws
 - Verify all election forms are current (always changing)
 - Determine number of ballots needed for each election
 - Order necessary supplies
 - Recruit and hire election inspectors – varies depending on election
 - Train election inspectors
 - Schedule Election Commission meetings
 - Public Accuracy Test – publish / post
 - Test all election equipment / verify accuracy prior to each election
 - Schedule polling locations / determine future availability
 - Advertisements – close of registration, election notice
 - Set up / break down precincts (tables, chairs, voting booths, tabulators, voter assist terminals, e-poll books, signage)
 - Ensure smooth operation / flow of traffic
 - Establish / oversee receiving board
 - Post-election reporting (county, state, & federal)
 - Meet with Board of Canvassers as necessary
 - Election documentation retention
 - Participate in Recount Process
 - School Election Coordination Committee member
 - Petitions – council, referendum
 - Oversee QVF / voter registration process

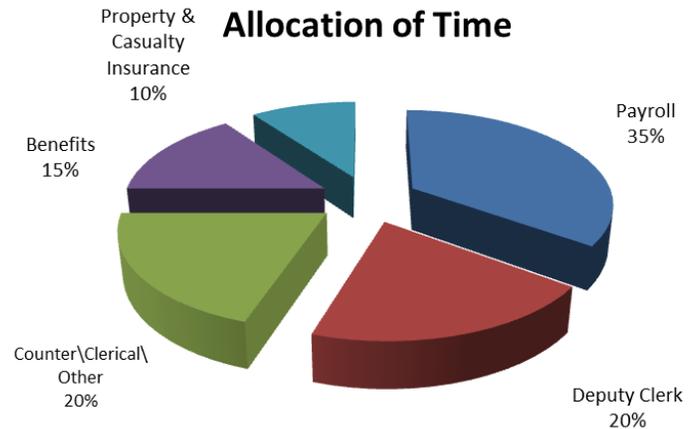
Other (5%):

- Supervise clerk / treasurer staff
- Assists with job hiring / interviewing
- Credit card management
- Laserfiche Administration
- Tax Administration
- Assist in preparation of Industrial Facilities Tax Exemption certificates
- Maintain Record of Vehicle Titles
- Fleetcard administration
- Calculate diesel fuel surcharge for Allied Waste
- Sales tax calculation & reporting
- Motor fuel tax calculation & reporting

- Monthly/annual State of Michigan reports
- Bid Openings, retention
- Business Registrations
- Banner Permits
- Postage Meter Administration
- Cable Franchise agreement oversight
- Riverfront Leases
- Records Management / archival / destruction
- Create/Maintain various forms
- Special Assessment oversight / billing or add to tax collections
- Customer service – in person / phone / e-mails / snail-mail
- Performs the duties of other clerk / treasurer / finance staff as necessary

Deputy Clerk\Payroll & Benefits Clerk

Mary Bachman is the Deputy Clerk\Payroll & Benefits Clerk. She has been with the City for 14 years, being hired in March of 1999. She started as an accounts receivable clerk and was promoted to her current position in 2000. Mary earned the prestigious designation of Certified Municipal Clerk in 2005 and Master Municipal Clerk in 2013. She maintains her State of Michigan Property & Casualty Insurance license, is a certified election inspector, a notary public and is State accredited as an election official. She is also a member of the West Michigan Payroll Association. Mary has taken several college level business & management courses and intends to continue taking relevant courses.



The Deputy Clerk works closely on a daily basis with the Clerk & CFO. Listed below are estimates of the amount of time spent annually on various responsibilities; however, allocations are not static and vary significantly from week to week:

Deputy Clerk (20%):

Tasks and knowledge required Include:

- Maintain necessary educational credits needed to maintain Master Municipal Clerk Certification and Election Inspector Certification.
- Certification as a Municipal Clerk.
- Assists Clerk with Federal, State and Local Elections and Election responsibilities.
- Distributes records and files Absentee Ballots.
- Assist Clerk with assembling and disassembling election equipment, training personnel and recording results.
- Maintains Qualified Voter Files; registers new voters, records changes of address, cancels voter registration.
- Performs duties of the City Clerk in the Clerk's absence.
- Administers oath of office when needed
- Attend meetings, record and transcribe minutes, and perform duties in the Clerks absence.

Payroll (35%):

Tasks and knowledge required Include:

- Perform accounting duties in the administration of bi-weekly payroll.
- Vast knowledge of applicable payroll laws and regulations.
- Verifies account distribution.
- Enters payroll information into payroll software.

- Processes payroll deductions including tax levies, garnishments, benefit deductions, and pension and retirement.
- Process and Balance annual W-2's and quarterly 941's, SUTA, UIA 1028, MESC, and Schedule B Reports.
- Document and verifies employee leave usage and distributes leave information report; balance with various departments; distribute to employees.
- Process and balance weekly HRA/Flex requests.
- Prepares invoices for all payroll withholding items and employee benefit contributions.
- Respond to requests from departments, supervisors and governmental agencies for information.
- Documentation and reports in regard to payroll processing and benefit administration.
- Employment verification
- MDOT Employee Benefit Costs Report
- Prepares SSCENT Forms
- Compile information requested by courts
- New Employee Orientation; I-9, W-4, MI-W4, Benefits (Blue Cross, Life Insurance, MERS, ICMA, IRA); SOM New Hire Reporting Form.
- Distribute payroll reports to City Council
- Maintain retention of payroll records; timecards; taxes
- Maintain retiree ledgers
- Maintain confidential employee personnel records
- Prepares and distributes required annual OSHA Reports
- Liaison between retirees/active employee and MERS & Blue Cross.
- Member of the West Michigan Payroll Association.

Property & Casualty Insurance (10%):

Tasks and knowledge required Include:

- Maintains necessary continuing education credits required to maintain State of Michigan Property & Casualty Insurance Agent License: License Number 0175059
- Administers City's Property & Casualty Insurance.
- Work closely with the MML; liaison between claimant and MML
- Processes all claims for and against the City; Sewer Backup claims, trip & fall claims, liability claims; personal property claims
- Processes all changes to the policy.
- Processes yearly renewal.
- Maintain Certificates of Insurance for City Contracts

Benefits (15%):

Tasks and knowledge required Include:

- Process employee Blue Cross Blue Shield policy.
- Deduct employee contributions from payroll.
- Verifies and balance Blue Cross monthly invoice; issue payments.

- Process changes to Blue Cross and responds to employee questions and problems.
- Process and balance weekly HRA/Flex claims; release checks.
- Process Workers Compensation reports and employee claims.
- Process S&A Claims, and FMLA Claims; adjust payroll accordingly.
- Process Employee Life Insurance; balance and issue payments.
- Process COBRA; liaison with Cadillac Insurance and employees.
- CMS Medicare Coordination of Benefits.
- Process and balance MERS Employee & City contributions; issue payments.
- Process and balance ICMA, IRA & Mers401; issue payments.

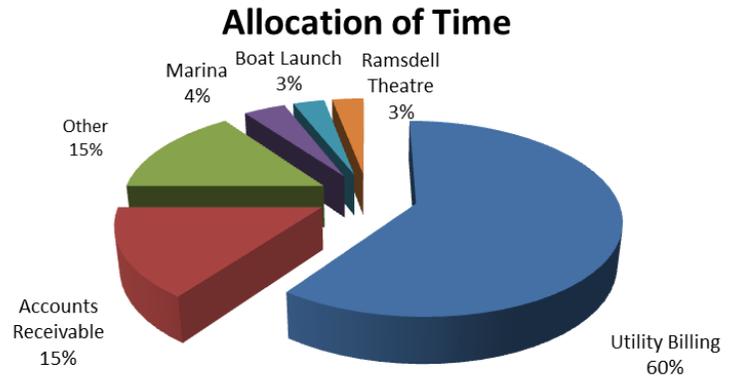
Counter\Clerical\Other (20%):

Tasks and knowledge required Include:

- Answering various questions, providing information, and when necessary forwarding inquiries to the appropriate department.
- Receives and receipts payments at the front counter for City taxes, fees, utility bills and other payments.
- Processes payments, issues receipts and dispenses change accurately.
- Mail distribution.

Utility Billing\Accounts Receivable Clerk

Heather Pefley is the Utility Billing\Accounts Receivable Clerk. She has been with the City for 13 years, being hired in September of 2000. She started as an accounts receivable clerk and was promoted to her current position in January of 2001. Heather has an Associate's degree from Davenport College, and has completed the first of three years of the Michigan Municipal Treasurer's Association Basic Institute as she works towards her Michigan Certified Professional Treasurer designation.



The Utility Billing\Accounts Receivable Clerk works closely on a daily basis with the Clerk & CFO. Listed below are estimates of the amount of time spent annually on various responsibilities; however, allocations are not static and vary significantly from week to week:

Utility Billing (60%):

- Exports data to DPW for monthly water meter readings and imports collected data into utility billing software for review and billing preparation.
- Prepares work order requests from customers.
- Manually enters information and readings from work orders for repairs, final reads and new accounts.
- Works directly with water maintenance to ensure meter readings are accurate and providing accurate information limiting the need for usage estimates.
- Receipts in payments from daily walk in customers, mail, and electronic transactions.
- Balances all receipts to reports generated and prepares deposit for treasurer to take to the proper banking institution.
- Approximately 3400 water bill are mailed monthly with an approximately 300 past due notices also sent monthly and subsequent disconnection notices sent as needed.
- Works with DHS, Salvation Army, Love Inc., etc. to help people in unfortunate circumstances to maintain service.
- Runs various end of month reports to balance Utility Billing to the General Ledger.
- Processes water escrow affidavit deposits and refunds for landlord/tenant billings.
- Transfers outstanding balances to summer tax roll for collection as special assessments.
- Spends extensive amounts of time with customers both over the phone and in person answering billing questions, setting up payments arrangements, fielding complaints, and problem solving.

Accounts Receivable (15%):

- Prepares invoices for all departments as requested including but not limited to retiree health insurance premiums, yearly PILT, maintenance and service agreements, marina seasonal dockage, marina open space rentals, and Ramsdell rentals.
- Processes payments for all invoices upon receipt.
- Sends monthly statements for collection purpose.
- Transfers outstanding balances to summer tax roll for collection as special assessments.
- Provides tax information to mortgage companies for escrow payment processing.
- Enters mortgage codes into tax payer files for proper importing and exporting of data.
- Provides tax and special assessment information to title companies.
- Processes tax payments including payments from outside tax sources.
- Balances tax payments on a daily basis and prepares deposits for treasurer.
- Posts all other miscellaneous payments made to the city and prepares deposits.

Other (15%):

- Staffs front counter providing customer assistance and direction to various offices.
- Handles office phone calls and manages the voicemail boxes for the water billing, treasurer, and Ramsdell Theatre lines
- Completes numerous tasks with multiple interruptions
- Serves on the receiving board for elections.

