



## Strategic Planning Process Commission Priorities

Issue Title: Cable Tray Backbone, Phase II

Department: Administrative Services/Information Technology

Plan: N/A

Status: In Progress. Cable trays were installed on ground and first floors of City Hall but project was suspended due to lack of funding. Project will resume beginning in FY 2016/17 with adequate funding.

Issue: Continue Network Upgrades at City Hall.

Background: A project was initiated last year to establish a common path for the installation of network and other cable in City Hall and a cable tray system was installed to support new cables required for the audio/video system installed in Commission Chambers. The next phase of the project is to continue installation of the cable tray system on the ground floor, remove aging network cable and replace throughout the building with cable that supports faster network speeds for the secure financial network. The goal of the project is to streamline IT operations to deliver efficient, consolidated and reliable infrastructure and services at a significantly lower support cost.

Forecast:

Year One: Remove old cable and install new network cable on first floor at City Hall at a cost of \$20,000;

- Install new network equipment and lease for \$5,000 for a five-year term.
- Install fiber optic cable between floors with additional equipment in new wiring closet.

Year Two:

- Remove old cable and install new network cable on the ground floor at City Hall at a cost of \$15,000.



## Strategic Planning Process Commission Priorities

Issue Title: Technology Business Continuity Plan  
Department: Administrative Services/Information Technology  
Plan: N/A  
Status: New  
Issue: Establish Technology Disaster Recovery Site.

Background: Construction of a new public works building provides an opportunity to establish a co-location for information technology services and data and to provide business continuity in the event of disaster. Due to equipment installed in the existing server room that pose a heightened risk to servers and switches, a server room is planned for the new building that reduces risk to sensitive electronics. As a result, the server room at City Hall would function as a failover (backup) server room. Utilizing virtualized servers between facilities ensures higher availability of data, increased data redundancy and faster redeployment of equipment at lower cost than using traditional physical servers. In the event of disaster at one or the other facilities, network and server availability would resume in minutes rather than days.

Forecast:

Year One:

- Purchase hardware and software and deploy virtualized environment at City Hall during FY 2016/17 including servers, network storage array and snapshot backups.

First year total cost is estimated to be \$ 13,200 based on a five-year lease term.

Year Two:

- Purchase additional equipment for deployment at public works building for FY 2017/18 for integration with existing equipment at City Hall.

Second year total cost is estimated to be \$ 4,800 based on a five-year lease term.



## Strategic Planning Process Commission Priorities

Issue Title: Information Security

Department: Administrative Services/Information Technology

Plan: N/A

Status: Partially complete. Implementation of network security protocols is complete; purchase of tools for network monitoring and testing is incomplete due to lack of funding; security awareness training to users is ongoing.

Issue: Protect data through implementation of security programs.

Background: The City's information assets are of significant value and deserve measures that ensure their safety and availability. Knowing that information is adequately protected by information security practices allows the City to concentrate on service delivery systems to citizens.

Forecast:

Year One:

- Implement and monitor compliance of security and privacy policies, standards and practices;
- Perform network penetration testing to identify vulnerabilities that an attacker could exploit;
- Educate, train and raise awareness of information security risks;
- Develop parallel network to test proofs of concept, program and network updates and to isolate problems in a closed environment.

First year total cost is estimated to be \$18,740 for staff time for security testing services and hardware.

Year Two:

- Implement next generation security tools to aid in identifying and reacting to cyber attacks, malicious traffic and policy violations that have or may pose serious security threats;
- Develop additional policies and standards, continue training and education, and implement improvements for increased network and data protection.

Second year total cost is estimated to be \$5,500 for software.



## Strategic Planning Process Commission Priorities

Issue Title: Other Post-Employment Benefits  
Department: Administrative Services/Human Resources  
Plan: N/A  
Status: Ongoing

The City significantly reduced its OPEB liabilities when we negotiated to discontinue retiree health insurance and subsidies for all new hires. We also placed all management retirees on a plan that mirrors the benefit levels of active employees and used a "seamless wrap" plan to further lower premium costs. For retirees over age 65, we replaced the Blue Cross Blue Shield Michigan supplemental plan with Medicare Advantage plans that saved the City significantly in premium costs but maintained a comparable benefit level for the retirees.

The City has elected not to fund an OPEB Trust at this time.

Issue: Reduce the City's Other Post-Employment Benefits (OPEB) Unfunded Accrued Liabilities.

Background: The City's OPEB liabilities consist of retiree health insurance coverage and subsidies. In 2006, the City revised its retiree health insurance plan for management employees. For current department head or middle management employees who were hired prior to 2002, the City will pick up a percentage of their health care premium (from 100% to 60%) depending on their years of service and position. The City's share is capped at retirement and does not increase with subsequent increases in premium. Management employees hired after 2005 are not eligible for retiree health insurance through the City.

Union employees that retire at age 55 (or 50 for Police/Fire) with 25 years of service), may stay on the City's retiree health plan. The City subsidizes a portion of the monthly premium. The amount varies by union contract and is a fixed amount. In 2012 and 2013, the City negotiated a provision in all union contracts that ends rights to retiree health insurance and subsidies for all new hires.

Forecast: While we have effectively capped our future liability for retiree health insurance for new hires, there are still steps we could take to further reduce our unfunded accrued OPEB liabilities.

