

ADMINISTRATIVE SERVICES DEPARTMENT



Pictured above (left to right)

Front Row: City Clerk Kris Hazeres, Director of Administrative Services Susan Bohor, and Information Technology Director Dan Frederickson

Back Row: Administrative Assistant Lisa McGuire, Deputy City Clerk Kyle Whitney, Human Resources Assistant Tina Tregembo, Information Technology Specialist Max Genaw, Payroll Clerk Phyllis Johnson, and Network Specialist Todd Carruth



ADMINISTRATIVE SERVICES DEPARTMENT

2014-2015 ANNUAL REPORT

In accordance with Section 2-80 of the City Code, listed below is a summary of activities for the Administrative Services Department for the 2014-2015 fiscal year.

Department Overview

The Administrative Services Department is made up of three divisions: Human Resources, the City Clerk, and Information Technology Divisions. The department, under Department Head Susan Bohor, provides administrative support to the City Manager's office, City departments and citizens by ensuring that staff has the information, technology and human resources necessary to provide the best possible service to both employees and the public.

Human Resources

The mission of Human Resources is to recruit, hire, develop, motivate and retain a diverse and highly qualified workforce. The department is responsible for the recruitment of all full-time, part-time and seasonal personnel, as well as the City's internship program. The division is also responsible for employee orientation, labor/management relations, labor contract negotiations and administration, payroll, federal and state compliance reporting and employee policies. In addition to maintaining employee job descriptions and other personnel and payroll records, the division administers the City's various benefit programs, compensation, deferred compensation and pension plans.

Accomplishments/Statistics/Remarkable Events

During the last year there were several challenging events that impacted the Human Resources division. On the regulatory front, the employer mandates of the Affordable Care Act were delayed, but the reporting period for all applicable large employers (ALE) was effective as of January 1, 2015. The City will be filing Forms 1095C and 1094C for this year along with the W-2's in early 2016. Setting up the reporting structure to capture and report this information to both the IRS and to all full-time employees was a major task during the last few months of the fiscal year. In addition, the health plan for active employees was changed in July after the renewal rates came in higher than expected and took us significantly over the State cap. A higher deductible plan was put into place; however, employees were still required to pay a small portion of their premium this year.

As part of our strategy to lower or eliminate Other Post Employment Benefits (OPEB) costs, Human Resources implemented changes to our retiree health insurance programs that saved the City money and maintained a quality plan for our retirees. Retirees now participate in a seamless wrap plan and are offered benefits that closely mirror our active employee plans. Retirees over 65 participate in a Medicare Advantage plan instead of a Medicare Supplemental Plan, which has significantly reduced costs while maintaining quality benefit levels. In addition, future OPEB liability has been capped by eliminating entitlements to retiree health benefits for all new hires.

The other significant challenge we have faced this year is the aging employee population. We have had significant turnover in many of our key positions due to retirements. The amount of time spent on internal succession plans and promotional testing and interviews has more than doubled. With 27 employees eligible to retire next year alone, the trend is going to continue for the next few years as more and more of our employees reach retirement age.

- **Affordable Care Act (ACA) Compliance:**

SBC Documents: Implementation of health care reform required the City to issue annual Summary of Benefits and Coverage (SBC) documents during open enrollment and throughout the year to new hires.

PCORI Reporting: The City must pay the Patient Centered Outcomes Research Institute (PCORI) fee to the IRS for the HRA seamless wrap. The Affordable Care Act requires this once a year filing and payment for all health plans through 2019.

Federal and State Taxes and Fees: The fees are billed as a separate line item on the insurance invoice and are approximately 5% of the total premium. The employee or retiree pays the fees which are calculated based on the plan they are in and whether or not they have a single, two-person or family plan.