Marina (4%):

- Receives daily sales reports from marina staff for processing.
- Tracks fuel sales and purchases.
- Invoices various entities for fuel purchases and seasonal dockage.
- Manages calendar of events for the open space.
- Drafts contracts and collects payments for rental of the marina open space.

Boat Ramps – Auto Attendant (3%):

- Provides routine maintenance and trouble shooting for boat ramp auto attendant machine.
- Reviews and records daily cash and credit card sales.
- Collects money from auto attendant and makes sure machine is functioning properly.
- Documents sales information, balances cash with reports generated by auto attendant, and prepares for deposit.

Ramsdell Theatre (3%):

Some of these duties are in the process of transitioning to the new Ramsdell Theatre Executive director; however, we will still provide back office functions and backup.

- Schedules events for the theatre, hardy hall, and grand ballroom.
- Schedules concession workers and makes sure items are stocked for sales.
- Processes income from ticket and concession sales, plus rental income from events and tenants.

- Provides assistance to couples preparing for their wedding day and works closely with vendors to ensure a positive experience in our venue.
- Drafts contracts for various users.
- Provides access & tours to the facility for potential renters.
- Designs booth for bridal shows for advertising.
- Occasionally works weekends to accommodate customers' needs and for bridal shows.
- Prints posters for concerts and prepares cash box for box office sales.
- Records sales for MET Opera and Concert performances.

The following positions also report directly or indirectly to the CFO or City Clerk.

Ramsdell Theatre Executive Director

Responsible for the overall management, operations, marketing, fund-raising and scheduling for the Ramsdell Theatre.

Ramsdell Theatre Caretaker (PT)

Typical duties include daily cleaning of Ramsdell Theatre, light maintenance, set up and tear down for events, snow removal in the winter months, and other duties as assigned by the Ramsdell Theatre Executive Director.

Ramsdell Theatre Site Managers

These are temporary workers that are present whenever an event is occurring at the Ramsdell. Their role is to protect the condition of the building as well as ensure the safety and welfare of the guests and tenants, making sure that everyone's experience at the building is a pleasant one. They report to the Ramsdell Theatre Executive Director.

Light Technicians, Sound Technicians, and Projection Technicians

These are temporary workers who are used for various events at the Ramsdell Theatre in a variety of technical capacities. They report to the Ramsdell Theatre Executive Director.

Election Workers

These are temporary workers who staff various local, state and federal elections held in the City of Manistee. The number varies depending on how many elections are held during the year. They report to the City Clerk.

CLERK & FINANCIAL SERVICES BENCHMARK REVIEW

In addition to understanding the structure and operations of the Clerk and Financial Services departments, an important aspect of any review is benchmarking with other communities. As with the previous whitepapers, an information gathering survey was sent to various peer communities. The survey was based on the areas and activities that are currently part of the Clerk & Financial Services responsibilities as well as those which could become part of their responsibilities if the department were reorganized.

The communities that participated were: (Cadillac and Petoskey did not respond).

Alpena Big Rapids Boyne City Coldwater Charlevoix Ludington Marshall

Each community was asked how they provide services for the following activities that make up the bulk City of Manistee CTF services workload:

Core Activities

Accounts Receivable
Accounts Payable
Audit
Budgeting
Cash Receipting
Elections
Employee Benefits
Fixed Assets
Insurance\Risk Management
Investing
IT
Payroll
Recordkeeping\Minutes
Utility Billing

Ancillary Activities

Assessing
Building Maintenance\Custodial
Brownfield
Grant (Administration\Preparation)
Ramsdell Theatre
Website
GIS

Each service area will be discussed in summary based upon the responses from the benchmark communities. The detailed responses are included in the Appendix. Three themes emerged from the benchmark data:

First, these departments are truly “Swiss Army Knife” departments in that they have an enormous variety of tasks and responsibilities. It appears Manistee may be involved in a few more areas than are typically found in these departments, particularly in technical and IT areas, as well as the Ramsdell Theatre.

Second, there is no cookie cutter approach to organizing these departments.

Third, Manistee’s staffing is on the low end of its peers.

Core Financial Functions (GL, AR, AP, PA, CR, FA)

Manistee: Manistee administers all core financial functions in house. It uses Fund Balance financial software for this purpose. Both Clerk and Financial Services staff are used to provide these services.

Benchmark Communities: Across the board, all benchmark communities provide these services in-house. Three of the seven benchmark communities use Fund Balance financial software, while the others use BS&A or Civic Systems. The services are generally provided by a variety of staff doing multiple duties.

Audit | Budget

Manistee: All cities are required by law to have an annual audit. Some communities go further and issue a Consolidated Annual Financial Report (CAFR). Manistee does not do a CAFR. The annual cost of Manistee's base audit is \$13,390. Manistee's budget is prepared largely by the finance staff, with the City Manager's office assisting. Manistee also prepares a five year capital improvement plan as part of the budgeting process.

Benchmark Communities: Only two communities, Alpena and Big Rapids, prepare a CAFR. Manistee's base audit cost is the lowest of the peer communities, in some cases by a wide margin. All benchmark communities rely on some combination of City Manager and Finance to prepare their budget. All communities except Ludington have a capital improvement plan.

Investment Management | Debt Management | Financial Reporting

Manistee: Manistee uses its own staff, rather than outside advisors, to direct the day-to-day investments of surplus operating funds. Manistee does have an Oil & Gas perpetual fund that is managed by an outside advisor.

Manistee does not have a debt management policy. Manistee has fourteen debt issues and over \$20,000,000 in outstanding debt. Manistee's pension fund is managed by MERS and is funded at 98%. Manistee has minimal OPEB liabilities due to a hard cap on expenses.

Manistee provides monthly cash balance and invoice reports, as well as written quarterly financial updates with revenues and expenditures.

Benchmark Communities: Three benchmark communities use outside advisors for their day-to-day investments. Two have long term funds (cemetery); none has an Oil & Gas fund and none uses outside advisors for their long term investments.

None of the communities have a debt management policy. All communities have less debt than Manistee in both number of issues and outstanding amount. Six of seven communities use MERS for their pension funds; two also have Act 345 Pension for Police and/or Fire. None are as well funded as Manistee, and in some cases they are severely underfunded. OPEB liabilities vary widely with two communities having no OPEB, while another has over \$4 million dollars in liability.

For cash balances reports: four provide it monthly, two quarterly and one every two months. For invoices: four do it twice a month, two do it quarterly and one does not do it. For revenue and expense reports: five do it monthly and two do it quarterly. Only two communities provide written narratives like Manistee, while one does verbal and four do not provide a narrative.

IT | Utility Billing | Tax Collection

Manistee: The City contracts out its IT services, but provides some front line triage of IT issues. The overall condition of its network and equipment is excellent.

Manistee handles utility billing in-house. We bill for water and sewer only on a monthly basis. We also accept landlord affidavits.

Manistee collects both current and delinquent personal property taxes. It contracts with Manistee County to print its bills. Tax information is available at the counter for free, or online free to property owner, charge for others.

Benchmark Communities: Five communities contract out all or most of their IT support, while two have in-house IT staff. All five that contract this service out do provide some form of front-line triage. Four communities report their IT infrastructure to be excellent and two report it to be good.

Six communities provide utility billing in-house while Alpena subcontracts both the operation of its water and sewer utility as well as the billing. All issue monthly bills. Three communities have electric utilities in addition to water and sewer. Four communities offer the affidavit program to their landlords.

All benchmark communities collect their own taxes and all provide tax info for free at the counter. Five communities make tax information available online.

Minutes | Recordkeeping | Elections

Manistee: The Clerk maintains City Council minutes. They are available the day following the meeting. Council meetings are twice a month. The Clerk handles registrations and accommodations for Council travel and training. Council agenda packets are electronic.

Manistee has a full-featured document imaging system that all departments will be using by the end of 2014. Manistee has fifteen Boards & Commissions and the Clerk is responsible for maintaining the official minutes archive. In addition, combined staff attends eight different Board & Commission meetings. Website maintenance is a collaborative effort between Finance and Planning.

Manistee has Council elections every year and the term of office is two years. We have seven precincts and two polling places. We maintain our own Qualified Voter File.

Benchmark Communities: All peers maintain their own City Council minutes thru the Clerk's office. Manistee is the only community that has next day turn-around on minutes. Three take 2-3 days and four take longer (up to 7 days). Four Clerks handle Council travel arrangements. Five communities have electronic Council agendas with a sixth in the process of implementation.

Two communities have full document imaging systems, two have partial systems and three have none. Peer communities have a similar number of Boards and Commissions, ranging from eleven to twenty. Record-keeping, archival, attendance and posting vacancies are a mixed bag, with each community having responsibilities, but to varying degrees. Six communities only maintain their portion of the website or not at all; most are maintained by a variety of different department heads.

All seven benchmark communities have Council elections every two years; however, six communities have four year terms of office instead of two like Manistee. Every community has fewer precincts than Manistee; two have 6, one has 4, two have 3, one has 2 and one has 1. All maintain their own Qualified Voter File.

Employee Benefits | Insurance | Risk Management

Manistee: Manistee administers its retirement program in conjunction with MERS and/or ICMA. It also administers the City's health insurance plan in conjunction with our insurance agent. We are a fully insured, small group. The City meets the hard-cap requirements of PA 152. We use a third party administrator for other benefits, such as flex, COBRA and HRA.

Manistee administers its own Property & Casualty insurance program in conjunction with our carrier. We also administer our Workers Compensation insurance and Unemployment insurance in conjunction with our carriers.

The City of Manistee has six employee groups, four union and two non-union.

Benchmark Communities: All benchmark communities administer their own retirement and health insurance plans, some in conjunction with their third party providers. The majority are with BCBS, MERS and ICMA. Five are fully insured while two are self-insured for health

insurance. Five communities choose to opt out of PA 152 rather than meet the hard caps. Five communities use a third party administrator, while two do not.

All administer their Property and Casualty insurance in conjunction with their carrier. It is more of a mixed bag with Workers Compensation and Unemployment; as other departments or the vendor sometimes are involved with this or take the lead role.

Manistee has more employee groups than all but one peer. One has 6, one has 5, two have 4 and two have 2.

Ancillary Responsibilities

Manistee: We are responsible for the City BRA and the CFO is the BRA Administrator. Our offices assist in grant administration and preparation. We are the lead department in preparing the Street Asset Management Plan. The City GIS program is collaboration between Finance, Planning & Zoning and DPW; but we have oversight. We receive the base layers from the County Equalization Department and contracting with a private consultant to provide utility layers. We have some staff trained in GIS. Our offices are responsible for the overall website, although Planning & Zoning does some of the maintenance.

Benchmark Communities: Three communities have a City BRA which these offices are responsible for, four do not. Grant writing, as is normal, is a mixed bag with responsibilities for writing and administration spread over multiple departments. All communities have Street Asset Management Plans, but only one has these offices, like Manistee, taking lead responsibility. All communities have a GIS program. Four have in-house staff, two use a mixture of staff and consultants, one does not have a program. None have the Clerk and Finance office with primary GIS responsibility like Manistee. All benchmark communities have websites. Only two have Clerk & Finance with ultimate responsibility.

