



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## FROM THE OFFICE OF THE CITY MANAGER

---

May 6, 2019

To: Mayor and City Council Members

From: Mark F. Miller, City Manager  
Beth Tashnick, Office Manager

Subject: City Council Member Questions and Responses for the May 6, 2019 Council Agenda

---

I have discussed questions advanced by Mayor and Council with Staff, and responses are attached. Thank you for asking questions in advance of the meeting.

### **Subject: J-04C AWARD SPR3 EXERCISE RENEWAL OPTION - WORKERS' COMPENSATION RENEWAL**

#### **Question from: Council Member, Edna Abraham**

- The memo does not correspond to the content of the resolution where a renewal option would be exercised vs the memo referencing a bid waiver. (It looks like the 2018 memo was pulled into the agenda packet in error)

#### **Response provided by: Beth Tashnick, Office Manager**

Thank you for catching that. The incorrect electronic memo and resolution were submitted to the agenda for this item. The correct memo and resolution are attached to this document and will be laid on the table.

### **Subject: J-06 BID WAIVER - ELECTRICAL UTILITY INSTALLATION AT DAISY KNIGHT DOG PARK**

#### **Question from: Council Member, Edna Abraham**

- When will the restrooms at the dog park be available for the public to use?

#### **Response provided by: Kurt Bovensiep, Public Works Director**

The Daisy Knight Dog Park's restrooms will be available once DTE installs the necessary electrical service. DTE has begun the scheduling process but cannot commit to a date. It has been my experience that this could be another month. However, we have been working on this service since fall 2018 so it could be a bit longer than normal. We understand the importance of restrooms at this park and will continue to pressure DTE to provide timely service.

**Subject: P-02B TROY'S IMPLEMENTATION OF CHANGES TO ELECTION LAW**

**Question from: Council Member, Edna Abraham**

- With the anticipated increase of AV ballots, what is the estimated cost increase to a November election in presidential and non-presidential election years, for example?

**Response provided by: Aileen Dickson, City Clerk**

For the 2020 Budget, we requested \$300,000 for the purchase of an additional (3) Verity Central High-Speed Absentee Ballot Processing stations from Hart Intercivic, which will give us a total of 4 stations. The 4 stations will essentially create 4 separate Counting Boards, so the Personal Services for Election Inspectors was increased from an average of \$90,000 to approximately \$128,000 to accommodate additional staffing for the Counting Boards. We are (always) actively recruiting for the Election Inspector positions, and, ideally, we will be able to hire tech-saavy workers to operate the Central stations. The staffing increases will remain in all elections (odd-year November, even-year August primaries and November generals, and the Presidential Primary coming up in early 2020), with the only fluctuation being how many elections we have in a budget year. As far as actual AV ballots are concerned, we expect the number of absentee requests to spike each election through the 2020 Presidential General, then level off to a "new normal" for each type of election.

We have also requested \$40,000 in Elections Printing to cover the cost of a larger supply of AV ballot envelopes, and AV applications for the 2019 City General Election in November and the 2020 Presidential Primary in early 2020, and in preparation for the 2020 August Primary and 2020 Presidential Elections. Local clerks are required to pay for the odd-year November ballots, so our 2020 Budget request includes the cost of ballots for the City General Election in November, 2019. (The County Clerk pays for ballot printing in statewide elections.)

Finally, the Clerk Personal Services and Elections Personal Services requested amounts include an increase in overtime and part-time pay to accommodate the increase in AV ballot issuing and preparation. The number of part-time Election Aides hired for 5 weeks before each election to assist with AV ballots fluctuates according to the size of the election, typically 2 for City Generals and 4-6 for Presidentials. Our request for 2020 includes funding for 3 Election Aides for the City General and, going forward, our requests will be for 5-7 for Presidentials. The Clerk's Office employs 4 full-time employees, including the Clerk, who all work on AV ballot issuing and preparation. Overtime/comp-time amounts will increase as the AV ballot amounts increase. We expect that the "new normal" for City General AV ballot numbers could reach 10,000 (up from approx. 5,500) and for Presidentials it could reach 20,000 (up from approx. 15,000). The AV ballot season begins 75 days prior to each election, and the typical amount of AV-ballot related overtime per full-time Clerk's employee can reach 30 hours. With the new AV ballot law, the new voter registration law, and the additional hours required by law for AV ballot issuing, overtime demands are expected to increase accordingly, per election type.

