



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

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**AUTHORITY BOARD  
REGULAR MEETING**

Thursday, June 9, 2016 at 1:30 p.m.

Livonia City Hall  
33000 Civic Center Drive  
5<sup>th</sup> Floor Gallery  
Livonia, MI 48933

**AGENDA**

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Approval of Minutes**
  - a. Minutes of the March 10, 2016 regular Authority Board meeting
- V. Administrative Report**
  - a. Financial Report
  - b. FMS Program Update
  - c. VHWM Program Update
  - d. Program Development Update
- VI. Audits**
  - a. Resolution 2016-A Approval of Audit for Fiscal Year 2014-2015
- VII. New Business**
- VIII. Public Comment**
- IX. Other Business**
- X. Adjournment**

A copy of the proposed minutes of the meeting will be available for public inspection at the principal office of the Authority within 8 business days. A copy of the approved minutes of the meeting, including any corrections, will be available for public inspection at the principal office of the Authority within 5 business days after approval.



Michigan Municipal Services Authority

### AUTHORITY BOARD

Thursday, March 10, 2016 at 1:30 p.m.

Capitol View Building  
201 Townsend St Suite 900  
Lansing, MI 48933

### MINUTES

Proposed Minutes       Approved Minutes

MEETING TYPE:     Regular     Special

#### I. Call to Order

The meeting was called to order at 1:33 p.m. by the Chairperson.

#### II. Roll Call

Authority Board Member Attendance:

Stacie Behler, Chairperson	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Doug Wiescinski, Vice-Chairperson	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
James Cambridge, Secretary*	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Eric DeLong, Treasurer	<input checked="" type="checkbox"/> Present	<input checked="" type="checkbox"/> Absent
Scott Buhner	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Doug Smith*	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Peggy Jury*	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Brian Meakin	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Donald Snider	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Absent
Al Vanderberg*	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent

\*Participated via teleconference.

Other attendees:

- Robert Bruner, Michigan Municipal Services Authority
- Kristen Delaney, Michigan Municipal Services Authority
- Steven Liedel, Dykema

**III. Approval of Agenda**

Moved by: Cambridge

Supported by: Smith

Yes: X      No: \_\_\_

**IV. Approval of Minutes** from December 10, 2015 Regular Meeting of the Authority Board.

Moved by: Wiescinski

Supported by: Smith

Yes: X      No: \_\_\_

**V. Administrative Report**

The administrative report was delivered by CEO Robert Bruner.

**VI. Audit Reports**

None.

**VII. New Business**

- a. Resolution 2016-A Approval of Audit for Fiscal Year 2014-2015

Moved by: Vanderberg

Supported by: Smith

Yes: X      No: \_\_\_

**VIII. Public Comment**

None.

**IX. Other Business**

None.

**X. Adjournment**

Moved by: DeLong

Supported by: Smith

Yes: X      No:   

Meeting adjourned at 2:09 PM

**Certification of Minutes**

Approved by the Authority Board on June 9, 2016.

\_\_\_\_\_

Authority Secretary

\_\_\_\_\_

Date

PROPOSED



Michigan Municipal Services Authority

Administrative Report

Prepared June 6, 2016

Collaborate • Innovate • Serve

# Financial Report

MMSA Administrative Report

**Michigan Municipal Services Authority  
General Fund**

<b>Fund</b>	<b>Activity</b>	<b>FYE 2016 Adopted</b>	<b>May 2016</b>	<b>FYE 2016 Year to Date</b>	<b>FYE 2016 Budget to Date</b>	<b>Variance</b>
<b>Operating Revenues</b>						
101	539					
			\$ -	\$ -	\$ -	
		\$ 126,315	\$ 8,174	\$ 83,581	\$ 84,210	-0.7%
		\$ 126,315	\$ 8,174	\$ 83,581	\$ 84,210	-0.7%
<b>TOTAL OPERATING REVENUES</b>		<b>\$ 252,629</b>	<b>\$ 16,348</b>	<b>\$ 167,162</b>	<b>\$ 168,420</b>	<b>-0.7%</b>
<b>Operating Expenses</b>						
101	101	\$ 2,000		\$ 2,209	\$ 1,333	65.7%
101	173	\$ 219,429	\$ 16,314	\$ 145,269	\$ 146,286	-0.7%
101	191	\$ 5,000	\$ 34	\$ 3,223	\$ 3,333	-3.3%
101	223	\$ 10,200	\$ -	\$ 10,200	\$ 6,800	50.0%
101	228	\$ 4,000	\$ -	\$ 1,047	\$ 2,667	-60.7%
101	266	\$ 12,000	\$ -	\$ 5,214	\$ 8,000	-34.8%
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 252,629</b>	<b>\$ 16,348</b>	<b>\$ 167,163</b>	<b>\$ 168,419</b>	<b>-0.7%</b>
<b>Change in Net Position</b>		<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ (1)</b>	<b>\$ 1</b>	

**Michigan Municipal Services Authority  
VHWM**

<b>Fund</b>	<b>Activity</b>	<b>FYE 2016 Adopted</b>	<b>May 2016</b>	<b>FYE 2016 Year to Date</b>	<b>FYE 2016 Budget to Date</b>	<b>Variance</b>
<b>Operating Revenues</b>						
501	539	State Grants	\$ 80,968	\$ -	\$ 106,176	\$ 53,979 96.7%
501	600	Charges for Services	\$ 1,320,000	\$ 127,937	\$ 709,728	\$ 880,000 -19.3%
		<b>TOTAL OPERATING REVENUES</b>	<b>\$ 1,400,968</b>	<b>\$ 127,937</b>	<b>\$ 815,904</b>	<b>\$ 933,979 -12.6%</b>
<b>Operating Expenses</b>						
501	266	Attorney	\$ 2,000	\$ -	\$ 4,401	\$ 1,333 230.1%
501	271	Program Management	\$ 180,000	\$ -	\$ 45,000	\$ 120,000 -62.5%
501	272	Contractual Services	\$ 1,070,000	\$ 9,275	\$ 573,253	\$ 713,333 -19.6%
501		Transfer to General Fund	\$ 126,315	\$ 8,174	\$ 83,581	\$ 84,210 -0.7%
		<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,378,315</b>	<b>\$ 17,449</b>	<b>\$ 706,235</b>	<b>\$ 918,877 -23.1%</b>
		<b>Change in Net Position</b>	<b>\$ 22,653</b>	<b>\$ 110,488</b>	<b>\$ 109,669</b>	<b>\$ 15,102 626.2%</b>



**Michigan Municipal Services Authority  
FMS**

<b>Fund</b>	<b>Activity</b>	<b>FYE 2016 Adopted</b>	<b>May 2016</b>	<b>FYE 2016 Year to Date</b>	<b>FYE 2016 Budget to Date</b>	<b>Variance</b>
<b>Operating Revenues</b>						
502	539	State Grants	\$ 145,549	\$ -	\$ 101,202	\$ 97,033 4.3%
502	600	Charges for Services	\$ 2,863,430	\$ -	\$ 2,863,430	\$ 1,908,953 50.0%
<b>TOTAL OPERATING REVENUES</b>			<b>\$ 3,008,979</b>	<b>\$ -</b>	<b>\$ 2,964,632</b>	<b>\$ 2,005,986 47.8%</b>
<b>Operating Expenses</b>						
502	266	Attorney	\$ 12,000		\$ 8,000	-100.0%
502	271	Program Management	\$ 60,000	\$ 3,218	\$ 38,260	\$ 40,000 -4.4%
502	272	Contractual Services	\$ 2,680,000	\$ -	\$ 2,678,001	\$ 1,786,667 49.9%
502		Transfer to General Fund	\$ 126,315	\$ 8,174	\$ 83,581	\$ 84,210 -0.7%
<b>TOTAL OPERATING EXPENSES</b>			<b>\$ 2,878,315</b>	<b>\$ 11,392</b>	<b>\$ 2,799,842</b>	<b>\$ 1,918,877 45.9%</b>
<b>Change in Net Position</b>			<b>\$ 130,664</b>	<b>\$ (11,392)</b>	<b>\$ 164,791</b>	<b>\$ 87,109 89.2%</b>