Other

Manistee: Manistee provides Assessing in-house. The Assessor reports to the City Manager. Manistee uses in house custodians\caretakers to clean, with occasional contracted services. This position reports to the City Manager.

Benchmark Communities: Two communities have Assessing in-house, four contract the service out and one has a hybrid system. For those that have it in house, the Assessor reports to the City Manager in two cases and the Treasurer in the other. For those that contract it out, the contractor reports to the City Manager in three cases and the Treasurer in two cases. Four communities have custodians on staff. In two cases they report to the City Manager, in one case to DPW and in one case the Fire Department. All use contracted custodial\cleaning services on occasion.

OPTIONS FOR PROVIDING CTF SERVICES IN THE FUTURE

Within the universal and standard practice of providing CTF services in house, there are practically unlimited options as to what exact responsibilities and duties are handled by the staff. This was made clear in the benchmarking and thru our professional experience. Many of these decisions are dictated by the talents and abilities of employees in various departments, in order to take advantage of strengths and minimize weaknesses. Whatever the structure is, each community has chosen it based on their community's unique needs. There is no cookie cutter approach to delivering these services.

Likewise, there are very limited options for providing CTF services in a materially different way, primarily due to the sensitivity and importance of the functions provided; and in our case, the rural nature of the community. Notwithstanding, some functions may be appropriate to outsource or collaborate on under certain circumstances.

One of the hardest things to do is to make decisions under uncertainty. Anytime change is contemplated; a move from the known to the unknown, there can be trepidation, fear and reluctance. No matter the situation, there are always facts that are unknown, impacts that are unforeseen and hurdles that are unanticipated. The best you can do is research and plan to the best of the organization's ability and work thru issues as they arise. Risk is present in any service delivery model, including the status quo. The way to handle risk is to quantify it to the degree possible, establish mitigating procedures, and then decide on whether the level of risk is acceptable.

The important point to keep in mind when reviewing options is that no one service delivery method is necessarily "right" or "wrong;" "superior" or "inferior;" "safe" or "dangerous." The reality is each approach has its advantages and disadvantages; pros and cons; challenges and opportunities. In the final analysis, it comes down to the questions posed earlier:

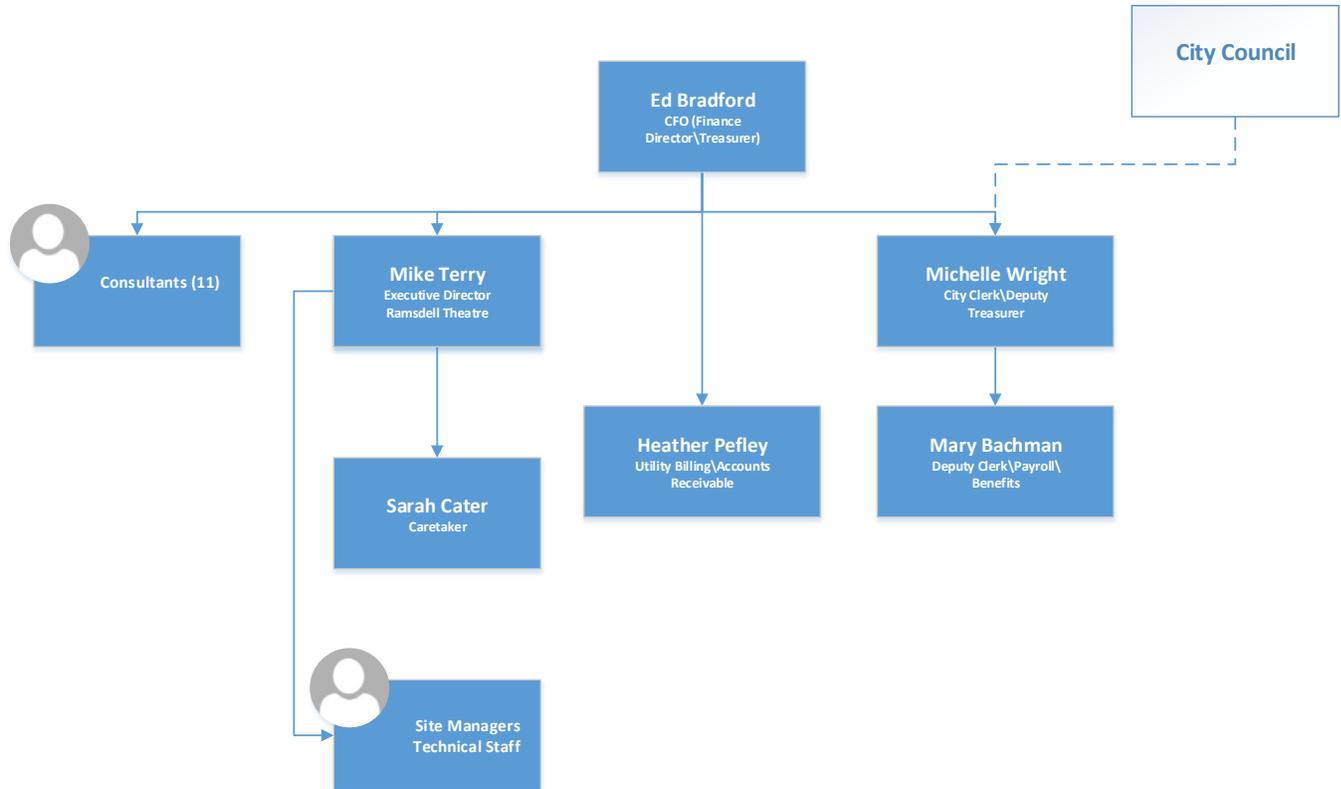
- What service levels are desired by the community?
- What service levels are needed by the community?
- What level of service can the community afford?
- Is the current service delivery method the most effective & efficient?
- Are there alternative service delivery methods?

The alternatives and areas explored in this section include:

- ✓ Status Quo
- ✓ Create Administrative Services Department
- ✓ Merge Clerk & Financial Services Departments
- ✓ Outsource Various Functions
- ✓ Improvements | Initiatives
- ✓ Succession Plan for Clerk & Financial Services Departments

Status Quo

Description – The Status Quo option maintains the current Clerk & Financial Services departments as they are currently structured: two closely integrated departments with separate budgets and a wide variety of duties, including managing non-core personnel and a variety of contractors.



Discussion – For the purpose of reviewing this option, current staffing and equipment levels are kept so as to maintain the current service levels to citizens. It also assumes that the current model is reasonably efficient and requires staffing as currently allocated. The number of personnel in this department was reduced by ½ FTE in fiscal year 2010-2011 and has remained at this lower level since.

The departments are open every day thru lunch from 8:00 am to 5:00 pm. It does not have the luxury of “shutting the door” at times to focus on other tasks. Counter traffic is constant most days, and results in repeated interruptions for staff that are also responsible for other detail oriented activities. These interruptions decrease productivity and potentially accuracy. In addition, due to the staff size, covering the office for absences such as training, vacations and illness frequently requires the Clerk, and periodically requires the CFO, to cover the counter. This also is not an optimal situation.

It should be noted that maintaining this model means that there is little to no ability to absorb more duties or projects as staff is fully occupied. In fact, the current workload is preventing some CTF functions, processes and projects from receiving the attention that they require and deserve and/or being completed in a timely fashion.

The additional duties absorbed by the Clerk & Financial Services departments upon the restructuring of the Community Development department anticipated adding a clerical staff to be split between the two departments. That hire is temporarily on hold pending the outcome of this whitepaper and a reevaluation of that recommendation.

Service Level Impacts – With the Status Quo Option, service levels to the citizens would remain the same; however, without increased staffing, additional duties placed on the department due to prior restructurings and ever increasing service needs have and will continue to impact the timeliness and completeness of projects and activities and make new initiatives much more difficult.

Pros and Cons Review

Pros	Cons
Current service levels maintained.	Does not improve service levels.
Continued high level of collaboration.	Does not allow for staff advancement or professional growth.
Avoids short-term disruption that all organizational changes bring.	Does not implement recommendation(s) from MATRIX study.
	Does not reallocate duties to maximize skill sets of existing employees.
	Lack of capacity results in inefficiencies, inability to be as proactive as desired and delays in completing tasks.

Financial Implications – The maintenance of the status quo means that Clerk & Financial Services departmental costs will continue to grow as wage and benefit costs increase. Operating expenses, while not to be ignored, are largely for mandated professional or contractual services, and the remaining operating costs are negligible for purposes of this discussion. In the future, when staff members retire, some minor cost savings may be realized thru hiring of less experienced lower cost staff.

Create Administrative Services Department

Description - This scenario envisions merging the Clerk and Financial Services departments into one Administrative Services department, and adding additional responsibilities in stages.

Discussion - The MATRIX OSA report suggested a similar approach by recommending the creation of a larger Financial Services department in which the Assessing function was placed organizationally under the CFO.² However, the companion CRC benchmark report found that Assessing, when provided in-house, was uniformly a stand-alone department.³ The alternative presented here deviates somewhat from the MATRIX recommendation, at least initially, and is more all-encompassing. The scenario does not work without having another full-time employee available in the department; enabling the department to absorb duties and to provide greater assistance to other departments as needed. It anticipates significant restructuring and provides improvement over the current structure in a variety of areas.

Employee Skills:

First and foremost, it better aligns employees' skill sets, training and interests with the available work. Under the current model, the ever-increasing workload has resulted in an enormous amount of varied and competing job responsibilities and a high level of multi-tasking. This multi-tasking has allowed the departments to survive, but has now reached the point of diminishing returns. It has hampered the ability for the department to be proactive, negatively impacted productivity and misaligned skills with tasks.

Job Growth and Advancement:

The restructuring allows job advancement and professional development for all employees in the department. Each employee has worked hard to better themselves through education, training and assuming greater levels of job responsibility. It is recognized that in small organizations there is not an unlimited "ladder" for advancement. However, when such opportunities can be provided in the context of improving an organizational structure, it becomes a win-win situation and is a fairly compelling reason to move forward.

Succession Planning:

The proposed restructuring leaves the City in a much stronger position to move forward seamlessly as employees approach retirement age. This is discussed further in the section on succession planning.

Resiliency and Flexibility:

The proposed structure allows for the department and City as a whole to be more productive by allowing resources to be brought to bear more effectively on large projects, handling busy times, covering absences, increasing focus, assisting other departments and eliminating unproductive assignments.