**Subject: P-02A ORDINANCE CONCERN - MULTIPLE DRIVEWAY APPROACHES AND CIRCLE DRIVEWAYS**

**Questions from: Council Member, Ellen Hodorek**

Is it possible to revise the ordinance to ensure a second cut is specifically *for* a circle drive? The ability to do a second cut with a partial ribbon of driveway is out of place and nonconforming with what residents would expect to see in our neighborhoods.

Also, somewhat related: a resident recently shared with us via a hard copy handout at the council table a photograph of a neighbor who was parking vehicles across their yard, as well as on their driveway. I don't believe there is anything in our ordinances that necessarily prevents that, am I correct? But certainly most reasonable residents would expect that their neighbors would conform with a norm and not turn their front lawns into parking lots. Is it possible there is a solution/remedy council could consider to address this concern?

**Response provided by: Scott Finlay, Deputy City Engineer**

Chapter 33 – Public Right-of-Way, Section 4.16 Curb Cuts speaks to size and location of curb cuts and approaches in the right-of-way used to access private property. The ordinance does not speak to the type of the access primary, secondary or circle. Chapter 33 Section 4.16, item 4 limits the overall width of the approach within the right-of-way to 45% of the lot frontage in an attempt to curtail parking in the right-of-way. Changes to this ordinance would have no effect on what a private property owner could do on their private property.

There is not a current ordinance that addresses how much of a private property could be paved, if someone desired to pave their entire yard front and back they could. Creating an ordinance to address these issues would pose considerable challenges. How many non-conforming lots would be created, what is that economic effect on the property, will there be an appeal process, is it an infringement of personal property rights, other ordinances that would need to be updated as a result and other unattended consequences.

Troy as many different subdivisions within the city, all have their own unique characteristics there may not be a one size fits all ordinance to address the current concern. Subdivision restrictions (by-laws) might be the better place to address what is expected within a particular subdivision.

**Subject: GATEWAY SIGNAGE**

**Verbal Question from: Mayor Dane Slater**

What was the total contract amount for KMA Design of Pittsburgh? And, how much have we spent to this point?

**Response provided by: Beth Tashnick, Office Manager**

The original contract approved by City Council Resolution 2017-12-202-J-4b was for \$23,000.

The total amount expended so far is \$16,946.04 plus a current unprocessed invoice of \$566.25.



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM

Date: April 30, 2019

To: Mark F. Miller, City Manager

From: MaryBeth Murz, Purchasing Manager  
Tom Darling, Director of Financial Services  
Lisa Burnham, Accounting Manager  
Jeanette Menig, Human Resources Director

Subject: Award Standard Purchasing Resolution 3 – Exercise Renewal Option - Workers' Compensation Renewal

---

### History

- The Michigan Municipal League (MML) Workers' Compensation Fund currently provides Workers' Compensation coverage to the City. The MML began providing this coverage for the City of Troy in 1986.
- The City of Troy is one of the largest Members of the MML Workers' Compensation Fund.
- The MML provides coverage to more than 900 public entities throughout Michigan. This non-profit group was started in 1977.
- The MML Workers' Compensation Fund was started because the standard market did not want to provide coverage for police and fire and the rates were incredibly high.
- The MML Workers' Compensation Fund's Pay Lag was an average of 8 days for calendar year 2017 compared to the 16-day average for all of Michigan's 31 Group workers' compensation funds. This is the lowest average number of days of any of the Michigan Group funds. It shows the responsiveness of the MML Workers' Compensation Fund.
- The MML Workers' Compensation Fund is audited annually by the State of Michigan and continues to comply with all State requirements.
- The MML Workers' Compensation Fund audited Financial report can be found at [http://www.mml.org/insurance/fund/pdf/06\\_30\\_2018.pdf](http://www.mml.org/insurance/fund/pdf/06_30_2018.pdf)
- In 2003 city management in conjunction with insurance consultant Angelo J. Zervos conducted a study regarding Workers' Compensation Insurance and recommended subsequent annual renewal(s) with the MML Workers' Compensation Fund based on the following reasons:
  - Comparison of historical costs demonstrate that the MML Workers' Compensation Fund was lower in cost than self-insurance.
  - The MML Workers' Compensation Fund has special expertise in governmental insurance
  - Existing claim handling and loss control (provided by the MML Workers' Compensation Fund's service provider) Meadowbrook is of high quality.
- The State of Michigan requires the City of Troy to provide workers' disability compensation under Public Act 317 of 1969.