Employer Mandate Compliance: For calendar year 2015, the City was subject to the employer shared responsibility provision of the Affordable Care Act, also known as the employer mandate. Last year the President delayed the enforcement of the employer mandate until 2015. Employers with 50 or more full-time equivalent employees (or FTEs) are required to offer affordable coverage that meets minimum value requirements to their full-time employees and their dependents or pay tax penalties. For 2015, employers with 100 or more FTEs must offer coverage to 70 percent of full-time employees, increasing to 95 percent in 2016 and beyond or pay significant fines and penalties. To comply with the IRS final regulations (issued in February of 2014), all part-time employees are limited to a maximum of 29 hours a week, and seasonal workers are limited to a maximum of six contiguous months on payroll per calendar year. The department has been working to develop reporting procedures to capture this information on all employees (including temporary, seasonal and part-time employees).

- **Board Memberships:** The Director served as the appointed Employer Delegate for the Municipal Employees' Retirement System annual meeting and as the Chair of the Board of Directors of the Northern Michigan Public Service Academy. The Director also served on the board of the Janzen House and the Upper Peninsula Labor Management Council.
- **Creditable Coverage Notices:** The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) added a new prescription drug program to Medicare. A Disclosure to CMS Form is required whether the entity's coverage is primary or secondary to Medicare. The filing to CMS must be done within 60 days of open enrollment each plan year. A separate notice is required to all Medicare eligible employees or retirees notifying them that the City's prescription drug coverage is creditable.
- **Employment:** Supported the City's workforce needs in recruiting, testing, hiring, on-boarding, promoting and processing employees for all full-time and part-time and seasonal positions; continued the use of validated testing where appropriate. Continued utilization of non-traditional recruitment sources such as Facebook, Monster and websites in addition to traditional advertising. Human Resources hired 12 full-time, seven part-time, 103 seasonal employees and 123 election workers during FY 2014/15.
- **Internships/Fellowship:** Administered the City's internship and Northern Michigan University Fellowship program. The City placed fourteen (14) unpaid interns in various City departments for on-the-job experience in their field and to earn course credit. Northern Michigan University also agreed to fund one Fellowship student. The Fellowship is for graduate students interested in careers in local government. The City paid the Fellow's salary and Northern reimbursed the City for 100% of the total cost.
- **Labor Relations:** Administered five collective bargaining agreements; three AFSCME Local #1852 units (Department of Public Works, City Hall and Supervisors), the Marquette Professional Police Association and the Firefighters Association Local #643. One request for arbitration was filed but the hearing date has been delayed until FY 2015/16.
- **Merit Ordinance Revision:** Section 6-12 of the new City Charter required the City Commission to provide by ordinance for a merit system of personnel management and for a personnel appeals board for all employees not covered by a collective bargaining agreement. The old Charter was much more detailed on what should be covered by a Merit Ordinance and also defined full-time and part-time employees in a way that conflicts with the federal Affordable Care Act. The Director was requested to draft a revision of the Merit Ordinance (also known as the Employee Code) by no later than January 1, 2015. The ordinance was drafted and after a public hearing, was adopted on November 24, 2014.