² Matrix Consulting Group: Report on the City – Wide Departmental Operational Service Assessment, City of Manistee, Michigan, (January 12, 2010): Pgs. 15, 115-121

³ Citizens Research Council: Benchmarking the City of Manistee, City of Manistee, Michigan, (October 12, 2010): Pgs. 28-29

Details

The proposed restructuring does not increase overall City headcount beyond what is currently budgeted. Rather, it assigns the unfilled, but budgeted, clerical support staff to the new Administrative Services department, rather than formally splitting it as was discussed in the Community Development whitepaper (see #4. below for details). The new department would combine all of the duties of the current Clerk & Financial Services department. In addition, it would assume over time the following responsibilities (some have already been transferred):

1. Duties identified in Community Development whitepaper to be transferred:

Short-Term Implementation Timeframe

- a. Brownfield Administrator and BRA oversight & liaison
- b. Risk Management\Insurance Administration
- c. Special Projects
- d. Vendor of Record oversight (Mechanical, Electrical, Plumbing, etc.)
- e. GIS management (beyond current involvement)
- f. Grant Administration\Writing (collaborative)

2. Building Custodial\Maintenance duties:

Medium Term Implementation Timeframe

Currently the Deputy Building Inspector\City Hall Caretaker\Facility Manager reports to the City Manager. The vast majority of the time this position spends is on cleaning City Hall (4 hrs. per day) and facility management\maintenance (3+ hrs. per day). As construction season heats up, some additional and indeterminate amount of time will be spent on working with the Building Inspector.

The question is where organizationally it makes most sense to have this position. Given that most of the needed work is located at City Hall and the Ramsdell Theatre, this points to having it report to the Administrative Services department, as its staff are heavily involved in both buildings and are in a better position to allocate and prioritize assignments. It also allows for greater coordination between caretakers.

Facility management is one area that the City has not been as effective as needed. We have an enormous investment in facilities that needs to be preserved. Prior to the retirement of the Building Inspector, the provision of building and rental inspection services, facility management, facility maintenance and custodial services should be revisited to see if there is a better way to provide these services, which could include contracting out some or all of these services.

3. Assessing upon retirement of current Assessor:
Longer-Term Implementation Timeframe

The OSA study recommended that the Assessing function be placed organizationally under the CFO. The City has maintained the historic structure of the Assessor reporting to the City Manager for continuity purposes. Once the current Assessor retires, this structure can be re-evaluated and it may be appropriate to implement the OSA recommendation.

4. Targeted Clerical Assistance to Other Departments
Short to Medium-Term Implementation Timeframe

The Community Development whitepaper identified the need for additional clerical help if the Community Development director was not replaced and the department was restructured; and this position was intended to **“assist all individuals impacted by reassignments”** [emphasis added].⁴ This restructuring is what ultimately occurred and the clerical position was approved in the 2013-2014 City budget. However, it has not yet been filled pending the outcome of this whitepaper study.

The specifics of the new clerical position, such supervisor assignment, desired skills and work allocation were not spelled out in the Community Development whitepaper. The position does fit well in the context of an Administrative Services department. In addition, many of the work reassignments stemming from the Community Development restructuring were to the Clerk & Financial Services departments.

This position, combined with other potential actions (such as changes to the phone system and call routing, leveraging the skills of the City Manager Executive Assistant and evaluating public office hours) would largely address the clerical needs in the Community Development department, while at the same time allow the Clerk and Financial Services restructuring to occur. This clerical assistance would not be made available on a regular daily basis, though, unless it was to cover an extended absence in the department.

For example, if a large mailing needed to go out for the Planning Commission, Administrative Services staff could be made available to assist. Board & Commission minute taking could be centralized where it is most efficiently handled. This would include Planning Commission, Zoning Board of Appeals, Historic District Commission, Ramsdell Governing Authority and possibly others. That would allow the Planning and Zoning Administrator to focus on being the staff liaison at these meetings. Project and planning & zoning application processing assistance could also be provided.

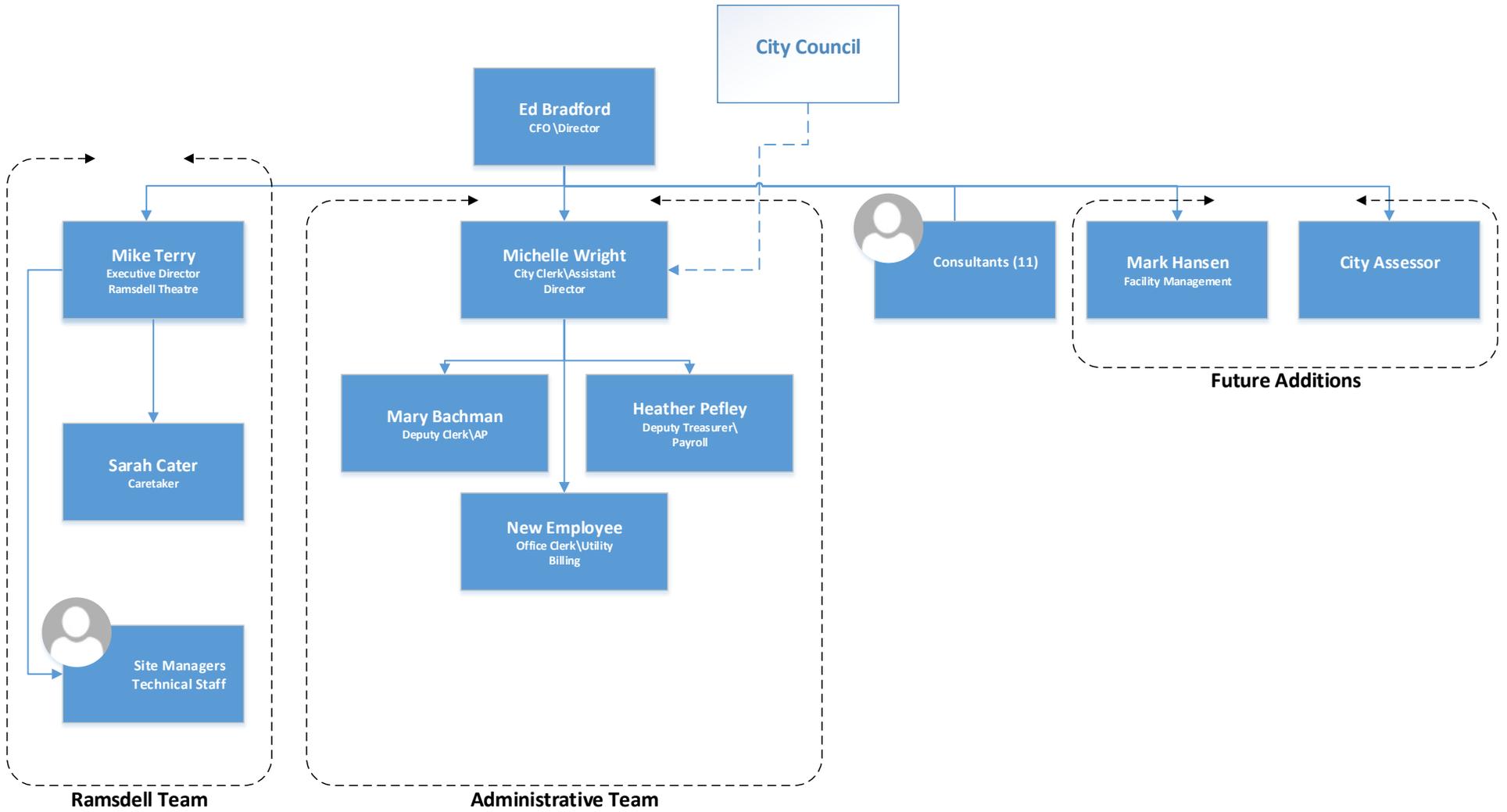
⁴ City of Manistee: Exploring Community Development Services in the City of Manistee, (March 5, 2013): Pgs. 30 - 32

The creation of an Administrative Services department allows for targeted assistance to other administrative departments the transfer of responsibilities because of staffing and structural efficiencies. However, the temptation is to load too many additional or non-strategic responsibilities on the department. That cannot be allowed to occur because it defeats the purpose of the restructuring. The phased approach allows ample time for adjustment and evaluation.

If implemented, one way that duties could be reassigned is summarized below. This plan, of course, is subject to revision and adjustment, but illustrates the general concept.

CFO\Director	Assistant Director City Clerk	Deputy Clerk	Deputy Treasurer	Office Clerk Utility Billing
Budget	Assist CFO	Elections	UB Admin	UB Bill\Receipt
Audit	General ledger	Accounts Payable or Payroll & Related	Accounts Payable or Payroll & Related	AR clerk
Analysis\Projections	Council	Insurance Admin	AR Admin	Marina
Long-term & strategic planning	Chief Deputy Treasurer	Laserfiche	Deposits	Boat Launch
Projects	Daily department supervision	Ordinance Codification*	QVF, Voter registration, AV ballot	
Reporting	Laserfiche		Ramsdell	
Investments	Banking liasion		Election assistance	
Negotiations	Functional backup			
IT	Project assistance	Customer Service		
Ramsdell		Counter Assistance		Primary Counter
Grants	Recording Secretary \ Minutes			

*Move from Community Development; Move business registration to Community Development



Service Level Impacts – This scenario would provide higher levels of service by increasing productivity, rationalizing workloads, improving flexibility and ensuring better responsiveness.

