

BUDGET UPDATE: (continued)

DWSD has been working with the City of Detroit's Budget and Finance Departments to gain a better understanding of the computation of our Unfunded Actuarial Accrued Liability (UAAL) for the past two (2) years. In discussions with City Council before its winter recess, the City amended its budget to address unbudgeted UAAL liability for the 2011-2012 Fiscal Year as well as the 2012-2013 Fiscal Year. In total, the impact to DWSD for these two years of unbudgeted expense is roughly \$25 million. DWSD is reviewing the impact of this change on our current budget, and will advise the Board on any budget amendments for the current year that may be necessary upon completing our review.

ORGANIZATION OPTIMIZATION

Through a call for volunteers and a nomination process, employees were selected for the five (5) job design teams which began their efforts last week. We were very pleased at the level of employee interest and enthusiasm with more than 3 times the number of volunteers that could be included in this first effort. Additional opportunity for input will be available as teams call upon other employees for details of the work they perform. In addition, there will be additional opportunity for volunteers as we move to the piloting stage in job design.

EMA held an all day orientation session for the teams, Monday December 10th, for the teams to have a common understanding of the work to date in the assessment that was conducted, and the process they will be engaging in on job designs. All of the design teams are now meeting to document the as-is work practices. That effort will continue through mid-January.

In addition to the efforts the team members will make to reach out to employees in their work areas, we have established an email address for sharing ideas with us as we move forward in our efforts to improve our services while constraining our costs. dwsd-orgopt-project@dwsd.org. We will post this online as well as on bulletin boards across the Department.

After the first of the year, we will identify those areas that we will begin RFP development for consideration of outsourcing. Consistent with our commitment to employees who may be impacted, we will advise employees if we are preparing an RFP that includes their work. We will also outline the process for receiving proposals, including those by employees.

LABOR UPDATE:

We held one negotiation session with AFSCME, and have an additional session scheduled this week.

Contract signings have continued throughout the month with Bargaining Units with settled contracts. Where applicable, signing bonuses are available to represented employees as contracts have been executed.