- **OPEB Valuation:** Governmental Accounting Standards Board Statement No. 45 (GASB 45) requires governmental entities to change the way the cost of Other Post-Employment Benefits (OPEB) are reported. OPEB generally takes the form of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including their spouse and dependents. The OPEB valuation is prepared every two years (the last one was completed in 2013). The Director worked with the Assistant City Manager to provide the actuaries with the health insurance plan contracts, premium costs and employee demographic data they need to complete the valuation. The final report is expected during the first quarter of the next fiscal year.
- **Open Enrollment:** Held several city-wide meetings to explain benefit options during the open enrollment window for the new health insurance plan, 457 deferred compensation, and Section 125 cafeteria plans. A new, higher deductible plan was offered to minimize the amount over the “hard-cap” that employees had to pay. Several meetings were held with retirees to explain the new Medicare Advantage program that was implemented in November of 2014.
- **PA 152 Hard Cap Limits for 2015:** Our medical insurance rates increased over 7% while the State of Michigan increased the hard cap by only 2.3%. To remain compliant with the hard caps of PA 152, we made several changes to the Blue Cross/Blue Shield portion of our seamless wrap plan. Each year we complete an analysis during open enrollment to determine our compliance with PA 152. As a result of the analysis, beginning in July of 2015 City employees had to pay a small portion of the premium that exceeded the hard cap limit in addition to the taxes and fees.
- **Public Housing and Library:** Provided payroll and benefits administration services for the Marquette Housing Commission and the Peter White Public Library. Also worked with Public Housing to reduce their retiree health costs by transitioning retirees to a Medicare Advantage Plan.
- **Retiree Health Plans:** The City switched to a Blue Cross Blue Shield of Michigan Medicare Advantage Plan in November for all retirees or beneficiaries over 65. The transition from a traditional Medicare supplemental plan to a Medicare Advantage plan lowered the City’s cost by an estimated \$54,000 over the plan year, streamlined the administrative burden and maintained a high level of benefit coverage for our retirees. The City also reduced costs and maintained benefits for the under 65 retirees by using a seamless wrap plan similar to the plan for active employees. The reduction in premiums paid to Blue Cross is estimated at \$340,000, with the cost savings shared between the City and the retirees.
- **Title VI Annual Certification:** As a sub-recipient of federal funds, the City is required to submit an annual report that details our Title VI activities for the previous fiscal year. The completed form was electronically filed on Tuesday, September 25, prior to the October 5 deadline. Failure to file the certification or to comply with the requirements of Title VI may disqualify the City from future Act 51 funding. The City’s annual certification of compliance with Title VI was posted on our website in October.

In addition, all employees have been trained on the requirements of the City's Title VI plan and on the procedures to follow for individuals with limited English proficiency. The training is part of the orientation for new employees, including seasonal hires and part-time employees.

CITY CLERK'S OFFICE

The City Clerk serves as the Clerk for the City Commission, Chair of the Elections Board and as the Freedom of Information Act (FOIA) Coordinator for the City of Marquette. The Clerk's office administers elections and oversees the publishing of legal notices, public service announcements, meeting notices, meeting agendas and ordinances. The Clerk is the custodian of the City seal and all official City records, and the office handles all petitions, oaths of office, pet licenses, business licenses and absentee voter ballots.

The office has a full-time Clerk, a full-time Deputy Clerk, and a full-time Administrative Assistant. The Election Division is served by the Clerk and Deputy Clerk, and temporary workers that are employed during election cycles.

The previous year saw some transition, as Clerk Dave Bleau retired after nine years with the City. Kris Hazeres, who had served as Deputy City Clerk for 12 years, was appointed to the office of City Clerk. Kyle Whitney transitioned from the City Manager's Office into the role of Deputy Clerk – now classified as a middle management position – and Lisa McGuire, who had previously worked in the office for three years as a part-time clerical aide, was brought on full-time as an Administrative Assistant.

Accomplishments/Statistics/Remarkable Events

Licenses/Permits

- **Business Licenses:** The City Clerk's Office is responsible for issuing business licenses for the City of Marquette. Yearly licenses are issued in April, while periodic licenses are issued throughout the year. In FY 2014-15, 49 business licenses were issued. Business licenses generated \$5,772 in revenue for this fiscal year.

Type of Business License	Number Sold in FY 2014-15
Second Hand Dealer	17
Hawker Peddler Confectionary	9
Hotels-Motels	9
Transient Merchant	3
Auctioneer	2
Precious Metals/Gems	2
Sidewalk Café without Alcohol	2
Sidewalk Café with Alcohol	1
Farm Produce Vendor	1
Burning Permit	2
Rooming House	1
Bed and Breakfast	1