Year One:

- Continue to try to reduce retiree health care costs. The City will carve out the prescription drug component of our Blue Cross Blue Shield coverage and use a third party pharmacy manager to provide the equivalent level of prescription drug coverage at a lower cost.
- Switch retirees from a Community Blue PPO insurance plan to a Simply Blue PPO insurance plan.

Year Two: Consider establishing and funding an OPEB trust for retiree health costs.



## **Strategic Planning Process Commission Priorities**

Issue Title: Pension

Department: Administrative Services/Human Resources

Plan: N/A

Status: Ongoing. Both the MERS Plan and the Police/Fire Retirement System assess the annual required contribution (ARC) as either a percentage of payroll or as a fixed dollar amount. In the past, the City has used a percentage of payroll. This year and in subsequent years, the City will be paying using the dollar amount. This should result in a larger City contribution towards paying off the unfunded accrued liabilities of both plans.

The City intends to negotiate for increased employee contributions during this year and next year's contract negotiations with the unions.

Issue: Increase the funded status of our Defined Benefit Pension Plans.

Background: The City's MERS defined benefit pension plan is 65% funded and the Police/Fire Retirement System (Act 345) is 73% funded. This is reflective of a downward trend that is due in large part to the 2008 recession. The large loss in value we saw as a result of the recession is "smoothed" over a 10 year period. While this results in less volatility, it also means that only 1/10th of the market's recovery is reflected in each year's value of assets. The City's strategic goal is to achieve a minimum 80% funded status for both plans.

For several years, new hires in management positions have been ineligible for defined benefit plans. During union contract negotiations in 2012 and 2013, the City negotiated changes to the defined benefit plans to reduce our unfunded liabilities. Caps were placed on the amount of hours current union employees and new hires could include in their final average compensation for pension. This lowers pension costs by reducing the amount that employees can "pad" their final income. In addition, a new division with lower pension benefits was established for new hires in both the Department of Public Works and City Hall units.

Forecast: The changes we made to the pension plan will result in a reduction of our unfunded pension liabilities over time, as long as we don't have another severe recession.

Year One:

- During contract negotiations with City Hall, DPW and Fire Department, try to negotiate a higher employee contribution rate or other plan changes to reduce unfunded liabilities.

Year Two:

- During contract negotiations with Supervisors and Police, try to negotiate a higher employee contribution rate or other plan changes to reduce unfunded liabilities.



## Strategic Planning Process Commission Priorities

Issue Title: Technology Refresh Program

Department: Administrative Services/Information Technology

Plan: N/A

Status: In progress. Network switches on the fiber optic network were upgraded due to obsolescence and servers were replaced when current leases expired; firewall appliance was replaced when the unit failed; video server upgrade is in progress.

Issue: Continue technology refresh program.

Background: Last year, a technology refresh program was initiated to replace equipment according to a predetermined schedule to reduce cost of ownership, support newer technologies and applications, and improve performance. The goal of the program is to periodically refresh equipment to maximize the delivery of efficient, consolidated and reliable infrastructure and services. A technology life cycle replacement schedule ensures the technology is replaced at predetermined intervals and reduces unplanned failures and lost productivity. The schedule for upgrade/replacement varies from three years to seven years depending on the equipment.

Forecast:

Year One:

- Refresh network switches, servers with a 60-month lease;
- Refresh uninterruptible power supply units.

Fiscal year total cost is estimated to be \$ 22,370.

Year Two:

- Refresh network switches with a 60-month lease;
- Refresh content filter;
- Refresh engineering plotter with a 36-month lease.

Fiscal year total cost is estimated to be \$ 32,068.



## **Strategic Planning Process Commission Priorities**

Issue Title: Video Recording/Broadcasting/Teleconferencing  
Department: Administrative Services/Information Technology  
Plan: N/A  
Status: Not completed due to lack of funding

Issue: Expand video recording/streaming and teleconferencing at City Hall.

Background: In 2014, the first phase of a high-definition video recording system was installed at City Hall for recording and broadcasting meetings in Commission Chambers. In addition to replacing standard analog equipment with high-definition cameras, monitors and enhanced audio, the project included other features and capabilities absent from the old system such as high-definition recording and playback, streaming video of live meetings and teleconferencing. This next phase extends video/teleconferencing capabilities in the Commission Chambers to another conference room in City Hall in order to support easier collaboration and enable cost savings in travel expenses.

Forecast:

Year One: Expand live recording, broadcast and streaming capabilities to City Hall conference room with high-definition camera and microphones and lease for \$2,189 annually for a 60-month term.

Year Two: None; upgrades will be accomplished during FY 2017/18.



## **Strategic Planning Process Commission Priorities**

Issue Title: Remote Video Recording/Broadcasting, Phase II  
Department: Administrative Services/Information Technology  
Plan: N/A  
Status: Not completed due to lack of funding

Issue: Expand Video Recording/Streaming to Remote Sites

Background: In 2014, the first phase of a high-definition video recording system was installed at City Hall for recording and broadcasting meetings. In addition to replacing standard analog equipment with high-definition cameras, monitors and enhanced audio, the project included other features and capabilities absent from the old system such as high-definition recording and playback, and streaming video of live meetings. The second phase extends the capabilities of the system to provide live recording, broadcasting and streaming at other City locations and recording elsewhere in the City.

Forecast:

Year One: Expand live recording, broadcast and streaming capabilities to other City locations by leasing a mobile camera and audio system for \$2,340 annually for a 60-month term.

Year Two: None; upgrades will be accomplished during FY 2017/18.