**Michigan Municipal Services Authority  
All Funds**

	FYE 2016 Adopted		May 2016		FYE 2016 Year to Date		FYE 2016 Budget to Date		Variance
<b>OPERATING REVENUES</b>									
General	\$ 252,629	\$	16,348	\$	167,162	\$	168,419		-0.7%
VHWM	\$ 1,400,968	\$	127,937	\$	815,904	\$	933,979		-12.6%
FMS	\$ 3,008,979	\$	-	\$	2,964,632	\$	2,005,986		47.8%
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 4,662,576</b>	<b>\$</b>	<b>144,285</b>	<b>\$</b>	<b>3,947,698</b>	<b>\$</b>	<b>3,108,384</b>		<b>27.0%</b>
<b>OPERATING EXPENSES</b>									
General	\$ 252,629	\$	16,348	\$	167,163	\$	168,419		-0.7%
VHWM	\$ 1,378,315	\$	17,449	\$	706,235	\$	918,877		-23.1%
FMS	\$ 2,878,315	\$	11,392	\$	2,799,842	\$	1,918,877		45.9%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,509,259</b>	<b>\$</b>	<b>45,189</b>	<b>\$</b>	<b>3,673,239</b>	<b>\$</b>	<b>3,006,173</b>		<b>22.2%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 153,317</b>	<b>\$</b>	<b>99,096</b>	<b>\$</b>	<b>274,459</b>	<b>\$</b>	<b>102,211</b>		<b>168.5%</b>

**Michigan Municipal Services Authority**  
**Balance Sheet**  
**As of May 31, 2016**

**ASSETS**

**CURRENT ASSETS**

Cash in Bank	\$ 710,161.78
Due From Cities	153,790.56
Due from State	<u>48,027.55</u>

**Total Current Assets** 911,979.89

**PROPERTY AND EQUIPMENT**

**TOTAL ASSETS** \$ 911,979.89

**CURRENT LIABILITIES**

Accounts Payable	\$ 183,883.88
Accrued State W/H	552.38
Accrued Federal W/H	1,768.00
Accrued FICA	2,865.27
Accrued MESC	27.63
Accrued Salaries & Wages	<u>8,998.33</u>

**Total Current Liabilities** 198,095.49

**LONG-TERM LIABILITIES**

**Total Liabilities** 198,095.49

**FUND BALANCE**

Fund Balance Retained	439,429.24
Current Revenue over Expenses	<u>274,455.16</u>

**Total Fund Balance** 713,884.40

**TOTAL LIABILITIES AND FUND BALANCE** \$ 911,979.89

**Michigan Municipal Services Authority**  
**Statement of Income**  
**For the 1 Month and 8 Months Ended May 31, 2016**

	<u>1 Month Ended</u> <u>May 31, 2016</u>	<u>8 Months Ended</u> <u>May 31, 2016</u>
<b>Revenues</b>		
Contract Revenue	\$ 127,937.28	\$ 3,780,533.07
<b>Operating Expenses</b>		
Salary Director	\$ 9,461.54	\$ 79,076.92
Wages - Administrative Staff	4,766.66	40,516.61
Outside Service Contractors	12,492.50	3,300,516.99
Payroll Taxes	1,088.44	9,148.77
MESC Taxes	0.00	646.53
FUTA Taxes	0.00	84.00
Office Expense	527.27	4,871.92
Legal & Accounting	0.00	57,233.66
Seminars & Education	0.00	20.00
Insurance - General	0.00	2,209.00
Mileage Reimbursement	470.72	5,787.20
Travel Expenses	0.00	5,118.21
Bank Service Charges	34.41	848.10
	<hr/>	<hr/>
<b>Total Operating Expenses</b>	28,841.54	3,506,077.91
<b>Revenues over Expenses</b>	<u>\$ 99,095.74</u>	<u>\$ 274,455.16</u>

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Summary of Revenues and Expenditures

Date	Check Number	Invoice Number	Description	Check Amount	Deposits/ Other Credits	Account Balance
4/30/16			Beginning Balance			\$ 611,066.04
5/5/16	Direct Deposits		Payroll	\$ 5,409.68		\$ 605,656.36
	ACH		EFTPS Federal Withholding Tax	\$ 3,944.90		\$ 601,711.46
	ACH		State of Michigan -w/h	\$ 552.38		\$ 601,159.08
	ACH	Expenses Reim	Robert Bruner	\$ 527.27		\$ 600,631.81
	ACH	Expenses Reim	Robert Bruner	\$ 470.72		\$ 600,161.09
	ACH		Plante Moran	\$ 3,217.50		\$ 596,943.59
	ACH		Segal Consulting	\$ 9,275.00		\$ 587,668.59
5/19/16		Service Charge	Bank Service Charge	\$ 34.41		\$ 587,634.18
			Deposit		\$ 127,937.28	\$ 715,571.46
	Direct Deposits		Payroll	\$ 5,409.68		\$ 710,161.78
<b>TOTAL MI MUN SERV AUTH CASH BALANCE</b>						<b>\$ 710,161.78</b>

# BANK RECONCILIATION

Name of Client: Michigan Municipal Services Authority  
 Bank: Fifth Third

Month: May, 2016  
 Prepared By: \_\_\_\_\_

General Ledger Acct Balance:	\$ 611,066.04	Balance per bank statement: 5/31/16	\$ 727,972.42
Add Debits:		Add Deposits in Transit:	
Deposits	\$ 127,937.28		
<b>Total Dr</b>	<b>\$ 127,937.28</b>		
<b>Total</b>	<b>\$ 739,003.32</b>		
Less Credits:			
checks	\$ 4,497.28	Total in Transit:	\$ -
Payroll	\$ 10,819.36		
Online payments	\$ 13,490.49	Total:	<b>\$ 727,972.42</b>
SC	\$ 34.41		
<b>Total Cr</b>	<b>\$ 28,841.54</b>	Less Checks Outstanding: (see list below)	
		Total:	<b>\$ 17,810.64</b>
<b>Bank Balance - Per General Ledger:</b>	<b>\$ 710,161.78</b>		<b>\$ 710,161.78</b>

### Checks Outstanding

Number	Amount	Number	Amount	Number	Amount
	\$ 17,810.64		\$ -		\$ -



Statement Period Date: 5/1/2016 - 5/31/2016  
 Account Type: Comm'l 53 Analyzed  
 Account Number: 7166385711



MICHIGAN MUNICIPAL SERVICES  
 AUTHORITY  
 PO BOX 12012  
 LANSING MI 48901-2012



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Banking Center: Grand Rapids  
 Banking Center Phone: 616-653-5440  
 Commercial Client Services: 866-475-0729

4554

### Account Summary - 7166385711

<b>05/01</b>	<b>Beginning Balance</b>	<b>\$629,923.68</b>	Number of Days in Period	31
	Checks			
10	Withdrawals / Debits	\$(29,888.54)		
1	Deposits / Credits	\$127,937.28		
<b>05/31</b>	<b>Ending Balance</b>	<b>\$727,972.42</b>		