- *Dog/Cat Licenses:* This was the sixth complete year of the County Treasurer's revised program for issuing dog licenses. During the last few years, the new procedure reduced sales at the City Clerk's Office significantly; however, the County continues to have a significant increase in their overall revenue because of licenses being available at five of the six area vet clinics. We sold 80 dog licenses and 12 cat licenses during the fiscal year. This marked an increase over last year, from license sales of 49 and 7, respectively.
- *Off Leash Area (OLA) Permits:* The OLA at the City's Tourist Park continues to be a fairly popular service in the community. Each year, the Off Leash Area opens Nov. 1, and closes on May 1 of the following calendar year. This past season 108 OLA permits were sold, which is down considerably from the 131 sold in the previous year. In fact, we have seen a steep decline in permit sales during the last few years. Since 2010-2011, permit sales have fallen 53 percent. While we can't point definitively to a reason for the decline, it's assumed that increased patrols of the OLA would lead to more permit sales.

Season	10-11	11-12	12-13	13-14	14-15
Permit Sales	215	171	149	131	108

Elections and Voter Registration Maintenance

- *Elections:* In FY14-15, the Clerk's office conducted three elections. In the same period, the City Elections Board held numerous public meetings, in order to confirm election workers, conduct public accuracy tests of City election equipment and to certify candidates for office.

In the General Election of November 2014, 5,835 votes were cast (a 43.02 percent turnout). The election placed Tom Baldini, Mike Conley and Peter Frazier on the City Commission, while Dave Carlson and Tom Tourville gained the most votes in the race for two seats on the Board of Light and Power.

The May special election was called to decide a statewide ballot issue, which involved amendments to the Michigan Constitution to change the structure of state gas taxes and road funding. In the City, 2,907 votes were cast (a turnout of 22.56 percent) and locals voted similarly to other residents in the state: 77.88 percent of voters cast a ballot against the proposed changes.

At the special election held in August, turnout was extremely low. Voters cast ballots related to millage requests for City senior services and for a county medical care facility. Just 1,134 City voters (a turnout of 8.8%) cast a ballot, and 782 voters cast absentee ballots. Only 352 residents came to the polls on Election Day. For some context, 2,007 voters came to the polls for the May election, and more than 6,300 turned out for the 2012 Presidential election.

Though the November 2015 election occurred after the end of FY14-15, candidates filed in the spring to run for seats on the Marquette City Commission and the Marquette Board of Light and Power. Due to the minimum candidate requirements for holding a primary election, no primary was required and all candidate names were moved directly to the November ballot.

Sara Cambensy, Meredith Lyons, Mike Plourde and Jason Zdunek filed petitions for two open seats on the City Commission, while John Braamse, Jerry Irby, David A. Puskala and Kenneth C. Wanberg filed petitions for two seats on the BLP. Members of both boards serve three-year terms.

- *Election Outreach*: For all three elections, the Clerk's Office continued pre-election outreach efforts with voters residing at senior and assisted living facilities and nursing homes within the City of Marquette. These efforts have been well-received and facility staff has been appreciative and helpful with organizing residents who wish to vote but are unable to attend the polls on election-day. When she served as Deputy City Clerk, Kris Hazeres organized the outreach effort, and Kyle Whitney began assisting this year.
- *Electronic Poll Book (EPB)*: In FY 2010-11, the Michigan Secretary of State's Office initiated the use of new technology in the form of electronic poll books (EPB's). The equipment was then rolled out in 2011 and has been used successfully in the City of Marquette ever since. Initially, few other municipal agencies in the Upper Peninsula took advantage of the new technology. However, since that time we have assisted other local units in their startup efforts. Also, the State continues to make improvements in the programming. Our staff and election inspectors have worked very hard to become knowledgeable and proficient in the use of EPBs. Statewide, new election equipment will likely be implemented within the next year or two. We are working with our partners at the State to ensure we are aware and prepared for any changes. The City replaced the original computers this year with updated units as the software support was no longer available, and the five year old laptops were beginning to fail.
- *Permanent Absent Voter (AV) List for Ballot Applications*: Each year, City voters who qualify have the opportunity to vote using AV ballots. Qualifying voters may request an application for an AV ballot be mailed to them automatically prior to each election simply by adding their name to our permanent AV list. The list began five years ago with 30 names; today the permanent AV list has grown to 1,212. Absentee voting has increased in popularity in recent years as the Michigan Secretary of State has encouraged the use of this method.

