



Waganakising Odawak
Little Traverse Bay Bands of Odawa Indians
7500 Odawa Circle, Harbor Springs, Michigan 49740
Phone 231-242-1401 • Fax 231-242-1412

TO: LTBB Tribal Council

FROM: Fred Kiogima, Chairman

FK

DATE: September 29, 2014

RE: EXECUTIVE RESPONSE TO TRIBAL COUNCIL REQUEST TO GO TO WEEKLY PAYROLL

Thank you for the opportunity to allow the Executive Branch to do our due diligence to fully investigate Tribal Council's request to return to weekly payroll versus bi-weekly payroll so we can have as informed discussion as possible before the Executive makes a decision to implement any change.

We believe that it is most important and responsible to look at the total picture and do our due diligence in fully researching all the potential ramifications and impact not only the financial, but the political as well as the unintended consequences if making a change in the payroll period.

As we face difficult decisions as elected officials and responsible stewards of the 4570 LTBB citizens and their assets, we feel duty bound to pose the following question, ***"How do we balance our fiscal responsibility to the 4570 citizens with our responsibility to the 203 employees?"***

Areas of concern the Executive sees when looking at the bigger picture, begins with the overall impact that a budget increase will have overall. Based on Tribal Council's Treasury Director's Financial Impact Analysis, returning to a weekly payroll is projected to cost an additional \$60,000, which will increase the annual operating costs when we all know that revenues are declining. This decline is also at a time when the recent casino refinance with Wells Fargo increases the annual repayment obligation AND that this agreement also requires that the bank get its money first!

It should also be noted that the Executive has seen this coming and has implemented cut backs in the approved 2014 Approved Budget as well as 2015 and in preparing for 2016. We know that we simply cannot continue to increase our annual operating costs in one area without taking into consideration where the reduction will be to accommodate any such increase. Any failure to focus on containing operating costs when we all know that the casino revenues have continued to decline each month as compared to 2013 is setting us all up for a major downfall...especially knowing that council chose to set up the Executive to go into FY '16 with *at least* a \$1.3M deficit in the Health Park Budget reasoning that a supplemental could be requested.

Regardless of this intended shortfall, overall it is most unwise to spend down on any reserve dollars to consistently supplement annual ongoing operational costs. Your reserve fund would be depleted in no time with no ability to handle unforeseen emergencies, which leads me to another area that has been impacted by budget cuts. The Executive vetoed the initial 2015 budget requesting an additional \$250,000, which council approved, but turned around and cut deeper into the Executive's 2015 Budget intentionally stripping the CIP Budget down to \$150,000, when we know just fixing/replacing equipment and deferred maintenance failures this year alone has far exceeded that amount. This line item will continue to increase because of years of deferred maintenance forcing us into an emergency response mode to fix/replace outworn equipment in each of the 5 main buildings. Even though we are developing a strategic plan to help get us out of this emergency response cycle, we will need significantly more than the \$150,000 budgeted to achieve any amount of success.

As responsible stewards, the Executive has worked to contain rising annual operating costs in view of the immediate and long term revenue reductions by bringing COLA and insurance costs more in line so we can minimize any potential layoffs as a result of those revenue shortfalls.

In addition, returning to weekly payroll would also have a significant impact on our Human Resources Department. Weekly payroll would limit HR's data entry days to Thursday and Friday; turnaround time for HR Authorization forms requiring supervisor's signatures can take up to a week to return, thus interfering with getting new employee info entered in time for the payroll process; company sponsored and elective benefit deductions would need to be recalculated and re-entered into the Abilia for every employee. Please see attached memo.

In closing, the bottom line for us because of the declining revenues and the current 2015 deficit, as cited above, very difficult decisions will seriously need to be made on where to make cuts. It is entirely possible that this bottom line will translate into necessary layoffs somewhere, so adding the position to reinstate weekly payroll will ultimately force the elimination of a comparable position elsewhere because of budget these restrictions...is that Council's desire and intent?

If so, perhaps we should consider implementing a survey of all employees to see what they would want us to do as a majority if they knew what the actual and absolute cost was to implement a weekly payroll.

It should also be noted regarding the timeline that it would take 4-6 months to implement any such change as the position would need to be posted, interviewed, hired and trained BEFORE weekly payroll distribution could happen.

We look forward to discussing this item further with Tribal Council so that we can all understand the gravity and complex nature of the full impact of the ramifications (and unintended consequences) before a decision is made.

Attachments:

CFO Memo RE: *Cost of implementing Weekly Payroll instead of Bi-Weekly*

HR Director Memo RE: *Weekly Payroll*

CFO Financial Impact Statement to *convert to Weekly Compensation from Bi-Weekly*

Treasury Director's Financial Impact Statement – *Estimated Additional Costs for going from 2-week pay Period to Weekly Paychecks* and Email dated 9-17-14

Accounting Department – *Payroll Clerk Time Study*

Memorandum

To: **Debbie DeLeon, Vice-Chairperson**
From: Carrie Carlson, Chief Financial Officer
Date: September 22, 2014
Regarding: Cost of implementing Weekly Payroll instead of Bi-Weekly

Vice-Chair DeLeon,

This memo is in response to the request from Tribal Council for the Executive to give the Legislative Branch a Financial Impact Statement on the implementation of weekly payroll, versus our current bi-weekly system. Please note my analysis is attached. The addition of a Payroll Technician could cost LTBB anywhere from \$57,575 to \$60,446 in the first year, and would cost the LTBB Accounting Department \$68,382. By comparison, Council, Executive and Judicial approved the COLA decrease, effective January 1, 2014, from a 4% minimum to a 1.5% minimum. The cost savings for this measure was anticipated to equal \$141,500 in 2014, or \$56,600 per 1% COLA decrease.