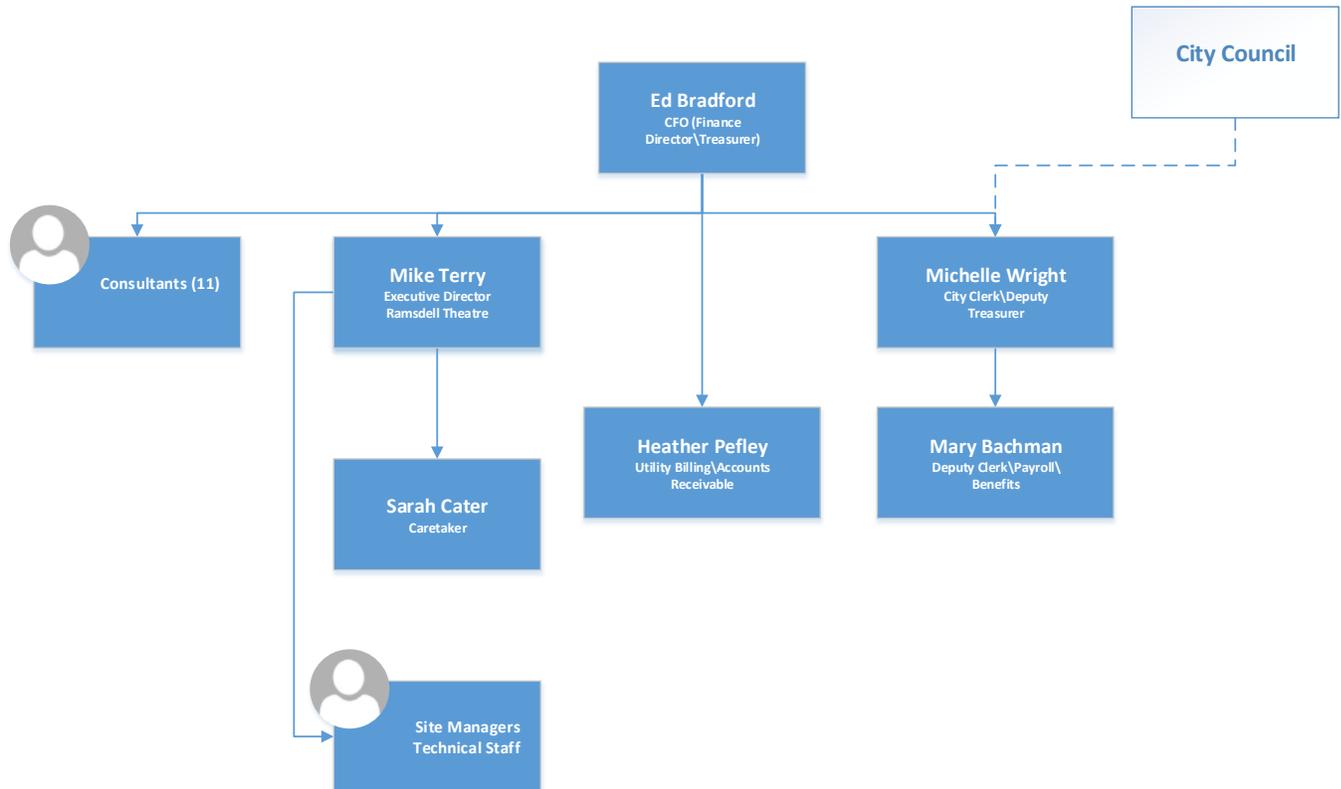
Pros and Cons Review

Pros	Cons
Improves internal and external service levels.	Slightly increased cost
Allows for staff advancement & professional growth.	Disparate functions being managed require attention to detail and adaptability
Provides for organizational flexibility and clearer responsibility and reporting structure.	“Swiss Army Knife” department could lead to things falling thru the cracks (this is a problem now with current staffing)
Implement recommendation(s) from MATRIX OSA study.	
Reallocates duties to maximize skill sets of existing employees.	
Allows employees to assist other departments, yet doesn’t muddle reporting lines.	

Financial Implications – There is likely a slight increase in cost for this option as the new positions would need to be rescored. At a minimum, some increased compensation should be anticipated, and some positions may move to a higher classification. However, the increased staffing is already in the budget, so the impact is rather muted. The total combined wages of existing and budgeted staff for the new Administrative Services Department are \$260,000. By way of example only, a 2% increase due to the restructuring would equate to about \$5,000. If implemented, the final impact would be determined during the budgeting process.

Merge Clerk & Financial Services Departments

Description - This scenario envisions merging the Clerk and Financial Services departments. It would only be recommended if the creation of the Administrative Services department was not implemented. The organization would be the same as the status quo.



Discussion – This really amounts to recognizing on paper what is currently occurring in practice: two departments that work closely together, are partially cross-trained, and function as one unit. It would help to reinforce this model and provide some minimal additional operational efficiency. This approach would also combine the two departmental budgets into one, simplifying that process significantly.

No significant restructuring is anticipated, although staffing does increase by approximately .5 to .75 FTE per the budget; and duties identified in the Community Development whitepaper are still transferred. The new staff would be used differently than the prior permanent part-time staff in that it would serve primarily as an assistant to the CFO, and to a lesser degree, the City Clerk. It would also occasionally help cover the counter during vacations or absences, and assist during the busy seasons. No other additional responsibilities are anticipated being transferred to the department.

Service Level Impacts – With this option, service levels to the citizens would remain the same; however. Additional duties placed on the department due to prior restructurings will be absorbed and offset by the clerical position, but further responsibilities will continue to impact the timeliness and completeness of projects and activities and make new initiatives much more difficult.

Pros and Cons Review

Pros	Cons
Current service levels maintained.	Does not improve service levels.
Continued high level of collaboration.	Does not allow for staff advancement or professional growth.
Avoids most of the short-term disruption that all organizational changes bring.	Does not implement recommendation(s) from MATRIX study.
	Does not reallocate duties to maximize skill sets of existing employees.
	Lack of staffing results in inefficiencies in certain areas and at certain times.

Financial Implications – Costs are maintained per the budget.

Outsource Various Functions

Description – This scenario discusses outsourcing various functions of the CTF department to outside vendors or other government agencies. It should be noted that the OSA reached the following conclusions regarding the viability of this approach. For the Finance\Treasurer Department:⁵

*“The financial functions / duties for a community are one of the most critical services provided in terms of the need for accuracy, forecasting and having direct control. **The project team found no opportunities within this department that would enable a different service delivery approach at the present time while maintaining an appropriate control function** [emphasis added]. Recent experience of the project team in evaluating other communities that have contracted out the financial functions (including general financial administration and revenue collections) have not been favorable for the successful outsourcing of this function and recommendations have been made to return this service internally as a core city function provided by full-time staff.”*

For the Clerk Department:⁶

*“**Not suitable for contracting or alternative service delivery approaches given nature of the work and necessary support to be provided to City Council** [emphasis added]. Additionally, this function is being cross-utilized with the financial functions to achieve efficiencies in staffing.”*

These conclusions are fully in line with the benchmarking data provided by both the internal study and the CRC study, which showed the services being provided in-house with a similar structure.⁷

“One other factor that impacted analysis and recommendations is the generally remote location of the City of Manistee (which is also a positive community attribute for many residents). The City’s location makes some opportunities for shared services and contracting out of services much more difficult than would be seen if it were in closer proximity to a major metropolitan area.”⁸

⁵ Matrix Consulting Group: Report on the City – Wide Departmental Operational Service Assessment, City of Manistee, Michigan, (January 12, 2010): Pgs. 157-159

⁶ Matrix Consulting Group: Report on the City – Wide Departmental Operational Service Assessment, City of Manistee, Michigan, (January 12, 2010): Pgs. 157-159

⁷ Citizens Research Council: Benchmarking the City of Manistee, City of Manistee, Michigan, (October 12, 2010): Pgs. 23,

⁸ Matrix Consulting Group: Report on the City – Wide Departmental Operational Service Assessment, City of Manistee, Michigan, (January 12, 2010): Pg. 4

Discussion

If there was to be an exploration of outsourcing various CTF functions, the following areas would be the ones which should be explored. It needs to be reiterated that none of these functions is a stand-alone activity being performed by one individual. Simply outsourcing a function does not allow for a reduction in headcount, as each employee is doing multiple activities.

Payroll

Many companies offer some sort of payroll processing. The level of services provided varies greatly as does the level of effort required on the City's part. It does not eliminate the need for an employee to review the data and conduct data input. Rather, it eliminates some of the back-end processing and reporting.

Payment Lock Box

Some companies require that all payments be sent to a P.O. Box which is monitored by a third-party (typically a bank) which then processes these payments. They tend to be expensive on a per transaction basis for smaller account like Manistee would be. Typically, companies that use these services require most if not all payments to be mailed to the lockbox in order to promote efficiency and receive the best pricing. This is probably not feasible in Manistee because we cannot see under any circumstance where we would not accept payments at the counter.

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A wide variety of governmental functions can be outsourced to other governments under Public Act 8 of 1967: Intergovernmental Transfers of Functions and Responsibilities.

County Treasurer Collects Taxes

It is not uncommon for the County Treasurer to collect real and/or delinquent personal property taxes for local units in the County. The City has approached the County Treasurer about collecting delinquent personal property taxes in the past, but they have not been interested. With the pending elimination of the vast majority of small personal property tax bills in 2014, this option is not as attractive or useful as it was previously.

County Clerk Runs Elections

The County Clerk could run all City elections. Election consolidation and reform has been happening at the State and pushed down on locals. An example of this was the recent law which stripped Board of Canvassers responsibilities from the local level and gave it to the County. It is unclear how far this trend will continue. The County would undoubtedly charge for this service and simply eliminating elections does not allow for headcount reduction.

ISD Manistee County Business School Cooperative (MCBSC)

The MCBSC is a collaborative between all county schools (except MAPS) and the ISD to provide back-office and business office services to the school districts. By all accounts, it has been a very successful initiative. The CFO met with the Director of the MCBSC and discussed if there was any possibility that the MCBSC could consider providing some of these services to the City.

The Director made it clear that this would not be feasible because the City is on a different software system than the schools, has more complex accounting needs and there isn't the capacity or desire at this time to take on such a project.

Current Outsourcing

Information Technology

The City currently outsources the bulk of its IT services to IT Right, out of Bath, Michigan. This has proven to be a very cost effective option for the City and has provided an extremely high level of service.

Tax Maps, Assessment Notices, GIS Parcel Layer & Tax Bill Printing

For many years the City (and all the Townships in the County) have partnered with Manistee County Equalization to provide these services. The economies of scale make the cost of doing this very economical and prevent the City from having to buy costly mailing equipment. This relationship is one that is a model for how intergovernmental cooperation should work.

Service Level Impacts – If done exceptionally well, outsourcing various functions should have little to no impact of the current service level, whether internal or external. However, much depends on how well thought out and implemented the outsourcing plan is. There is the potential for significant service level disruptions, especially in the short-term, if implementation encounters problems. The downside is potentially much worse than the upside.

Pros and Cons Review

Pros	Cons
Current service levels maintained.	Does not improve service levels.
May appear to the public to be “proactive.”	Does not allow for staff advancement or professional growth.
Frees up time for other work.	Is not supported by past benchmarking or professional studies.
	Does not save money as headcount cannot be reduced.
	Limited opportunities.

Financial Implications – Even if all of the identified outsourcing opportunities were smoothly implemented, it would be difficult and likely impractical to reduce in place headcount because of the nature of the work being done by the departments. There is the remote possibility that the aggregate outsourcing of all of these functions would free up enough staff time that the new clerical position would not be needed. However, the actual cost impact of this is unknown and could only be determined by requesting proposals for all of these areas.

Outsourcing only one or two areas would increase cost as headcount would not be reduced. This would likely free up some time for other duties and initiatives, though.

Efficiencies & Initiatives

Description: This scenario discusses various initiatives and service level enhancements that have been identified in the past as meriting further analysis, and what their current status is.

Discussion: Several areas that have been identified through the OSA or through a departmental continuous improvement process and their status are listed below:

Credit Card Payments

The City does not accept credit cards at the transaction counter for payment. It does accept credit card payments for: boat launching (only through the auto-attendant); water and sewer bills (online), marina transactions (thru the State of Michigan reservation and POS system) and at the Ramsdell Theatre (MyNorth Tickets).

Accepting credit cards at the transaction counter for payments is something that we will be researching over the next year. We hope to find a workable solution. It is not as simple to do this in the governmental sector as it is in the private sector because of the interplay between government requirements and payment card rules. Several services are available that help to mitigate this difficulty.

Electronic Vendor Payments

The City has implemented this option for vendors and a number have enrolled in the program. This service is convenient for both the City and the vendor, cost effective, more secure and reduces the amount of paper used.