Rep. Lisa Lyons this year introduced a bill in the Michigan House that would institute a "no reason" absentee voting system, where all registered voters could request absentee ballots for an election. The bill, however, never made it out of the House Elections Committee, which Lyons actually chairs. This inaction may have been due to push back from the Senate, where Senate Majority Leader Arlan Meekhof said he opposed the "no reason" absentee option because voting is a responsibility. "It's a right they get to vote," he said. "But they should be responsible enough to make sure that they can get to their polling place and vote." Michigan is one of 14 states that doesn't offer some form of early voting to all eligible voters.

- State Qualified Voter File (QVF): During this fiscal year the Clerk's Office completed 3,578 transactions on the QVF system. This is an average of nearly 70 transactions per week. QVF transactions are initiated when a voter registers for the first time, changes their address, moves from another jurisdiction, moves to another jurisdiction, changes their name or dies.

The greatest number of transactions were completed for change of address and moved to/from jurisdictions. All change of address, moved, new voter and name change transactions require that we send out a new voter identification card. A new ID card is required for the bulk of the QVF transactions. New ID cards cost \$0.12, and it costs \$0.35 to mail each card (total cost to the City is approximately \$1,000 annually).

- Master Card Update: After a complete Master Card review and update in 2011 and 2012, our staff has continued to maintain the voter records in a real time manner. We have thousands of voter Master Cards on file, and being a university community, we tend to see fairly significant fluctuations in our voter registration numbers from year to year, especially if we are approaching a Presidential election.

City Commission Activities

- During FY 2014-15, the City Clerk's Office attended and transcribed minutes for 24 regular meetings and 11 special City Commission meetings. The Clerk's Office formats meeting materials for publication on the City's website and emails them to City Commissioners and Department Heads. Each City Commission meeting involves follow-up on a number of issues ranging from preparation of minutes to filing of deeds, easements, agreements; publication of summary minutes, ordinances, public notices, and various other issues that may arise. Regular City Commission meetings are taped and saved to DVD's. Once the minutes are approved by the Commission, the DVD for that particular meeting is filed with the Peter White Public Library for public access. City Commission meetings are broadcast live on Charter Cable Channel 191 to enhance public awareness and involvement. In an effort to keep the public informed, the Commission meetings are also rebroadcast on Channel 191 several times between each of the Commission's meetings.

Other Accomplishment/Updates

- Board/Committee/Commission Orientation Sessions: The Clerk has participated in several orientation sessions for members of appointed City boards, commissions and committees (along with the City Manager and City Attorney) by presenting information on both the Open Meetings Act (OMA) and the Freedom of Information Act (FOIA). For the first time this year, the Clerk also provided training for Chairs and Vice-Chairs of appointed boards, commissions and committees of the City Commission on the topic of how to effectively and efficiently run public meetings.

- Marquette Moments: During the last fiscal year, the City started producing a short interview program titled Marquette Moments. The show has a “man on the street” feel, as the Mayor meets various members of the local community and discusses wide-ranging topics. In the last year, Marquette Moments featured interviews with local business owners and entrepreneurs, the president of Northern Michigan University, retiring City employees and new residents. Marquette Moments is filmed one to two times per month; it airs on Charter Cable Channel 191, and is available on the City’s YouTube channel.
- Public Notifications: The Clerk’s Office worked to overhaul and streamline the City’s public notification processes, standardizing a system whereby announcements are submitted, reviewed for clarity and relevance and shared with the public in a timely manner.