#### Withdrawals / Debits

10 items totaling \$29,888.54

Date	Amount	Description
05/04	470.72	Michigan Municip CREDITS 4616288140 050416 OFFSET TRANSACTION
05/04	527.27	Michigan Municip CREDITS 4616288140 050416 OFFSET TRANSACTION
05/04	5,409.68	MICHIGAN MUNICIP CSI PAYROLL PAYROLL MICHIGAN MUNICIPAL SER 050416
05/10	3,217.50	Michigan Municip PAYMENTS 4616288140 051016 OFFSET TRANSACTION
05/10	9,275.00	Michigan Municip PAYMENTS 4616288140 051016 OFFSET TRANSACTION
05/11	34.41	SERVICE CHARGE
05/13	3,944.90	IRS USATAXPYMT 270653444170783 MICHIGAN MUNICIPAL SER 051316
05/18	5,409.68	MICHIGAN MUNICIP CSI PAYROLL PAYROLL MICHIGAN MUNICIPAL SER 051816
05/19	1,047.00	Michigan Municip PAYMENTS 4616288140 051916 OFFSET TRANSACTION
05/20	552.38	MI Business Tax Payment SMIBUS000269557 TawneyMichael 052016

#### Deposits / Credits

1 item totaling \$127,937.28

Date	Amount	Description
05/19	127,937.28	INCOMING WIRE TRANS 051916

#### Daily Balance Summary

Date	Amount	Date	Amount	Date	Amount
05/04	623,516.01	05/13	607,044.20	05/19	728,524.80
05/10	611,023.51	05/18	601,634.52	05/20	727,972.42
05/11	610,989.10				

**Michigan Municipal Services Authority**  
**Check Register**

<u>Check Number</u>	<u>Check Date</u>	<u>Payee</u>	<u>Amount</u>
Checks			
5267	05/05/16	EFTPS - FICA	3,944.90
5268	05/05/16	State of Michigan - WH	552.38
5269	05/05/16	Robert J. Bruner Jr.	0.00
5270	05/05/16	Kristen A. Delaney	0.00
5271	05/19/16	Robert J. Bruner Jr.	0.00
5272	05/19/16	Kristen A. Delaney	0.00
20160501	05/06/16	Robert J. Bruner Jr.	527.27
20160502	05/06/16	Robert J. Bruner Jr.	470.72
20160503	05/06/16	Plante Moran	3,217.50
20160504	05/06/16	Segal Consulting	9,275.00
20160505	05/20/16	VOID - Munetrix LLC	0.00
Total checks	11		<u>17,987.77</u>



# FMS Program Update

MMSA Administrative Report

# FMS Program Update

## **Program Management**

- No issues reported at May 26 FMS Leadership meeting
- Next FMS Leadership meeting is July 7
- Q1 2016 CGAP grant report was filed on April 15
- Q2 2016 CGAP grant report is due July 30, 2016

# FMS Program Update

## **Tier I Program Development**

- City of Lansing: Still waiting
- Wayne County: Still waiting
- Oakland County: Plans to issue RFP this year
- Genesee ISD: On hold pending CGI research
- Wayne RESA: On hold pending CGI research

# FMS Program Update

## **Tier II Prospects**

- Grand Traverse County
- Traverse City
  - FYE 2018
- City of Kalamazoo
  - CFO remains interested
  - Timing is months or years rather than weeks or months

# VHWM Program Update

MMSA Administrative Report

# MI SHIP Update

MMSA Administrative Report

# MI Self-Funded Healthcare Program (MI SHIP) Update

## Program Development

- May 18 meeting with Western Michigan Health Insurance Pool (WMHIP) leadership went well
  - Tim Klunder (City Manager, City of Zeeland)
  - Lisa Freiburger (VP for Finance and Administration, Grand Rapids Community College)
  - Mike Hagerty (Assistant Superintendent, Administrative Services, Kent Intermediate School District)
- WMHIP Executive Committee meets in July
- Plan to attend and/or schedule follow-up meeting

# MI Self-Funded Healthcare Program (MI SHIP) Update

## **Collecting Data**

- Clinton Township
- Dearborn Heights
- Livonia
- Oak Park
- Westland

## **Considering Data Collection**

- Bloomfield Township
- Calhoun County
- Eastpointe
- Farmington Hills
- Kalamazoo
- Monroe
- Muskegon
- Roseville
- Southfield



# MI Self-Funded Healthcare Program (MI SHIP) Update

## **Provided Data**

Approximately 3,700 total FTEs

- Ann Arbor
- Ferndale
- Grand Rapids
- Jackson County
- Midland
- Troy

## **Unable to Provide Data**

- Auburn Hills
- Macomb County
- Novi
- Redford Township
- Rochester Hills

# MI Self-Funded Healthcare Program (MI SHIP) Update

## **Unresponsive**

- Bay City
- East Lansing
- Jackson
- Madison Heights
- Ottawa County
- Port Huron
- Royal Oak
- Sterling Heights

## **Unwilling to Provide Data**

- Battle Creek
- Birmingham
- Mount Pleasant
- Oakland County
- Portage

# Municipal Talent Pipeline Update

MMSA Administrative Report

# Municipal Talent Pipeline Update

## **Program Development**

- City of Bloomfield Hills is interested in help filling Building Official position
- July 2016 Michigan Certified Assessing Officer (MCAO) program is full
- Connected with Michigan Economic Development Corporation
- Connected with Wayne State University and Great Lakes Water Authority (GLWA)
- May 9: Municipal Talent Pipeline meeting with Empco
- May 11: Program development meeting with American Society of Employers (ASE)

# Municipal Talent Pipeline Update

## Closed

- Deputy Treasurer, Fenton
- Deputy Finance Director, Walled Lake
- Part-Time Construction Inspector, Royal Oak
- Building Inspector/Soil Erosion Enforcement Officer, Clinton County
- Wastewater Treatment Plant Superintendent, Imlay City
- Director of Utilities, Midland
- Public Works Director, South Haven
- Finance Director, Grand Traverse County
- Finance Director, Bay View Association
- Wastewater Treatment Plant Operator, Imlay City
- Professional Engineer, Delta Township
- Civil Engineer, Ottawa County Road Commission
- Assessor, Gaylord
- Full Time Finance Coordinator/Bookkeeper, Bloomfield Township Public Library
- Deputy City Treasurer, Saginaw

# Municipal Talent Pipeline Update

## **Filled**

- System Manager, South Huron Valley Utility Authority
- Finance Director, Calhoun County
- Assessor - Level III - Part Time, Northville
- DPW Director, Auburn
- Finance Director, Michigan Rural Water Association
- Part-Time Assessor, Portland
- Finance Officer, Bay County
- Building Inspector (Part Time), Marine City
- Public Works Supervisor, Grand Ledge

# Municipal Talent Pipeline Update

## Open Until Filled

- Lead Senior Accountant Financial Services, Ingham County
- Assistant Finance Director, Adrian
- Wastewater Plant Operator, East China Township
- Community Development Director, Clinton County
- Building Official, Adrian and Bloomfield Hills
- Operating Foreman, Water Treatment Plant, Saginaw
- Director of Information Technology, Burton

# Municipal Talent Pipeline Update

## Open

- Court Controller, 35th District Court
- Director of Community and Economic Development, Ferndale
- Fiscal Manager, Calhoun County
- Accounts Receivable Manager, Auburn Hills
- Clerk-Treasurer-Finance Director, Greenville
- DPW Coordinator Pleasant, Ridge
- Public Works Engineer, Coldwater
- Accounting and Finance Manager, SOCWA/SOCRRA
- Building Official/Building Inspector, Mason



# Municipal Talent Pipeline Update

## Assessing & Equalization

- Equalization Director, Calhoun County
- MAAO/3 Assessor, Howell
- City Assessor, Novi
- PartTime Assessing Assistant/Appraiser, Hastings
- Assesor, Potterville
- Assesor, Potterville
- City Assessor, Oak Park
- Senior Appraiser, Oak Park
- Assessor, Harrison Township
- Part Time Assessor, Dexter
- Appraiser, Auburn Hills



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

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**AUTHORITY BOARD  
RESOLUTION 2016-A**

Approval of Audit for Fiscal Year 2014-2015

The Authority Board of the Michigan Municipal Services Authority ("Authority") resolves that the audit of the Authority for the fiscal year ending September 30, 2015 prepared by Abraham & Gaffney, P.C. and presented to the Authority Board at its regular meeting on June 9, 2016 is approved as provided under Section 4.02 of the interlocal agreement that created the Authority.