Bi-Weekly Payroll

The City switched to bi-weekly payroll from weekly payroll about a year ago. This puts us in line with all of our peers and reduces the amount of time spent processing payroll.

Direct Deposit

All of the City's employees are now on direct deposit. This was made possible by a change in State law that says governmental employers can mandate this.

Purchase Order System

The City does not use an electronic purchase order system, nor does it have a City-wide paper system (the DPW does use paper PO's). However, adequate internal control is maintained through other processes, procedures and approvals. The decision to move to a City-wide PO system, whether paper or electronic, is not one to be taken lightly as it is a large undertaking with arguably tenuous benefits. Staff will continue to study this issue and take whatever steps are deemed appropriate.

Time & Attendance

The City does not have a full-blown electronic time & attendance system. The City does use an automated time entry program called Time Sheet that feeds directly into the Payroll system. However, it is simply a conduit for the time data and is not robust enough to function as a time and attendance archival system. This is an area that needs more research and study. Any

solution would need to be integrated from data collection through payroll to the general ledger. The cost would likely be quite high. We will also be re-evaluating our manual processes.

Electronic Council Packets

The City has implemented electronic agenda packets. This has saved money, created efficiencies and allowed for timelier and better dissemination of information.

Document Imaging

The City has been implementing a document imaging system, Laserfiche, over the past several years. It is now being rolled out to all departments. The City Clerk is taking the lead on this through training and establishing policies and procedures. This software has applications beyond simple document archival which are being monitored for areas of opportunity that may benefit the City.

Service Level Impacts: Each of these initiatives has positive impacts on the service level, both internal and external, through increasing efficiency, convenience and/or timeliness of response.

Pros and Cons Review

Pros	Cons
Increases efficiency	Cost of software\equipment
Increases convenience	Cost of staff training
Increases timeliness	Increased cost (CC fees)
Increased accuracy and security	

Financial Implications: Implementing new initiatives always comes with an increased cost at the beginning in both monetary expenses and level of effort. However, the payback is that after implementation, the level of effort is permanently reduced moving forward; or a service is provided more conveniently. Any initiative must be evaluated on a case by case basis.

Succession Plan for Clerk and Financial Services Personnel

Description: This section discusses a scenario relating to the retirement of the City Clerk.

Discussion: Although the department has a combined 66 years of experience, it is still a relatively young department. Even so, it is not too early to begin considering succession plans. *If the Administrative Services department restructuring is undertaken*, it provides a nice pathway to fill vacancies as retirements or openings occur. Staff has provided their best estimates of when they would likely be intending to retire (assuming they stay with the City). This is indicated below. Keep in mind that these are only estimates for purposes of furthering the discussion.

Title	Employee	Years of Service	Years to Retirement
City Clerk	Michelle Wright	25	4-7 years
Deputy Clerk	Mary Bachman	15	7-10 years
CFO	Ed Bradford	12	13-15 years
AR\UB Clerk	Heather Pefley	14	18-20 years

If one assumes that the City Clerk retires as estimated above, the proposed Administrative Services restructuring would allow for a relatively seamless transition. The City Clerk and CFO believe that Deputy Clerk Mary Bachman has been trained, educated, and has the experience to take over as the City Clerk when the City Clerk retires; and Deputy Clerk Mary Bachman intends to present herself as a candidate for the Clerk job at that time. This restructuring could look like the illustration below:

Position after Restructuring into Administrative Services	Action	Positions After Clerk Retires
CFO\Director (EB)	Same	CFO\Director
City Clerk\Assistant Director (MW)	New Hire	Assistant Director
Deputy Clerk (MB)	Promotion	Clerk
Deputy Treasurer (HP)	Promotion	Deputy Treasurer\Deputy Clerk
Office Clerk \Utility Billing (TBD)	Same	Office Clerk\Utility Billing

Service Level Impacts: Having a well-thought-out succession plan allows for a minimum of disruption should a retirement or vacancy occur. The transition to an Administrative Services department will ensure that employees have been exposed to all of the departmental operations and are in a position to step in at the appropriate time.

CONCLUSION

CTF services are among the most critical and complex of any municipal services because they touch on all aspects of City government and cover an incredibly wide range of activities and functions. This can be clearly seen in the benchmark communities; as well as in our own City. There is no “best practice” for delivering these services. Rather, each community chooses a model that they deem best for them.

This report has accomplished several important objectives:

First, it has provided a preferred option for restructuring the Clerk & Financial Services departments into one Administrative Services department.

Second, it discusses areas of outsourcing and initiatives to be explored as part of a continuous improvement effort. Staff will be actively evaluating and exploring these options.

Finally, it lays out a succession plan based on assumptions about restructuring and future retirements.

APPENDIX

1. Benchmark Review Detailed Responses
2. PowerPoint Presentation to City Council

BENCHMARK REVIEW

General

	Manistee	Alpena	Big Rapids	Boyer City	Charlevoix	Coldwater	Ludington	Marshall
What is your population?	6,226	10,483	10,601	3,735	2,513	10,945	8,076	7,088
What is your General Fund budget?	\$5,774,803	\$8,706,032	\$8,272,400	\$4,672,577	\$3,424,400	\$8,325,000	\$5,383,000	\$5,786,208
What is your budget for all funds?	\$13,269,212	\$16,567,660	\$21,962,800	\$10,015,178	\$19,074,600	\$53,126,000	\$15,007,700	\$29,392,431
How many employees do you have in Clerk department?	2	5	3 full-time. Use FSU work-study students	2	1 part time Clerk .5 FTE Deputy	1	3	1
What is the annual Clerk budget?	\$180,595	The Clerk/Treasurer/Finance Director does not have a separate budget.	\$331,300	Clerk is included in Admin. Elections budget is \$2,200	\$39,800	\$67,000	\$250,400	\$54,494
How many employees do you have in Finance\Treasury?	2	See above	Finance-5, Income Tax-2, Assessing-1	2	5	4	1.5	6
What is the annual Finance\Treasury budget?	\$208,098	See above	\$383,500 (No Income Tax or Assessing)	Included in Admin	\$66,100	\$268,000	\$118,500	\$229,280
What is the structure of these departments?	The Clerk and Treasurer\Finance departments have two separate budgets, but the two departments function essentially as one. Employees work together to complete all of the duties and responsibilities listed above and are largely cross-trained. The departments are broad and diverse in their scope of responsibilities.	The Clerk/Treasurer/Finance Director Department does not have a separate budget. The Assessing, Engineering, Planning, Rental Rehab and City Manager’s departments are all included with ours in the General Fund. Our department works as one department. We are cross-trained. We have our separate duties but also work together on large jobs such as tax collection and elections.	Along, with the normal Clerk’s functions, the following activities are also handled in the office: Property insurance and risk management, all aspects of human resource. The Treasurer’s Office includes Income Tax and Assessing, each having a separate budget. The Treasurer’s Office also handles utility billing, which includes sanitation.	The Clerk I Treasurer is a combined position with a Deputy Clerk and Deputy Treasurer. There is one support person to assist in other duties as necessary.	See attached Organizational Chart	The Clerk and Finance departments have separate budgets. There is coordination and assistance between the two but they are separate.	The Clerk and Treasurer Departments have two separate budgets, but employees work together on the cash collection process and answering phone calls. The building has a central Clerk, Treasurer and Assessing Department open work area so it is hard to stay within the boundaries of each department. Very convenient to be cross-trained to address any concern of any resident who stops in	
What professional designations do your employees have?	CPFA – 2; CPFIM – 1; MiCPT – 2; MMC – 2; Licensed Insurance Agent - 1	CPFA – 2; MiCPT – 2, CMC – 2, MOUS – 4,	Clerk: Master Municipal Clerk. Deputy Clerk: Certified Municipal Clerk CPA-1; CPFIM-1; MAAO(3) -1;	CPFA	CPFA, MiCPT	CPA – 1, CPFA -1, MiCPT – 1, MCCPE (MI Certified Personal Property Examiner) -1	CMC-1 CPA-1 CGMA-1	CPCU-1, ARM-1, CGFM-1

Core Financial Functions

Core Financial Functions	Manistee	Alpena	Big Rapids	Boyne City	Charlevoix	Coldwater	Ludington	Marshall
Do you provide Accounts Receivable in-house?	Yes, except as noted below	Yes	Yes	Yes	Yes	Yes, except as noted below	Yes	Yes
Do you utilize third parties for any billing\collections?	Collection Agency – Parking tickets, misc.; Accumed – EMS billing and collections	Water and Sewer	Collection Agency – Parking Tickets	MHR for EMS Services	Only collection agency for ambulance and utilities	Collection agency for bad debts	No	Yes
Do you have any active special assessments?	Yes	Yes	Yes	No	No	Yes	No	No
Do you provide Accounts Payable in-house?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do you use City generated EFT's to pay vendors?	Yes (some)	No	No	Just starting	ACH with the Federal Government and Michigan Public Power Agency	Yes (some)	Yes	No
Do you receive invoices electronically?	Yes (some)	No	No	Yes	Yes	Yes (some)	Some	Yes
Do you use a purchase order system? Electronic?	No	Yes. BS & A	Yes, Electronic (BS&A)	Yes, Manual	Yes, Civic software	Yes, Yes	No	Yes
Do you use purchasing cards?	No	No – Credit Cards.	Just implemented this month	No	No, just standard credit cards	No	No	No
Do you have centralized procurement?	No	No	No	No	No	Yes, when dollar value is great	Mi-Deal for Motor Pool	No
Do you provide Payroll in-house?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If not, what third party do you use (ADT, Intuit, etc.)	n/a		N/A			N/A		
How frequent is your payroll?	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly	Weekly	Bi-Weekly
Do you require direct deposit for your employees?	Yes	Yes	Yes	No	Not required but 90% do it voluntarily	Yes	About half off the employees are on direct deposit	Yes
Do you email pay stubs?	Most, but not all employees. We have some work to do on this project	Yes (some) Eventually all unions, etc. will receive by email	Yes	Yes	No	No	Yes	No
Do you have a standardized time keeping system City-wide?	No	No	No	No	No	Yes	No	Yes
If Yes, what software do you use?	N/A		N/A			Civic Systems		BS&A
Do you provide Cash Receipting in house?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Do you use a lockbox or other third party processor?	No	Only for ambulance collections	No	No	No	No	No	Yes
Do you process checks thru Remote Deposit Capture?	Yes (utility payments only)	No	No	No	No	No	No	Yes
Do you accept payments online?	Yes	No	Yes	No	We will in the spring for some recreation – Day Camp, Pavilion registrations	Yes	Yes	Yes
If so, what types?	Utility Billing	We hope to go to Point and Pay through BS&A	Property Taxes and Utility Bills		VISA, MC	Utility billing, property taxes	All there is a fee charged by Point & Pay for this service	Credit / E-Check
Do you accept credit cards?	Yes	Yes	Yes	Researching for 2014	For Recreation, Marina, Golf	Yes	Yes	Yes
Do you take them at your main transaction counter?	No	Yes	Yes		Yes for Recreation	No	Yes	Yes
What types of payments do you accept credit cards for?	Water & sewer (online); Boat Launch (thru auto-attendant); Marina (thru State of Michigan reservation system); Ramsdell Theatre (through MyNorthTickets)	Discover, Visa and Mastercard	Property Taxes and Utility Bills		Day Camp, Ski Hill, Golf fees, Marina fees	Utility billing	All there is a fee charged by Point & Pay for this service	Utility Billing
What third party facilitator do you use to accept payments (OfficialPayments, PayPal, GovPayNet, etc.)?	n/a	OfficialPayments	Point and Pay		None	Official Payments, Payment Express	Point & Pay	Payment Service Network (PSN)
Do you provide Fixed Assets in house?	Yes	We work with American Appraisal.	Yes	Yes	Yes	Yes	Yes	Yes
What is your capitalization threshold?	\$5,000	\$3,000	\$5,000	\$5,000	\$5,000	\$5,000	5,000	
Do you provide General Ledger in house?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
What financial accounting software do you use?	Fund Balance (core); BS&A (tax, delinquent tax, assessing, building inspection)	BS & A	BS&A	BS&A	Civic Systems (Caselle Software)	Civic, BS&A (tax, delinquent tax)	BS&A	BS&A
How many Enterprise funds do you provide financial services to?	4 (Water & Sewer, Marina, Boat Launch, Ramsdell Theatre)	2	4 Dial A Ride, Wastewater, Water, and Sanitation	2	5 (Electric, Water, Sewer, Airport, Marina)	5 (Electric, Water, Wastewater, Telecommunications, Rubbish)	4	6