FY14/15

Elections

Total Active Registered Voters	12,819
Number of Elections	3
Number of Votes Cast-Primary	2,936/1,134*
Number of Votes Cast-General	5,339
Average Number of Precinct Workers	57
Number of QVF Transactions	3,578

*May and August Special Elections

INFORMATION TECHNOLOGY

During the past year, the Information Technology division continued to upgrade technology and deploy new software in an effort to reduce support costs and equipment repair and improve staff efficiencies. Leasing new technologies, coupled with decreasing costs of hardware and software, continued to play a key role in keeping up with rapidly changing technologies while keeping costs down.

The FY 2014-15 budget reflected a 10% reduction from the previous year in accordance with a City-wide budget reduction. The reduced budget enabled staff to re-examine current systems and software, and to eliminate those that were cost-prohibitive relative to derived benefit. In addition, staff used the opportunity to evaluate newer technologies in preparation for the next fiscal year’s projects. Communications experienced the largest drop when telephone system and common carrier lines were transitioned to newer technologies. Resulting savings were used to replace obsolete equipment, systems and software applications.

Several upgrades to the IT infrastructure increased reliability of systems and lowered service delivery costs. Upgrading network switches on the fiber optic network, installing new fiber optic cable and completing a cable tray management system at City Hall all contributed to improving performance and reliability of the City’s technology backbone.

New computers installed throughout the City with upgraded office applications provide continued reliability and ensure software compatibility across multiple locations. The City also took advantage of upgrading the printer/copier fleet when new lease terms were offered that reduced the cost per unit. Both upgrades resulted in lease costs lower than the originals.

Cybersecurity continued to play a major role with the overall security of computers and networks. Desktops were upgraded with anti-virus software and password/workstation security was deployed following Microsoft's recommended security standards. Patch management software installed on the network ensures upgrades/patches are current on servers and workstations and a new web content management filter ensures incoming/outgoing data traffic is as secure as possible.

Delivery of core services continued including operating and managing the IT infrastructure, data security, help desk support, application development and support, project management expertise, and hardware and software management. Managing the City's web presence and web content, government access programming, and social networking tools continued to play an increasing role in effective communications with internal staff and the public. Upgrading software applications and equipment with current technology, introducing new technology solutions and staying abreast with cybersecurity developments will continue during the next year to improve efficiencies, reduce overall IT costs and minimize potential security risks.

Accomplishments/Statistics/Remarkable Events

- Installed a cable tray backbone on the ground floor of City Hall as a continuation of the tray installed the previous year. The cable tray system provides a structure for the routing and support for audio, video and network cables.
- Evaluated leading anti-virus applications and installed ESET on all workstations and servers in the enterprise when the current subscriptions expired.
- Purchased subscriptions to upgrade desktops from Office 2003 to the current version of Office 365. The 2003 version was no longer supported and incompatibilities between the versions caused issues with supported file formats and increased security risks.
- Migrated City website to another hosted site to improve dependability. The previous hosted service affected availability on numerous occasions ranging from several minutes to more than 24 hours.
- Completed the transition of email filtering and storage services to Google Apps. Google discontinued the Postini email filtering process and began moving customers to Google Apps for content filtering.
- Installed a new web content filter to replace the subscription that expired on the firewall. The appliance provides the capability to block internet pages that are likely to include spyware, viruses, and other objectionable content.

- Installed new fiber optic cable to the server room for outgoing Channel 191 video to Charter Communications. The new fiber eliminates the need for fiber in the media services room on the first floor and is expected to improve overall picture quality.
- Replaced network switches at eight locations on the fiber optic network as part of the obsolescence and replacement program. The new switches were configured for redundancy to ensure other locations continue to be operational even with the failure of a switch on the fiber network.
- Renewed the lease for multi-functional devices (Xerox copiers) at a lower lease cost per unit and upgraded all copiers/printers to new models.
- Replaced all desktops, laptops and workstations at the City with new equipment at a lower cost than the previous lease.
- Deployed a software application update service that automatically downloads updates and patches for software installed on desktops. The new service ensures software applications on PCs have the latest patches and closes the holes for potential security risks due to out-of-date software.
- Implemented tighter security controls on computers on the City network using Windows Active Directory Services and Group Policy. The controls include stricter user password with expiration, workstation inactivity timeouts and automatic software patch installation.
- Installed the newest version of AutoCad Civil 3D on engineering workstations. Related survey and water modeling applications used in conjunction with AutoCAD were also updated.
- Provided technical support for the initial testing and configuration of laptops and printers for elections as well as support for poll workers on Election Day.
- Initiated a project to upgrade two servers as part of the obsolescence and replacement program.
- Initiated a project to determine feasibility and cost for using cloud (hosted) services at the City. Storage for data backups, compute services as an alternative to on-site servers, and disaster recovery services are just three of the many services being considered for cloud migration.
- Continued work to enhance disaster recovery planning for City systems involving mission-critical systems, servers and backup requirements. The project encompasses protection of information assets, security processes, and disaster recovery planning.