***Secretary's Certification:***

I certify that this resolution was adopted by the Authority Board of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on June 9, 2016.

By: \_\_\_\_\_

James Cambridge  
Authority Secretary

## Principals

Dale J. Abraham, CPA  
Steven R. Kirinovic, CPA  
Aaron M. Stevens, CPA  
Eric J. Glashouwer, CPA  
Alan D. Panter, CPA  
William I. Tucker IV, CPA



3511 Coolidge Road  
Suite 100  
East Lansing, MI 48823  
(517) 351-6836  
FAX: (517) 351-6837

Board of Directors  
Michigan Municipal Services Authority  
Lansing, Michigan

We have audited the financial statements of the Michigan Municipal Services Authority (the Authority), for the year ended September 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 23, 2015. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2015. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 7, 2016.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Michigan Municipal Services Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

March 7, 2016

**Michigan Municipal Services Authority  
Lansing, Michigan**

**FINANCIAL STATEMENTS**

**September 30, 2015**

Michigan Municipal Services Authority

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Principals

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Michigan Municipal Services Authority  
Lansing, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Michigan Municipal Services Authority (the Authority), a component unit of the State of Michigan, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Michigan Municipal Services Authority, a component unit of the State of Michigan, as of September 30, 2015, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2016, on our consideration of the Michigan Municipal Services Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Michigan Municipal Services Authority's internal control over financial reporting and compliance.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

March 7, 2016



Michigan Municipal Services Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

The intent of the management's discussion and analysis is to provide highlights of the Authority's financial activities for the fiscal year ended September 30, 2015. Readers are encouraged to read this section in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- ❖ Net Position: The assets of the Authority exceeded its liabilities by \$439,429 as of September 30, 2015. This unrestricted net position may be used to meet the Authority's ongoing obligations.
- ❖ The total net position increased by \$236,987 as a result of current year activity.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report includes this management's discussion and analysis report, the independent auditor's report and the basic financial statements of the Authority, including notes that explain in more detail some of the information in the financial statements.

**REQUIRED FINANCIAL STATEMENTS**

The financial statements report information of the Authority using accounting methods similar to those used by private-sector companies. These statements offer short and long-term financial information about its activities.

The Statement of Net Position includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to their creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing their liquidity and financial flexibility.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past year.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide information to determine how the Authority did financially during 2015. The net position, or the difference between assets and liabilities, and the changes in them can indicate whether financial health is improving or deteriorating over time. However, other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation also need to be considered in determining the Authority's financial health.

Michigan Municipal Services Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

**NET POSITION**

The Authority's Condensed Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are presented in the following comparative tables.

TABLE 1

CONDENSED STATEMENT OF NET POSITION

	<u>September 30, 2015</u>	<u>September 30, 2014</u>
Current assets	\$ 637,745	\$ 600,812
Current liabilities	<u>198,316</u>	<u>398,370</u>
Unrestricted net position	<u>\$ 439,429</u>	<u>\$ 202,442</u>

TABLE 2

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>2015</u>	<u>2014</u>
Operating revenues	\$ 3,311,528	\$ 2,196,995
Operating expenses	<u>3,074,541</u>	<u>2,003,988</u>
Changes in net position	236,987	193,007
Beginning net position	<u>202,442</u>	<u>9,435</u>
Ending net position	<u>\$ 439,429</u>	<u>\$ 202,442</u>

The Authority's operating revenues increased by \$1,114,533 from the prior year because the Authority began providing financial management software (FMS) services to the City of Grand Rapids and Kent County in April 2015.

The Authority's operating expenses increased by \$1,068,185 from the prior year because the Authority subcontracts service provision to CGI Technologies and Solutions Inc. and retains an administrative fee.

**BUDGETARY HIGHLIGHTS**

The Authority is an enterprise fund and is not required to adopt an annual budget. However, the Authority Board does adopt an annual operating budget. The operating budget includes proposed expenses and the means of financing them. The Authority's operating budget remains in effect but can be revised with the Authority Board approval prior to the September 30 year-end.

Michigan Municipal Services Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Authority's budget for the fiscal year ending September 30, 2016 includes projected increases in revenues from a financial management software (FMS) participation agreement with Genesee County.

**CONTACT INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate its accountability for the funds it receives. Questions regarding this report or requests for additional information should be addressed to the Michigan Municipal Services Authority, P.O. Box 12012, Lansing, MI 48901-2012.

## **BASIC FINANCIAL STATEMENTS**

Michigan Municipal Services Authority

STATEMENT OF NET POSITION

September 30, 2015

ASSETS

Current assets

Cash

\$ 435,927

Due from other governmental units

201,818

TOTAL ASSETS

637,745

LIABILITIES

Current liabilities

Accounts payable

183,884

Accrued wages

8,998

Other accrued liabilities

5,434

TOTAL LIABILITIES

198,316

NET POSITION

Unrestricted

\$ 439,429

Michigan Municipal Services Authority

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended September 30, 2015

OPERATING REVENUES	
Intergovernmental	\$ 3,311,528
OPERATING EXPENSES	
Salaries and wages	131,965
Payroll taxes and benefits	11,201
Insurance	3,193
Professional services	276,472
Service contracts	2,624,150
Travel	13,856
Dues and subscriptions	1,922
Miscellaneous	11,782
	<hr/>
TOTAL OPERATING EXPENSES	3,074,541
	<hr/>
CHANGE IN NET POSITION	236,987
Net position, beginning of year	<hr/>
	202,442
Net position, end of year	<hr/>
	\$ 439,429
	<hr/>

See accompanying notes to financial statements.

Michigan Municipal Services Authority

STATEMENT OF CASH FLOWS

Year Ended September 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	\$ 3,543,542
Cash paid to suppliers	(3,136,711)
Cash paid to employees	(128,413)
Cash paid for employee benefits	<u>(9,471)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	268,947
Cash, beginning of year	<u>166,980</u>
Cash, end of year	<u><u>\$ 435,927</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 236,987
Adjustment to reconcile operating income to net cash provided by operating activities	
Decrease in:	
Due from other governmental units	232,014
Increase (decrease) in:	
Accounts payable	(205,336)
Accrued wages	3,552
Other accrued liabilities	<u>1,730</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 268,947</u></u>

See accompanying notes to financial statements.

Michigan Municipal Services Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Michigan Municipal Services Authority (the Authority) was established on August 1, 2012 pursuant to the Urban Cooperation Act of 1967, as part of an interlocal agreement between the City of Grand Rapids and the City of Livonia. The purpose of the Authority is to engage in cooperative activities with other public agencies on behalf of the two governmental entities.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

The following is a summary of the significant accounting policies:

1. Reporting Entity

The accompanying financial statements are exclusive presentations of the financial condition and results of operations of the Michigan Municipal Services Authority. The Authority is considered a component unit of the State of Michigan.

The Authority is controlled by a twelve member Board. The Governor shall designate a member of the Authority Board to serve as its Chairperson at the pleasure of the Governor. The Authority Board shall elect from among the serving members of the Authority Board a Vice-Chairperson of the Authority Board.

2. Basis of Presentation

The operations of the Authority are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. The Authority's resources are allocated to and accounted for in the individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund in the basic financial statements in this report is described as follows:

PROPRIETARY FUND

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

3. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement of Net Position. Fund equity (i.e., net position) is segregated into net investment in capital assets, restricted, and unrestricted components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The proprietary fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred, regardless of the timing of related cash flows.



Michigan Municipal Services Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**- CONTINUED**

4. Basis of Accounting - continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are contract fees to other governmental units for services provided. Operating expenses for the Authority include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. If/when both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

5. Cash

Cash consists of a checking account.

6. Due from Other Governmental Units

Due from other governmental units consist of amounts due from the State of Michigan and participating municipalities related to services provided.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The Authority currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently does not have any items that qualify for reporting in this category.