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## **CITY COUNCIL AGENDA ITEM**

### **History (continued)**

- The MML Workers' Compensation Fund in conjunction with Meadowbrook as the Third-Party Administrator continues to consistently provide:
  - Legal expertise, defense and related expenses
  - Loss control consultation and expertise
  - Claims handling services which are very specific to municipalities and specific to the City of Troy
  - Medical Bill Review that mitigates medical expenses.
  - Timely customer service to City management and injured employees
  - Responsive services that assist City staff communications with employees, administration and others
  - Knowledge specific to the City of Troy claims including long-term claims
  - When in the City's best interest, they actively monitor and initiate settlement on the City's behalf.

### **Purchasing**

The bid process is waived for the following reasons:

- The City has over 30 years of claims history with the MML Workers' Compensation Fund; most years have had an Experience Modifier less than 1.00, which is a positive indicator and rating which nets the City a discount. A detailed historical chart is below.
- The Experience Modifier is calculated based on 3.5 years of claims and payroll history by classification code. Claim detail is attached.
- This year's Declaration Page, which is attached shows the City's Experience Modifier at 1.23.
- The Experience Modifier increased because of the increased claim costs.
- Note that the Experience Modifier is calculated on a 3.5-year basis. Eight large 2015 claims will fall off next year.
- The City of Troy continues to benefit from the expertise of the MML in the unique provisions of Workers' Compensation that specifically apply to Police Officers and Firefighters.
- If the City were to enroll with a different carrier, current dividends would be frozen for a minimum of 2-3 years.
- A different carrier would necessitate City management to work with multiple Third-Party Administrators. New claims would be determined by the new insurance company and existing claims would still be handled by the MML.

### **Financial**

- The City is in receipt of the renewal package from the MML Workers' Compensation Fund which includes a dividend credit attributable to Fund members overall.
- The City will receive a dividend credit of \$158,680.



## CITY COUNCIL AGENDA ITEM

### Financial (continued)

- The renewal premium for FY 2019-2020 is \$652,806 (net of dividend credit). Premium history is detailed below:

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Total Standard Premium	\$542,786	\$569,964	\$625,360	\$629,141	\$678,559	\$718,126	\$711,458
Payroll:	Audited	Audited	Audited	Audited	Audited	Estimated	Estimated
Experience Modifier	0.97	0.86	0.85	1.01	0.81	1.01	1.23
Experience Modifier Credit	-\$16,284	-\$79,795	-\$93,804	\$6,291	-\$128,926	\$7,181	\$163,635
Size of Premium Credit	-\$37,613	-\$34,888	-\$37,992	-\$45,782	-\$39,347	-\$52,523	-\$63,757
Expense Constant	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Total Estimated Premium	\$489,039	\$455,431	\$493,714	\$589,800	\$510,436	\$672,934	\$811,486
Dividend Credit	-\$222,443	-\$158,002	-\$156,292	-\$136,036	-\$147,682	-\$147,004	-\$158,680
Net Estimated Annual Premium	\$266,596	\$297,429	\$337,422	\$453,764	\$362,754	\$525,930	\$652,806

- Rates change annually, but the MML Workers' Compensation Fund works to maintain rate stability from year to year. For 2019/2020, average rates are down by approximately 0.47%.
- Premium cost fluctuates predicated upon the City's payroll by classification code. There is a greater change in premium when employees are added or reduced in the higher risk classes such as Street Operations, Fire, Police and Building Operations.
- The relevant indicator is the Experience Modifier which reflects the City's performance with loss control, return to work programs and overall safety training and performance.
- \$536,450 is budgeted for the 2019-2020 premium cost.