Audit | Budget

	Manistee	Alpena	Big Rapids	Boyne City	Charlevoix	Coldwater	Ludington	Marshall
Do you prepare an annual audit?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do you prepare a CAFR?	No	Yes	Yes	No	No	No	No	No
Have you received the GFOA Certificate of Achievement for Excellence in Financial Reporting?	No	Yes (18)	Yes	Not in several years	No	No	No	No
Who is your audit firm?	Gabridge & Co	Straley, Isley & Lamp	Gabridge & Co; Vredeveld Haefner prior 6 years	Anderson Tackman	Rehmann	Taylor, Plant, & Watkins	Ken Berthiaume & Co	Rehmann
What is the cost of your annual audit\CAFR?	Audit \$13,390; Single Audit \$3,500; DDA \$4,800	\$34,000	Audit \$22,560, no single audit required	\$14,500 plus \$500 single audit	\$23,400	\$28,000 (6/2012)	19,500	
Are you primarily responsible for the annual budget?	Yes	Yes	Yes	City Manager and City Clerk / Treasurer	Yes	Yes	City Manager, his Assistant, and Clerk	Yes
If not, which department is?	Manager also assists		n/a		Manager & Dept. Heads have input, Treasurer prepares and presents	City Manager is also involved		
Have you received the GFOA Distinguished Budget Presentation Award?	No	No – Have not applied.	No	No	No	No	No	No
Do you prepare a capital improvement plan?	Yes; Five Year Plan	Yes , a 6 year plan (Planning Dept. does)	Yes	Currently in the works	Yes, Five Year +	Yes, Five Year Plan		Yes

Investment Management | Debt Management | Financial Reporting

Investment Management\Debt Management\Financial Reporting	Manistee	Alpena	Big Rapids	Boyne City	Charlevoix	Coldwater	Ludington	Marshall
Do you direct day to day investment of surplus funds?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do you use an outside advisor for this function?	No	No	Yes	No	No	Yes	No	Yes
How do you manage your pension funds?	MERS	We have a financial advisor for the pension fund.	MERS; Act 345 Plan is self-administered	MERS	MERS	MERS	MERS Police Pension	MERS
Do you have any other long-term funds besides pension?	Yes	Perpetual Lot Care	No	No	Cemetery Trust Fund	No	PNC Investment Fund	
If so, what; and how are these investments managed?	Oil & Gas Trust Fund; Outside investment advisor Bartlett & Co.	I invest in shorter term investments and some is in a money market.	N/A	n/a	Internal	N/A	Self-Managed	
Do you have a debt management policy?	No	No	No	No	No	No	No	No
What is your total amount of long term debt outstanding (principal only)?	\$20,091,000	\$10,086,628	\$14,214,000	\$7,051,260	\$5,357,780	\$18,910,000	\$2,575,000 not including compensated absences at year end or OPEB	
How many different bond issues do you have outstanding?	14	4	4 bonds; 2 Installment Purchase Contracts	2	1	9	2	
How often do you provide Council with cash balances report?	Monthly	Monthly	Monthly	Monthly	Every two months	Monthly	Quarterly	Quarterly
How often do you provide Council with a listing of invoices paid?	Monthly	Every Meeting (we meet twice a month)	Park/Rec & Library Quarterly	Never	Every two weeks (Council Meetings)	Twice a month (Council meets twice monthly)	Twice a month	Quarterly
How often do you provide Council with revenue\expenditure reports?	Quarterly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Quarterly
Do they include an explanatory narrative?	Yes	I give a verbal narrative with each report (at council meetings)	Not currently, but plan to incorporate.	No	No	Yes	No	Yes
What is your aggregate pension liability & funding level?	(\$250,527) 98%	Liabilities are \$29,158 M. Funding is 92.4%	Unfunded Actuarial Accrued Liability – MERS \$5,250,311 62%; Act 345 \$3,323,929 53%	\$237,996 78.1%	\$2,887,986 75%	\$26,715,000, 75%	4,233,190 75% MERS 2,234,662 63% Police Pension	

What is your OPEB Liability?	\$72,974	Our last actuarial was 2010. Accrued Liability \$4,718,264 Assets \$633,433		\$374,894	\$0	\$0	\$126,788	
Are you prefunding OPEB? If so, what percent funded are you?	No – Pay as you go (Plan capped at \$250 per month)	We are prefunding but not at the recommended amount. We are 13.43% funded.		Yes 61%	n/a	None, retiree health care is not offered	No	No

IT | Utility Billing | Tax Collection

IT\Utility Billing\Tax Collection	Manistee	Alpena	Big Rapids	Boyne City	Charlevoix	Coldwater	Ludington	Marshall
Does your community have an IT Department\Person on staff?	No	No	IT Department	Yes, minimally	Yes, City Treasurer until 1/3/2014	Yes	No	Yes
Does your community contract IT service out?	Yes	Yes	No	Yes	Yes for server maintenance, security and hardware upgrades	No	Yes	Yes
If so, what firm(s)?	IT Right (computer & network); Central Interconnect (phones, A\V)	County of Alpena	N/A	MARCOR Gaylord	NetSource One, Saginaw	N/A	Terrapin Networks thru 2013; IT Right 2014	CRT-Battle Creek
Do you provide any level of IT "triage" in house?	Yes, CFO is primary contact with vendor and troubleshoots as able	Yes – Engineering troubleshoots as much as possible	Yes, IT Department	Yes	Yes	Have in house staff	Yes to some degree; mainly Asst to City Mgr	Yes
How would you characterize the condition of your IT infrastructure (pc's, servers, etc.)	Excellent	Excellent – we partner with the County	Excellent	Excellent	2 servers, network pc's, laptops and fiber connections to" away from City Hall" locations	Excellent	Good	
Do you provide Utility Billing in house?	Yes	No – Our Water/Sewer contractor collects	Yes	Yes	Yes	Yes	Yes	Yes
What utilities?	Water & Sewer	Water & Sewer	Water, Wastewater, and Sanitation	Water Wastewater	Electric, Sewer and Water	Electric, Water, Wastewater, Telecom, rubbish,	Water & Sewer	Electric, Water, Wastewater
How often do you bill?	Monthly	Going to Monthly Billing in Jan. of 2014. Currently Quarterly	Monthly	Quarterly	Monthly	Monthly	Monthly (each household receives quarterly billing)	Monthly
How many bills do you send out?	3,980	Over 5,000	2,000	1,710	4,500	7100	1043 monthly	5,000
What software do you use?	Fund Balance	They partner with a privately owned Power Company	BS&A	BS&A	Civic Systems (Caselle Software)	CIVIC	BS&A	Caselle
Do you have an affidavit program for landlords?	Yes	Yes	If landlord requests bill be in tenants name we require a lease and a deposit.	Yes	No	No, but will be looking into	No	Yes
If so, do you send bills to owner and tenant both?	Yes	No	Yes, only if requested.	No		N/A	If requested	Tenant only

Do you collect property taxes?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If not, who does for you?	n/a		N/A			N/A		
Approximately how many parcels do you collect?	4,000	5,400	3,000	3,117	2,100	6500	4200	3,828
Do you print your own tax bills?	No – Contract with Manistee County	No – KCI does	Yes	Yes	No – done by Charlevoix County	Yes	No Kent Communications	Yes
Do you collect delinquent personal property taxes?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If not, who does for you?	n/a		N/A			N/A		
Do you charge for providing tax information? Is it available online?	No; Yes – Free to homeowner; \$2 charge for everyone else	We do not charge. All information is on-line and real time.	No; Yes	No, No	No charge, Charlevoix County website	No charge, Available on line	No	No charge for owners/taxpayer; Yes
What tax collection software do you use?	BS&A	BS & A	BS&A	BS&A	BS&A	BS&A	BS&A	BS&A
Do you charge the 1% administrative fee?	Yes	No	Yes	Yes	Yes, winter tax bill only	Yes	No	Yes

Minutes | Recordkeeping | Elections

	Manistee	Alpena	Big Rapids	Boyne City	Charlevoix	Coldwater	Ludington	Marshall
Are you responsible for City Council minutes?	Yes	Yes	Clerk – Yes	Yes	Clerk	Yes	Yes	Yes
How often does Council regularly meet?	Twice a month	1 st and 3 rd Monday of every month	Twice a month - first and third Monday	Twice a month	Twice per month	Twice a month	Twice a month	Twice per Month
How long after a Council meeting are draft minutes available?	Next day	2 days	Usually by the end of the week.	Within the required time	7 days	1 to 3 days	7 days	Next Week
Do you use electronic Council agendas & packets?	Yes	Yes	No	Yes; but Commissioners receive paper packets	No – budgeted for iPads, not yet implemented	Yes	Yes	Yes
Are these made available on your website prior to a meeting?	Yes	Yes	Current Commission packets are included on the website	Yes	Yes	Yes	Yes	Yes
Do you schedule items\make reservations for Council?	Yes	Yes	Yes	Yes	No – City Manager	No	No	Yes
Do you have a document imaging system?	Yes	No	No. We do scan and preserve many older documents.	No	Yes	Yes	For Minutes only	No
What product?	Laserfiche				Laserfiche	PDF scanning moving to General Code eCode 365	Ameriscan	
How widespread is it in use?	Most departments; is all by end 2014				Just getting started, but on most PC's	Just getting started		
Have you abandoned paper files when imaging is used?	Not yet.		For the type of documents we are scanning – yes.		Some	No	NO	
How many Boards & Commissions?	15	Numerous	Fourteen	14	17, including 4 adhoc	18	20	11
Are you responsible for their archives?	Yes	We mainly archive Council, Zoning, Planning, EDC, Retirement	The clerk's office retains all minutes as provided by the other staff members responsible for taking the minutes.	Yes	Clerk/City Manager's office	Yes	Not All	Yes
Are you responsible for posting meetings?	Yes	Yes	Each individual	Yes	Yes – Clerk	Yes	Not All	Yes
Are you responsible for advertising for vacancies on Boards & Commissions?	Yes	Yes – the HR Generalist does this	Yes	Yes	Notify City Council first, as requested	No	No	Yes