8. Comparative Data

Comparative data for the prior year have not been presented in the basic financial statements since their inclusion would make the statements unduly complex and difficult to read.

**NOTE B: CASH**

In accordance with Michigan Compiled Laws, the Authority is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.

Michigan Municipal Services Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE B: CASH - CONTINUED**

3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers acceptances of United States Banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Deposits

There is a custodial risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of September 30, 2015, the carrying amount of the Authority's deposits was \$435,927 and the bank balance was \$451,970, \$250,000 of which was covered by federal deposit insurance.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of September 30, 2015, the Authority did not have any investments that would be subject to rating by an NRSRO.

Interest Rate Risk

The Authority's investment policy does not address interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates.

Concentration of Credit Risk

The Authority's investment policy does not address concentration of credit risk, which is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer.

Custodial Credit Risk

The Authority's investment policy does not address custodial credit risk, which is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments that are in possession of an outside party.

**NOTE C: DUE FROM OTHER GOVERNMENTAL UNITS / CONTRACT REVENUE**

The Authority has entered into an agreement with the State of Michigan for specific shared services consolidation consulting and implementation services to provide a Virtual Health and Wellness Marketplace. Under this agreement the State provides funding in the amount of \$1,250,000 for initial startup costs to cover the first two years of operations, with one-year renewals. The Authority receives monies on a reimbursement basis under this agreement. As of September 30, 2015, the Authority had recognized \$782,758 under this agreement with \$48,028 due from the State of Michigan.

Michigan Municipal Services Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

**NOTE D: RISK MANAGEMENT**

The Authority is exposed to various risks of loss for liability and workers' compensation claims. For workers' compensation claims the Authority carries commercial insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in either of the past three (3) fiscal years.

Principals

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Michigan Municipal Services Authority  
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Michigan Municipal Services Authority (the Authority), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 7, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

March 7, 2016

## City of Detroit Major Activities by Month Segal Consulting

**Project Scope:** The original scope of the MMSA/City of Detroit project included the implementation of an online enrollment and eligibility system for ongoing use and the implementation of a customer service call center for the active and retiree open enrollment period, originally scheduled for November 2013 for both groups. The items in **bold** below indicate tasks that fall outside of the original project scope due to changes made by the City of Detroit. Some of these changes also resulted in additional programming by Benefit Express, which are managed through work orders. These work orders are also shown in **bold**.

These out of scope changes include the following:

1. The effective date for retiree benefits moved from 01/01/14 to 03/01/14 creating a requirement for a second open enrollment period. The second enrollment period extended the overall timeframe of support required by the Segal team due to planning and project management support, communication/data/system updates, support at retiree enrollment sessions, and our ongoing support of the call center.
2. The City's bankruptcy proceedings produced a settlement agreement that created the requirement for a third open enrollment period. The third enrollment period has further extended the overall timeframe of support required by the Segal team due to planning and project management support, communication/data/system updates, retention and support of a document verification vendor, and our ongoing support of the call center.
3. Complexities in the data needs of the City that were unforeseen at the outset of the project have also extended the timeframe for support required by the Segal team. The City moved from a completely manual benefits administration process to an automated enrollment system. As such, there are multiple factors that require ongoing tracking and support by the Segal team. For example, the City has a number of retirees who return to work as active employees. Per the City's eligibility rules, these people are eligible for benefits as an active employee and as a retiree. As such, they are currently set up with two accounts in Benefit Express. This causes inaccuracies from an audit perspective and may require additional programming to resolve.

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
August 2013	\$15,000	150	<ul style="list-style-type: none"> <li>• Online enrollment and eligibility vendor/customer service vendor review and negotiation</li> <li>• Benefit Express selected as vendor for both online enrollment/eligibility and customer service</li> </ul>
September 2013	\$15,000	307	<ul style="list-style-type: none"> <li>• Implementation of Benefit Express enrollment/eligibility system and call center begins</li> <li>• Implementation kick-off meetings/calls held with all carriers</li> <li>• Developed and edited retiree and active employee benefit communications</li> <li>• Twice weekly implementation/status calls with Benefit Express, City of Detroit and Segal begin</li> </ul>
October 2013	\$15,000	345	<ul style="list-style-type: none"> <li>• Twice weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Benefit Express enrollment site development               <ul style="list-style-type: none"> <li>○ Data requests from carriers</li> <li>○ Data requests from City of Detroit</li> <li>○ Finalize carrier group structures</li> <li>○ Finalize and test enrollment site</li> <li>○ <b>Added retiree paid dental and vision plans (7,200 non-Medicare retirees are provided a benefit where enrollment services must be provided)</b></li> </ul> </li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>○ <b>Work Order #6 – 10/23/2013: Add optional life and AD&amp;D coverage selection to the active open enrollment windows. Not included in original programming request.</b></li> <li>● Retiree informational meetings held – provided overview of new online system               <ul style="list-style-type: none"> <li>○ 12 sessions were held at the City of Detroit main office and at Macomb Community College</li> </ul> </li> </ul>
November 2013	\$15,000	323	<ul style="list-style-type: none"> <li>● Twice weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>● <b>Retiree open enrollment is postponed until 3/1/2014</b></li> <li>● Active employee open enrollment begins</li> <li>● Assisted with responses to call center questions and escalations</li> <li>● Develop monthly invoice and assist with work order processing</li> <li>● Active employee enrollment sessions held               <ul style="list-style-type: none"> <li>○ 15 sessions were held at multiple City of Detroit work locations for active employees to receive one on one assistance with enrollment on the new site.</li> </ul> </li> <li>● <b>Work Order #7A- 11/4/2013: Last minute system changes for open enrollment; includes retirement status code updates, BCBSM/CMS compliance updates, and changes to the retiree HAP Rx only plan.</b></li> <li>● <b>Work Order #8 – 11/5/2013: Additional ports required for toll-free phone line. Call volumes were 2.5 times higher than anticipated and caused the phone line to fail. Benefit Express had to add additional phone line ports in order to properly manage the call volume.</b></li> <li>● <b>Work Order #12 – 11/20/2013: Extension of the active open enrollment period to 11/22/2013.</b></li> <li>● <b>Work Order #13 – 11/21/2013: Extending call center support for 10 weeks. Added due to continued high call volume.</b></li> <li>● <b>Work Order #15 – 11/25/2013: Hiring six additional customer service reps for 4 weeks due to higher than expected call volume.</b></li> <li>● <b>Work Order #18 – 11/24/2013: Adding semi-monthly and monthly payroll schedules. These payroll schedules were not provided during system set-up.</b></li> </ul>
December 2013	\$15,000	273	<ul style="list-style-type: none"> <li>● Twice weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>● Data clean-up from active open enrollment</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Assisted with responses to call center questions and escalations. The call center was originally intended to be open only during the first enrollment period in November 2013. With the effective date change for retiree benefits, the call center continues to remain open and requires our ongoing support.</li> <li>• Planning for retiree open enrollment begins</li> <li>• Developed and edited new retiree benefit communications for 3/1/2014 effective date.</li> <li>• Secured new vendor for printing and mailing of retiree benefit communication, as the usual vendor was not able to accommodate the request over the holidays.</li> <li>• Develop monthly invoice and assist with work order processing</li> <li>• <b>Work Order #14 – 12/2/2013: Change opt-out credit for active employees from \$900 to \$950. The original calculation of the opt-out credit was incorrect. The change was made post-enrollment and applied to all affected records.</b></li> <li>• <b>Work Order #19 – 12/6/2013: Leave administration set-up, which includes two additional rate discriminators not originally included.</b></li> <li>• <b>Work Order #22 – 12/19/2013: Retiree open enrollment changes for new 3/1/2014 effective date.</b></li> </ul>
January 2014	\$15,000	282.75	<ul style="list-style-type: none"> <li>• Twice weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Active benefits are effective 1/1/2014</li> <li>• Data clean-up from active open enrollment continues</li> <li>• Develop monthly invoice and assist with work order processing</li> <li>• Maintain open and closed items logs</li> <li>• <b>Assisted with responses to call center questions and escalations. The call center was originally intended to be open only during the first enrollment period in November 2013. With the effective date change for retiree benefits, the call center continues to remain open and requires our ongoing support.</b></li> <li>• Coordinated and scheduled COD and Segal on-site representation for retiree enrollment sessions with BCBSM and HAP</li> <li>• Provided BCBSM and HAP representatives training on the Benefit Express enrollment site.</li> </ul>



## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• <b>Provided on-site assistance with retiree enrollment sessions</b> <ul style="list-style-type: none"> <li>○ 41 sessions were held across the City for retirees to receive one on one assistance with their enrollment in a City sponsored or individual plan.</li> </ul> </li> <li>• <b>Finalized and tested enrollment site for retiree enrollment</b></li> <li>• <b>Retiree open enrollment begins</b></li> </ul>
February 2014	\$15,000	246.75	<ul style="list-style-type: none"> <li>• Twice weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• <b>Data clean up from retiree open enrollment.</b></li> <li>• <b>Data clean up from active open enrollment continues. Some of these issues are more complex than originally anticipated which requires us track them on an ongoing basis.</b></li> <li>• <b>Assisted with responses to call center questions and escalations. The call center was originally intended to be open only during the first enrollment period in November 2013. With the effective date change for retiree benefits, the call center continues to remain open and requires our ongoing support.</b></li> <li>• Develop monthly invoice and assist with work order processing</li> <li>• <b>Work Order #28 –2/12/2014: Extension of 12 customer service reps through 3/28/2014.</b></li> </ul>
March 2014	\$15,000	181	<ul style="list-style-type: none"> <li>• Twice weekly implementation/status calls with Benefit Express and the City of Detroit</li> <li>• Maintain open and closed items logs</li> <li>• <b>Retiree benefits are effective 3/1/2014</b></li> <li>• <b>Data clean up from retiree open enrollment continues. Some of these issues are more complex than originally anticipated which requires us track them on an ongoing basis</b></li> <li>• <b>Data clean up from active open enrollment continues. Some of these issues are more complex than originally anticipated which requires us track them on an ongoing basis</b></li> <li>• <b>Assisted with responses to call center questions and escalations. The call center was originally intended to be open only during the first enrollment period in November 2013. With the effective date change for retiree benefits, the call center continues to remain open and requires our ongoing support.</b></li> <li>• <b>Developed weekly MAPD file reconciliation process</b></li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• BCBSM MAPD file reconciliation for managing deceased retirees/surviving spouses requires additional programming of the Benefit Express system</li> <li>• Planning for special enrollment period for retiree settlement changes begins for benefits effective 8/1/2014.</li> <li>• Work Order #29 – 3/4/2014: System set-up for special enrollment period for retiree settlement changes.</li> <li>• Work Order #32 – 3/18/2014: Add system option for benefits effective date of hire and/or file processing option for ad-hoc benefit effective dates.</li> <li>• Develop monthly invoice and assist with work order processing</li> </ul>
April 2014	\$15,000	263	<ul style="list-style-type: none"> <li>• Twice weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Planning for special enrollment period for retiree settlement changes continues</li> <li>• Retiree settlement agreement requires document verification for implementation of stipend changes. Hodges Mace selected as the vendor for this process.</li> <li>• Implementation activity with verification vendor begins</li> <li>• Assisted with responses to call center questions and escalations. The call center was originally intended to be open only during the first enrollment period in November 2013. With the effective date change for retiree benefits, the call center continues to remain open and requires our ongoing support.</li> <li>• Prepare data updates for Benefit Express system for special enrollment period.</li> <li>• Data clean up from retiree open enrollment continues. Some of these issues are more complex than originally anticipated which requires us track them on an ongoing basis</li> <li>• Work Order #34 – BCBSM MAPD File Reconciliation/Retiree Death Processing – 04/15/2014</li> <li>• Develop monthly invoice and assist with work order processing</li> </ul>
May 2014	\$15,000	260.25	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• <b>Draft and edit communication material for retirees regarding special enrollment period and verification process. Develop mailing lists for enrollment communication and verification process.</b></li> <li>• Prepare data updates for Benefit Express system for special enrollment period.</li> <li>• Assist with responses to call center questions and escalations. The call center was originally intended to be open only during the first enrollment period in November 2013. With the effective date change for retiree benefits, the call center continues to remain open and requires our ongoing support.</li> <li>• Data clean up from original retiree open enrollment continues. Some of these issues are more complex than originally anticipated which requires us track them on an ongoing basis</li> <li>• <b>Work Order #37 – Amendment to Work Order #29 – Fees due to late rates received, additional field required on stipend export file, payroll data updates for active employees – 05/16/14</b></li> <li>• <b>Work Order #38 - Transfer EMS to General City Benefits – 05/16/14</b></li> <li>• Develop monthly invoice and assist with work order processing</li> </ul>
June 2014	\$15,000	191.25	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• <b>Finalize and test enrollment site for special enrollment period</b></li> <li>• <b>Special enrollment period held from 06/09/14 – 06/20/14.</b></li> <li>• <b>Retiree stipend verification process held from 05/23/14 (date of notification) – 06/23/14.</b></li> <li>• Data clean-up from special enrollment period and stipend verification project begins</li> <li>• Data clean-up from active and retiree enrollment continues. Some of these issues are more complex than originally anticipated which requires us track them on an ongoing basis</li> <li>• Assist with responses to call center questions and escalations. The call center was originally intended to be open only during the first enrollment period in November 2013. With the addition of this</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<p><b>second retiree open enrollment, the call center continues to remain open and requires our ongoing support.</b></p> <ul style="list-style-type: none"> <li>• Develop monthly invoice and assist with work order processing</li> </ul>
July 2014	\$15,000	152	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• <b>Data clean-up from special enrollment period and stipend verification project continues</b></li> <li>• <b>Data clean up from retiree enrollment continues. Some of these issues are more complex than originally anticipated which requires us track them on an ongoing basis</b></li> <li>• <b>Assist with responses to call center questions and escalations. The call center was originally intended to be open only during the first enrollment period in November 2013. With the addition of this second retiree open enrollment, the call center continues to remain open and requires our ongoing support.</b></li> <li>• <b>Create stipend file to load to Benefit Express</b></li> <li>• <b>Create stipend file to load to pension and Flex-Plan that includes retroactive stipends</b></li> <li>• Assist with finalizing contract between MMSA and the City of Detroit</li> <li>• Develop monthly invoice and assist with work order processing</li> </ul>