Channel 191 Programming*

	<u>FY14/15</u>
Commission Meeting	14%
Marquette Promotional Videos	61%
Public Health Videos	20%
Public Safety Videos	7%
Non-Profit Videos	18%

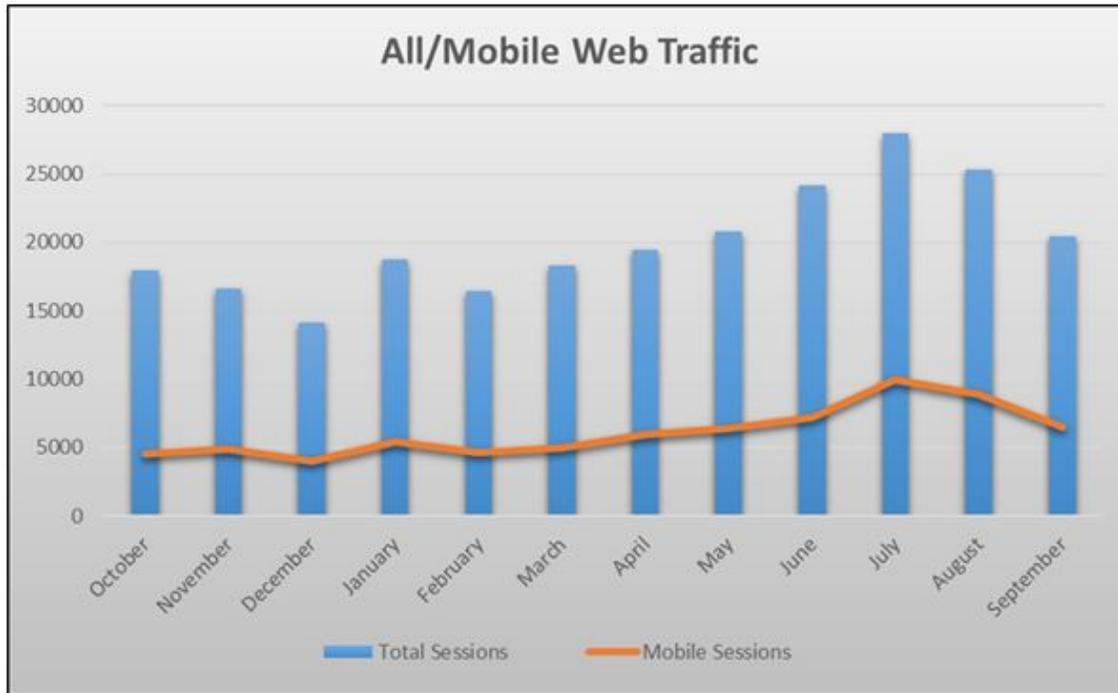
Performance Metrics

Online Auction

	<u>FY14/15</u>
Assets Sold	35/\$13,297
Assets Sold Since Inception	255/\$148,597

Web Site (www.mqtcty.org)

	<u>FY14/15**</u>
Total Page Views	855,168
Average Time on Site	104 sec.



* Excludes slides and announcement
 ** Source: Google Analytics