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## **CITY COUNCIL AGENDA ITEM**

### **Recommendation**

City management recommends it is in the City's best interest to waive the bid process and continue the relationship with the Michigan Municipal League Workers' Compensation Fund. It is recommended that City Council approve the renewal of the City's Workers' Compensation Fund for the net cost of \$652,806 as detailed in the attached Michigan Municipal League Workers' Compensation Fund Declaration Page for the Fiscal Year 2019/2020.

**Michigan Municipal League Workers' Compensation Fund**

03/28/2019

Declaration Page

5000410-19

City of Troy  
 Attn: Lisa Burnham  
 500 W. Big Beaver  
 Troy, MI 48084

Coverage Period 7/1/2019 to 6/30/2020  
 RENEWAL

<b>Class Code</b>	<b>Class Description</b>	<b>Estimated Annual Payroll</b>	<b>Rate per \$100 of Payroll</b>	<b>Estimated Annual Premium</b>
5509-00	Street Operations	1,465,544	7.23	105,959
7382-00	Transit Authority/Dial-A-Ride Drivers	144,768	4.44	6,428
7520-00	Water Operations	1,567,689	3.67	57,534
7704-01	Firefighters	927,493	4.35	40,346
7704-02	Volunteer/On-Call Firefighters	79,000	7.70	6,083
7720-01	Police Officers	11,812,886	2.77	327,217
8395-00	Garage Operations	796,210	3.31	26,355
8810-01	Clerical-Office	6,663,024	0.44	29,317
8810-02	Elected Officials	36,400	0.23	84
8810-03	Libraries & Museums: Prof/Clerical	1,735,021	0.30	5,205
8820-00	Attorneys/Judges	418,783	0.31	1,298
9015-00	Building Operations	578,154	4.36	25,208
9102-00	Parks & Recreation	1,968,082	2.95	58,058
9103-00	Crossing Guards	36,976	3.78	1,398
9104-00	Lifeguards	235,891	1.75	4,128
9410-00	Municipal Employee	2,053,677	0.82	16,840
	<b>Totals:</b>	<b>\$30,519,598</b>		<b>\$711,458</b>

Coverage Amount

Employers Liability: \$2,000,000  
 Workers' Compensation: STATUTORY

<b>Premium To Be Billed on Installments:</b>	<b>\$652,806</b>
--	------------------

Total Standard Premium	\$711,458
Experience Modifier: 1.23	\$163,635
Modified Premium	= \$875,093
Size of Premium Credit	(\$63,757)
Expense Constant	\$150
Total Estimated Premium	= \$811,486
(Dividend Credit)	(\$158,680)
<b>NET ESTIMATED ANNUAL PREMIUM</b>	<b>= \$652,806</b>

**STANDARD PURCHASING RESOLUTION 3: - Exercise Renewal Option – One (1) Year Renewal with the MICHIGAN MUNICIPAL LEAGUE Workers’ Compensation Fund – Workers’ Compensation Insurance**

WHEREAS, Michigan Municipal League Workers’ Compensation Fund is currently and successfully providing the City of Troy’s Workers’ Compensation Insurance; and

WHEREAS, the City is in receipt of a renewal package from the Michigan Municipal League Workers’ Compensation Fund which includes a dividend credit attributable to Fund members overall, with a 1.23 Experience Modification factor and a dividend credit of \$158,680; a copy of which is ATTACHED; and

WHEREAS, the City’s annual premium will be \$652,806; City Administration recommends approval of the one year renewal is in the best interest of the City; and

NOW THEREFORE, BE IT RESOLVED, That the Troy City Council AGREES to renew the Agreement with the Michigan Municipal League Workers’ Compensation Fund for Workers’ Compensation Insurance and AUTHORIZES payment in an amount not to exceed the annual premium of \$652,806 for one (1) year and AUTHORIZES the City Attorney to execute any documents necessary for the renewal of the Agreement with the Michigan Municipal League Workers’ Compensation Fund; contract to expire June 30, 2020.

cc: Mark F. Miller, Acting City Manager  
Tom Darling, Financial Services Director  
Lori Grigg Bluhm, City Attorney  
Table

BT\Agenda\2019\5.6.19 – Council Questions and Responses