August 2014	\$15,000	168.75	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Benefits from special enrollment period effective 8/1/2014.</li> <li>• Begin planning for active and retiree open enrollment, tentatively scheduled for 11/10/2014 – 11/21/2014 (e.g. finalize rates, plans, other changes)</li> <li>• <b>Negotiate new pricing terms with Benefit Express for the transition of the retirees to standalone VEBA administrators.</b></li> <li>• <b>Data clean up from special enrollment period continues</b></li> <li>• Assist with responses to call center questions and escalations.</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Develop monthly invoice and assist with work order processing</li> </ul>
September 2014	\$15,000	172.50	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Continue planning for active and retiree open enrollment, tentatively scheduled for 11/10/2014 – 11/21/2014</li> <li>• Training for COD Benefits Administration staff on ongoing processing in the Benefit Express system</li> <li>• Assist with documenting work order necessary for active and retiree open enrollment site changes</li> <li>• Draft and edit communication material and mailing lists for active and retiree open enrollment</li> <li>• Assist with responses to call center questions and escalations.</li> <li>• Coordinate with carriers on open enrollment material needed – SBCs, EOCs, benefit summaries, rates, etc.</li> <li>• Data updates for Benefit Express site for active and retiree open enrollment.</li> <li>• Develop monthly invoice and assist with work order processing</li> <li>• <b>Finalize pricing terms with Benefit Express for the transition of the retirees to standalone VEBA administrators</b></li> <li>• <b>Develop MMSA project budget estimates for 2014, 2015 and 2016 plan years</b></li> <li>• <b>Work Order #40 – BCN MAPD File Reconciliation/Retiree Death Processing</b></li> <li>• <b>Work Order #41 – Manual Employee Data Update Hourly Charges (Ongoing)</b></li> </ul>
October 2014	\$15,000	232.50	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Review and finalize work order for active and retiree open enrollment changes – Work Order #42 – 2015 Annual Enrollment Changes</li> <li>• Coordinate with carriers on open enrollment material needed – SBCs, EOCs, benefit summaries, rates, etc.</li> <li>• Set schedule for in-person open enrollment meetings for actives and retirees, coordinate with carriers on additional support needed, and conduct enrollment training with carriers, if needed</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Finalize and test enrollment site</li> <li>• Assist with responses to call center questions and escalations.</li> <li>• Develop monthly invoice and assist with work order processing</li> <li>• Finalize contract between MMSA and COD and MMSA and Benefit Express</li> <li>• <b>Begin planning for retiree transition to two separate VEBA administrators tentatively set for 04/01/15</b></li> </ul>
November 2014	\$15,000	150.50	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Active and retiree open enrollment begins – 11/10/2014 – 11/21/2014</li> <li>• <b>Work Order #43 - Extend open enrollment by nine days to 11/30/14</b></li> <li>• Assist with responses to call center questions and escalations.</li> <li>• Develop monthly invoice and assist with work order processing</li> <li>• Finalize contract between MMSA and Benefit Express</li> <li>• <b>Continue planning for retiree transition to two separate VEBA administrators effective 04/01/15</b></li> </ul>
December 2014	\$15,000	151.75	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree open enrollment data clean –up.</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice and assist with work order processing</li> <li>• <b>Work Order #44 - Update active Heritage Vision rates and contributions</b></li> <li>• <b>Add new “active” plan for non-Medicare police and fire surviving spouses and children and conduct another open enrollment</b></li> <li>• <b>Continue planning for retiree transition to two separate VEBA administrators effective 04/01/15</b></li> </ul>
January 2015	\$15,000	153.25	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree open enrollment and ongoing data clean –up.</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice and assist with work order processing</li> <li>• <b>Work Order #45 – Update to allow Medicare-eligible, duty disabled retirees to add dependents to dental and vision coverage</b></li> <li>• <b>Work Order #46 - Update to add Medicare information to retiree dental segments on BCBSM eligibility file</b></li> <li>• <b>Work Order #47 – Update BPIDs/group structure for BCBSM active eligibility file</b></li> <li>• <b>Add new “active” plan for non-Medicare police and fire surviving spouses and children and conduct another open enrollment. (Note – an additional open enrollment period was not necessary. This was a closed group of employees. Benefit changes were implemented for this group only).</b></li> <li>• <b>Continue planning for retiree transition to two separate VEBA administrators effective 04/01/15</b></li> </ul>
February 2015	\$9,275	92.75	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree open enrollment and ongoing data clean –up.</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• <b>Work Order #48 – Update to implement tracking for special classes of employees and implement a “waive” option for retiree medical coverage. Also to include an import file to fill in the new fields for the special classes as well as updating other data fields (married to another employee (duplicate SSN issue resolution), union local no, second address, etc.).</b></li> <li>• <b>Continue planning for retiree transition to two separate VEBA administrators effective 04/01/15</b></li> <li>• <b>Create eligibility and other data files for new VEBA administrators. The VEBAs began requesting data</b></li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<b>from Benefit Express in February 2015. This process is currently being reviewed and refined.</b>
March 2015	\$15,000	184.50	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree open enrollment and ongoing data clean –up.</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• <b>Continue planning for retiree transition to two separate VEBA administrators effective 04/01/15</b></li> <li>• <b>Create eligibility and other data files for new VEBA administrators. The VEBAs began requesting data from Benefit Express in February 2015. The City was provided with data and will coordinate all future data requests</b></li> <li>• <b>Work Order #49 – VEBA Transition Updates: Create new HRA plan to replace current stipend plan, update group structures for carriers where needed, and update 834 files where needed. Develop communication outlining the change for affected retirees</b></li> <li>• <b>Create production file for FlexPlan for new HRA plan</b></li> <li>• <b>Review duplicate SSN report, document necessary changes and provide data to clean up some of the duplicates (Work Order #48 import file)</b></li> </ul>
April 2015	\$12,225	122.25	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up.</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• <b>Coordinate with carriers (BCBSM, BCN, HAP, BCBSM dental, Golden Dental and Heritage Vision) to provide split billing to accommodate both VEBAs</b></li> <li>• <b>Review and document Audit #25 report to clean – up benefit class effective date issues</b></li> </ul>



## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Review and document discrepancies between April and May FlexPlan production files</li> <li>• Work Order #50 – Update BCN MAPD eligibility file to add retiree’s phone number</li> <li>• Assist with cleaning-up weekly audit reports from Benefit Express</li> <li>• Continue planning for retiree transition to two separate VEBA administrators effective 04/01/15</li> </ul>
May 2015	\$15,000	170.75	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up.</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Review and document discrepancies between May and June FlexPlan production files</li> <li>• Provide information to City of Detroit benefits manager on ACA hours tracking and reporting vendors; assist with scheduling demos of various systems</li> <li>• Provide coordination assistance between Benefit Express and the City for the implementation of the new Ultipro payroll/HRIS system.</li> <li>• Work Order #51 – Provide Medicare Advantage enrollment calls for BCBSM/BCN on a quarterly basis for auditing purposes</li> <li>• Coordinate with BCBSM dental to provide split billing to accommodate both VEBAs</li> <li>• Provide training to staff to clean-up benefit class effective date issues (Audit #25 report)</li> <li>• Develop import file (Work Order #48) to include married/dependent of another employee indicator with corresponding SSN, retiree special tracking classes indicator, pre-2015 retiree indicator, address corrections, union local number corrections</li> </ul> <p>(Note that additional hours in May were billed for other Segal staff members for the analysis and development for a proposed pooling arrangement for the VHWM, which does not apply to the City.)</p>
June 2015	\$11,025	110.25	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up.</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Begin review and update of active enrollment guides for the next open enrollment period</li> <li>• <b>Review and document discrepancies between June and July FlexPlan production files</b></li> <li>• <b>Provide information to City of Detroit benefits manager on ACA hours tracking and reporting vendors; assist with scheduling demos of various systems. BE has provided Work Order #52, if the City would like to use their ACA tracking and reporting capabilities.</b></li> <li>• <b>Work Order #53 - Provide coordination assistance between Benefit Express and the City for the implementation of the new Ultipro payroll/HRIS system</b></li> <li>• <b>Coordinate with BCBSM dental to provide split billing to accommodate both VEBAs</b></li> <li>• <b>Analyze catastrophic drug claim reports for retirees to determine reimbursement amounts (part of the settlement agreement)</b></li> </ul>
July 2015	\$14,200	142	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Continue to review and update the active enrollment guides for the next open enrollment period</li> <li>• <b>Review and document discrepancies between July and August FlexPlan production files</b></li> <li>• <b>Work Order #53 - Provide coordination assistance between Benefit Express and the City for the implementation of the new Ultipro payroll/HRIS system</b></li> <li>• <b>Maintain separate meeting minutes for the UltiPro project</b></li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• <b>Work Order #54 – System upgrade to add same-gender spouses to coverage</b></li> <li>• <b>Review data requests from police and fire retiree VEBA actuary</b></li> <li>• <b>Analyze catastrophic drug claim reports for retirees to determine reimbursement amounts (part of the settlement agreement)</b></li> </ul>
August 2015	\$15,000	174.50	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Begin preparation for open enrollment. Review issues from last year to determine next steps.</li> <li>• Continue to review and update the active enrollment guides for the next open enrollment period</li> <li>• <b>Review and document discrepancies between August and September FlexPlan production files</b></li> <li>• <b>Maintain separate meeting minutes for the UltiPro project</b></li> <li>• <b>Continue to analyze catastrophic drug claim reports for retirees to determine reimbursement amounts (part of the settlement agreement)</b></li> </ul>
September 2015	\$15,000	183.5	<ul style="list-style-type: none"> <li>• Bi-weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Continue preparation for open enrollment. Review issues from last year to determine next steps</li> <li>• Continue to review and update the active enrollment guides for the next open enrollment period</li> <li>• <b>Review and document discrepancies between September and October FlexPlan HRA production files</b></li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• <b>Maintain separate meeting minutes for the UltiPro project</b></li> <li>• <b>Work with BE to audit and prepare census and enrollment data files for each retiree VEBA</b></li> </ul>
October 2015	\$15,000	186.25	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Work Order #56 – Open Enrollment System Updates and Customer Service Support</li> <li>• Continue preparation for open enrollment. Review issues from last year to determine next steps.</li> <li>• Review, update and finalize active enrollment guides for the next open enrollment period</li> <li>• <b>Review and document discrepancies between October and November FlexPlan HRA production files</b></li> <li>• <b>Maintain separate meeting minutes for the UltiPro project</b></li> <li>• <b>Provide assistance with the review and updates to the Ultipro payroll deduction test files</b></li> <li>• <b>Work with BE to audit and prepare census and enrollment update data files for each retiree VEBA</b></li> </ul>
November 2015	\$15,000	165	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Work Order #61 – Extend Open Enrollment through 11/29/15.</li> <li>• Assist the city with post-open enrollment auditing and data clean-up</li> <li>• <b>Assist the City with the analysis of ScriptGuideRx proposal</b></li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• <b>Review and document discrepancies between November and December FlexPlan HRA production files</b></li> <li>• <b>Maintain separate meeting minutes for the UltiPro project</b></li> <li>• <b>Work with BE to audit and prepare refresh census and enrollment update data files for each retiree VEBA</b></li> <li>• <b>Assist the city with nondiscrimination testing</b></li> </ul>
December 2015	\$11,400 Included Preliminary actuarial work for the MMSA risk pooling project (\$1,200)	114	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports for active and retiree continued data clean –up</li> <li>• Assist with responses to call center questions and escalations</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Continue to assist the city with post-open enrollment auditing and data clean-up</li> <li>• <b>Assist the City/Benefit Express to finalize ACA reporting set-up as needed</b></li> <li>• <b>Continue to assist the City with the analysis of ScriptGuideRx proposal</b></li> <li>• <b>Work Order #62 – Employee data refresh file for ACA reporting (adding new field for distribution of form)</b></li> <li>• <b>Maintain separate meeting minutes for the UltiPro project</b></li> <li>• <b>Provide assistance with the review and updates to the Ultipro payroll deduction test files</b></li> <li>• <b>Work with BE to audit and prepare final census and enrollment data files for each retiree VEBA</b></li> <li>• <b>Assist the city with nondiscrimination testing</b></li> </ul>
January 2016	\$11,725 Included Preliminary actuarial work for the MMSA risk pooling project (\$3,500)	117.25	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports continued data clean –up</li> <li>• Assist with responses to call center questions and escalations as needed</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Assist the city with finalizing post-open enrollment auditing and data clean-up</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Assist the City/Benefit Express to finalize ACA reporting as needed</li> <li>• Continue to assist the City with the analysis of ScriptGuideRx proposal</li> <li>• Maintain separate meeting minutes for the UltiPro project and assist with status calls as needed.</li> <li>• Provide assistance with the review and updates to the Ultipro payroll deduction test files</li> <li>• Work with BE to audit and prepare final census and enrollment data files for each retiree VEBA</li> <li>• Assist the city with nondiscrimination testing</li> </ul>
February 2016	\$8,800 Included actuarial work for the MMSA risk pooling project (\$3,325)	88	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports continued data clean-up</li> <li>• Assist with responses to call center questions and escalations as needed</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Assist the city with finalizing post-open enrollment auditing and data clean-up</li> <li>• Assist the City/Benefit Express to finalize ACA reporting as needed</li> <li>• Continue to assist the City with the analysis of ScriptGuideRx proposal</li> <li>• Maintain separate meeting minutes for the UltiPro project and assist with status calls as needed.</li> <li>• Provide assistance with the review and updates to the Ultipro payroll deduction and census files.</li> <li>• Assist with the set-up of the Ultipro ACA reporting file.</li> </ul>
March 2016	\$9,275 Included actuarial work for the MMSA risk pooling project (\$1,075)	92.75	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports continued data clean-up</li> <li>• Assist with responses to call center questions and escalations as needed</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• Assist the City/Benefit Express to finalize ACA reporting as needed</li> <li>• Assist the City with locating a vendor to complete the 1094-C transmission</li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Continue to assist the City with the analysis of ScriptGuideRx proposal</li> <li>• Work Order #64 – Set up of new Rx option for LSA members (ScriptGuide). This is not final.</li> <li>• Maintain separate meeting minutes for the UltiPro project and assist with status calls as needed.</li> <li>• Provide assistance with the review and updates to the Ultipro payroll deduction, census and ACA files.</li> </ul>
April 2016	\$10,050 - includes \$6,150 - City of Detroit Support \$3,900 - Actuarial Work and New Program Development for the Risk Pool	81.00	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports continued data clean –up</li> <li>• Assist with responses to call center questions and escalations as needed</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• <b>Assist the City/Benefit Express to finalize ACA reporting as needed</b></li> <li>• <b>Assist the City/Benefit Express with ongoing system set-up for ACA reporting</b></li> <li>• <b>Assist the City with implementation of vendor to complete the 1094-C transmission</b></li> <li>• <b>Finalize analysis of ScriptGuideRx proposal</b></li> <li>• <b>Maintain separate meeting minutes for the UltiPro project and assist with status calls as needed.</b></li> <li>• <b>Provide assistance with the review and updates to the Ultipro payroll deduction, census and ACA files.</b></li> <li>• <b>Attend City Vendor meetings with BCBSM, HAP, Navia Benefits and CVS to collect FAQ’s for open enrollment material.</b></li> </ul>
May 2016	TBD	TBD	<ul style="list-style-type: none"> <li>• Weekly implementation/status calls with Benefit Express, the City of Detroit and Segal</li> <li>• Maintain open and closed items logs</li> <li>• Weekly status calls with the City of Detroit and Segal</li> <li>• Run and review audit reports continued data clean –up</li> <li>• Assist with responses to call center questions and escalations as needed</li> <li>• Develop monthly invoice, run corresponding census report and assist with work order processing</li> <li>• <b>Assist the City/Benefit Express to finalize ACA reporting as needed</b></li> </ul>

## City of Detroit Major Activities by Month Segal Consulting

Month	Segal Fees Invoiced to the MMSA	Total Hours	Major Activities
			<ul style="list-style-type: none"> <li>• Assist the City/Benefit Express with ongoing system set-up for ACA reporting</li> <li>• Assist the City and the selected vendor to complete the 1094-C transmission</li> <li>• Assist the City with development of HSA plan and a Minimum Value plan for certain contractors.</li> <li>• Finalize analysis of ScriptGuideRx proposal</li> <li>• Maintain separate meeting minutes for the UltiPro project and assist with status calls as needed.</li> <li>• Provide assistance with the review and updates to the Ultipro payroll deduction, census and ACA files.</li> <li>• Attend City Vendor meetings with BCBSM, HAP, Navia Benefits and CVS to collect FAQ's for open enrollment material.</li> <li>• Begin 2017 renewal process and data request to vendors</li> </ul>