How many Boards & Commissions are you or staff required to attend?	5 (Clerk); 3 (Finance)	Different Dept. Heads attend different meetings. I attend about 6.	Clerk - 2	Split	City Council & Compensation Commission , also do minutes for ZBA, DDA, Planning Commission, but do not attend meetings (taped)	Clerk attends 6 plus serves as substitute recording clerk for 1 other Finance Director currently attending 2	4-Clerk 2-Finance	
Are you responsible for posting info to your website?	Yes in conjunction with one other department.	No – Engineering does.	We have a IT department. All items for the website are forwarded to that department for posting.	No	Only providing the information to City Planner	No	Yes along with other Dept. Heads	Yes
How often are their Council elections? What is their term?	Annual; two year staggered terms	Every two years. The terms are four years.	The City Commission is elected in November of odd years. As a result of our newly adopted Charter, all members serve four-year terms. A Mayor and two City Commissioners are elected at one election and two City Commissioners are elected at the next.	Odd #'d years; 3 for a four year term; two for a four year term	Every two years, two years	Odd year in November, 4 year for Commissioners, 2 year for Mayor	Every 2 years 4 year staggered terms	Bi-annual – 4 staggered terms; Mayor-Bi-annual
Do you maintain your own QVF file?	Yes	Yes	Yes	Yes -QVF Lite	Yes	Yes	Yes	Yes
How many election precincts do you have?	7	6	3	1	3	4	6	2
How many polling places do you have?	2	4	3	1	1	1	6	1
How many election workers?	Varies; 8 minimum, 60 max	36	Between 11 and 15	20 certified	+ - 18	20 – 40 depending on anticipated turnout	Varies 18 minimum 45 maximum	Varies, 8-20

Employee Benefits | Insurance | Risk Management

	Manistee	Alpena	Big Rapids	Boyne City	Charlevoix	Coldwater	Ludington	Marshall
Are you responsible for administering retirement plan(s)?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If so, what type?	MERS DB; ICMA 457	Defined Benefit	Act 345	MERS DB, MERS DC, ICMA 457	MERS	MERS DB, MERS DC, MERS 457, ICMA 457, Nationwide 457	MERS 2 DB Plans, ICMA, 457, Police Pension	MERS, ICMA
For non-MERS pension plans (Act 345, etc.) do you administer these in house or hire a third party (excluding actuarial services).	n/a	In-house, however we have a financial advisor for all of the investments and a Retirement Board.	In house			N/A	Yes	
Are you responsible for administering health insurance?	Yes	Yes- our HR person does. She works under City Manager.	Treasurer-Yes	Yes	Yes	Yes	Yes	Yes
What carrier(s) do you use?	BCBS; AFLAC (optional, supplemental)	BS/BS	Blue Cross, Delta Dental, VSP	Priority Health	Priority Health	BCBS, AFLAC (optional, supplemental)	Blue Cross Blue Shield 2 HSA options	BCBS
Are you self-insured or fully insured? If fully, large or small group?	Fully; Small group	I think we are considered self-insured. We true-up every year.	Just transitioned from self-insured to fully insured.	Fully insured, large	Fully insured, small group for rating, over 50 for ACA	Fully insured Health, Large group, Self-insured Drugs & Dental	Fully Insured, Large Group	Fully Insurer-Small Group
Are you in compliance with PA 152 of 2011; or do you opt out?	Comply	Yes we are in compliance. Yes we opt-out	In compliance – hard cap	Opt Out	Opt out	Opt out in 2013, Comply in 2014	Opt Out	
Do you use a third party administrator for benefits?	Yes	No	Yes	Yes	Yes	Yes	Yes for some services	No
If so, what company?	Advanced Benefit Solutions		Flex Administrators	Korthase Flinn	Korthase – Boyne City	Infinisource	Lenz Balder Insurance for Health; Basic Flex for Flex	
What areas do they cover?	HRA, COBRA, FLEX		COBRA	Priority Health, Aflac, Delta Dental, VSP	Health, Dental, Vision, 125 Plan	Cobra, Flexible spending account (sect 125)	Health and Flex	
Do you schedule benefit educational & enrollment meetings?	Yes	Yes	Clerk - Yes	Yes	Yes	Yes	Yes	Yes
How do you provide/administer short-term disability?	Self-Insured; Self-Administered	Our HR Generalist administers.	Clerk - Yes	None	Self-insured, considering fully insured	No short- term disability	Use sick leave accumulation for short term disability	
Are you responsible for administering property/casualty insurance?	Yes	Yes	Clerk – process the claims with the insurance company	Yes	Yes	Yes	Yes	Yes

What insurance carrier do you use?	MML Property & Casualty Pool	Alpena Agency is the agent. Trident is who they work with.	MML Liability and Property Pool	PAR Plan/Municipal Underwriters of Michigan	MUM – Municipal Underwriters of Michigan (PAR Plan)	MML Liability & Property Pool	MMRMA	HUB
Are you responsible for administering workers comp insurance?	Yes	Yes – our HR Generalist does.	Clerk – process the claims with the insurance company	Yes	Yes	Yes	No City Manager’s Office handles	Yes
What insurance carrier do you use?	MML Worker’s Compensation Fund	MML – Meadowbrook	MML Insurance pool	MML Worker’s Comp Fund	MML Pool	MML Worker’s Compensation Fund	MML	MML
Are you responsible for administering unemployment insurance?	Yes	No		Yes	Yes	No	N/A	Yes
What insurance carrier do you use?	MML Unemployment Fund Group Account			MML Unemployment Fund	MML Pool	N/A – Pay State of MI for actual unemployment cost		MML
Do you play an active part in collective bargaining negotiations?	Yes	Yes	City Clerk/Human Resource Mgr: - Yes	No	Yes	Yes	No	Yes
How many employee groups do you have?	4 Union, 1 Non-union, 1 Department Head	1 Non-Union. 5 Union	5	2	2 – CWA (DPW, Electric & Clerical), POLC (Police & Fire)	4 (Police, Fire, Police Sergeants, Steelworkers)	2-Union 1-Non-union 1-Dept Head	

Ancillary Responsibilities

	Manistee	Alpena	Big Rapids	Boyne City	Charlevoix	Coldwater	Ludington	Marshall
Does your community have a City Brownfield Redevelopment Authority?	Yes	Yes	No	Yes	No	Yes	County wide BRA	
Are you responsible for the administration of the BRA?	Yes, CFO is BRA Administrator.	Yes – the Planner is		Yes		Yes	Yes	
Are you responsible for grant administration & preparation	Yes – but this is very much a collaborative process across City departments	Yes – the Planner is	Our Neighborhood Services Coordinator prepares and tracks our grants.	No preparation, admin depends on grant	Yes	Yes	No	Yes
Does your community have any enterprises or other activities that would be considered unique, or something that other communities would not have?	The City of Manistee owns and operates the Ramsdell Theatre, a historic turn of the century opera house and cultural arts center. Our office is responsible for operations and management. We also operate a boat launch and municipal marina. We are responsible for the financial aspects.	We have a boat launch and marina. We contract out the operation of it.	No	Strong Main Street Community	Ski hill and golf course, 3 beaches, clean beaches for other communities, ALS Ambulance service, Airport	The City of Coldwater has an electric utility and telecommunications system. The Finance staff is responsible for the accounting of these two funds.	Cartier Park Campground, boat launches, municipal marina, cemetery	Electric Utility
Does your community have a street asset management plan?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does your office play a significant role in writing and maintaining this plan?	Yes	No	No-Public Works	No	No	No	Yes	No
Does your community have a GIS program?	Yes	Yes	Yes	Yes	Yes	Yes	County	Yes
Do you have a dedicated GIS person(s) on staff, or contract the service?	Contract (County & Consultant); some staff have been trained	Yes-our Engineering Dept. oversees it	We have three individuals on staff that are proficient in our GIS system	Yes	Part-time GIS person in Planning Dept., also use contract services	Yes	No	
Does your office oversee the GIS program?	Yes (in conjunction with P&Z)	No	No – Public Works	No -Planning Dept	No	No	No	No
Do you have a website?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does your office maintain the website?	Yes (in conjunction with P&Z)	No – our Engineering Dept. oversees it	No – our IT department maintains the site	City manager Asst.	No, only our portion	No. There is a separate ASD department.	No	Yes (with Clerk)

Other

	Manistee	Alpena	Big Rapids	Boyne City	Charlevoix	Coldwater	Ludington	Marshall
Does your community provide assessing services?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Are these services in-house or contractual?	In-House	In-house	We have a contracted Assessor and a full-time on-staff Appraiser position	Contractual	Contractual	In-House	Contracted	Contractual
If in house, where does the assessing department report to?	City Manager	The Assessor is appointed by Council. Otherwise he reports to the C. Mgr.	City Treasurer			City Manager		
If contractual, with who?	n/a		BS&A	DC Assessing	CD Assessing Services, Debra Chavez	N/A	Brent Bosley	County Equalization
If contractual, where does the contractor report to?	n/a		City Treasurer	City manager's office	Works in Treasurer/Clerk area, reports to the City Manager	N/A	City Manager	Finance Director
Do you have custodial\building maintenance personnel on staff?	Yes – 1 FTE between two people for City Hall and Ramsdell Theatre.	No	No	Yes	Yes	Yes, 1 person	Yes	No
Where does these staff report?	City Manager and Ramsdell Theatre Executive Director			City Manager	Fire Department (Chief)	City Manager	DPW Superintendent	
Do you contract for custodial services?	Some – specialized cleaning, other buildings (City Garage) We also have HVAC, Plumbing and Electrical Vendors of Record	Yes	Yes Hi-Tech Building Services, Inc.	Yes	Some – elevator, window washing, generator maintenance, HVAC, City Hall cleaning, carpet cleaning	Occasionally for specialized cleaning	In the DDA and all outside restroom	Yes
Who manages the custodial contracts?	Varies	Engineering Dept.		Public Works Superintendent	Fire Chief	Varies	DDA for Downtown Restroom, DPW Sup. for other restrooms	