To further expand on the specific costs contributing to an increase, please be aware hiring another Payroll Technician will impact the salaries line item first and the fringe line item second. Starting a staff member at the bottom of Level 4 will increase salaries and fringe by \$44,694.50.

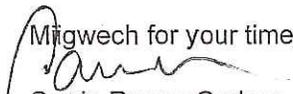
In addition, this person would need a workstation. As our office space is currently maxed out in the Accounting Department we would have to move around several departments to effectively set up a payroll office. We would have to purchase a desk and worktop, as well as an office chair, a computer, a printer and a desk telephone. Ancillary supplies would also have to be purchased.

If we hire another Payroll Technician I would like them to obtain the Certified Payroll Professional designation (CPP), offered through the American Payroll Association (APA). To earn the CPP, you must pass an exam that covers knowledge of core concepts like taxes and benefits; compliance issues; calculation methods; payroll systems; and accounting, management and administration issues, such as policies, procedures and auditing. Once you have obtained the CPP designation, you are subject to re-certification requirements of 120 credit hours of continuing education per year. This will impact the travel and training line item.

The analysis by the Office of the Treasury stated they had not accounted for "efficiencies created by the Sage accounting system". Please be aware the implementation of SAGE software did not, nor did we expect it to, create any efficiencies within the payroll system. Electronic timesheets were implemented as the software offered the option at no additional cost, and it demonstrated great convenience for staff in outlying buildings, as they did not have to worry about sending over a staff member to deliver paper timesheets on Mondays and it offered employees the option to access their payroll history directly.

Please be aware our 2015 approved budget is funded for our current staffing levels as is our 2016 requested budget. Should Council implement a mandated weekly payroll we will need supplemental funds for 2015 in the amount listed above. Our implementation phase would include drafting an updated job description, posting the position, hiring a qualified candidate, fully training the candidate, and evaluating the candidate's performance for ability and aptitude. This implementation phase, as well as transitioning employees and their related deductions, would most likely take a minimum of 6 months from the time we receive notice of a weekly payroll requirement until we could actually begin compensating staff weekly.

Migwech for your time,



Carrie Renee Carlson
Chief Financial Officer

Cc: Michele LaCount, Legislative Office Manager
Rebecca Atkinson, Executive Office Manager
Cheryl Kishigo-Lesky, Controller
Michael Garrow, Treasury Director

Financial Impact Statement to convert to Weekly Compensation from Bi-Weekly

1. Angela does all the payroll administration by herself and is currently overworked with Bi-Weekly Payroll tasks
2. When payroll checks were distributed weekly, there was an additional payroll technician (J. Searles) to assist Angela
3. When the additional technician was terminated the position was eliminated and LTB moved to Bi-Weekly payroll as a cost-savings in
4. The Office of Treasury stated their Analysis "Does not account for efficiencies created by the Sage accounting system". SAGE/ABILA
5. To double the number of checks would most likely increase the workload by 95%, requiring an additional Payroll Technician
6. Notification of a Weekly Payroll Mandate would take about a 6 month implementation process, 3 months for recruiting and 3 months to
7. Analyzed at 35 checks and 200 direct deposits issued per pay period.

Additional Costs for Weekly Payroll

Costs related to addition of a Payroll Technician with a Start Date of 07/05/2015					
Salary, Level 4 (Annual)	31,475.00	31,947.13	32,426.33	32,912.73	33,406.42
Fringe (Annual)	13,219.50	13,417.79	13,619.06	13,823.35	14,030.70
Desk Phone (Every ten years)	600.00				
Miscellaneous Office Supplies & Printer Ink	675.00	300.00	325.00	350.00	375.00
Computer (Every three years)	2,492.64			2,741.90	
Printer (Every five years)	399.50				
Training 1 online course & 1 in person course	2,213.00	2,323.65	2,439.83	2,561.82	2,689.92
Desk Chair (Every ten years)	400.00				
Office Furniture (Every twenty years)	6,100.00				
Subtotal - Cost of New Staff	57,574.64	47,988.57	48,810.22	52,389.80	50,502.03
Increase Checks/Envelopes (Annual)	1,683.10	1,716.77	1,751.10	1,786.12	1,821.85
Increase in Bank Fees (Annual)	1,251.12	1,276.14	1,301.67	1,327.70	1,354.25
Subtotal - Cost of Actual Checks	2,934.22	2,992.91	3,052.77	3,113.82	3,176.10
Overall Cost to Tribe	60,508.86	50,981.48	51,862.99	55,503.62	53,678.13

Costs Specific to the Accounting Department
 Increased Space Costs as a Cost Recovery
 Pool this affects Accounting Department only,
 not the tribe as a whole unless additional
 office space overall is procured. A staff
 addition will require another Department to
 relocate and consolidate office space so
 Accounting can implement a workable
 Space Costs (16 x 16 foot)

Overall Cost to Accounting Department

	7,936.00	8,015.36	8,095.51	8,176.47	8,258.23
Assumed a 1% rise in space costs					
Subtotal	68,444.86	58,996.84	59,958.50	63,680.09	61,936.36

54,408.86

Angela is Level 5 (Starts at 36,121)

More in the beginning to get set up
 Assumed 10% rise in computer prices in three years

Assumed 5% rise in Travel/Training Costs each year
 Would try to find items in storage to use instead.

Assumed a 2% rise in prices each year

PNC charges per DD, per check: 2012 rates

Memo from:
Denise Petoskey, Human Resources Director
Little Traverse Bay Bands of Odawa Indians
7500 Odawa Circle
Harbor Springs, MI 49740
Tele: (231) 242-1561
Fax: (231) 242-1565
Email: dpetoskey@ltbbodawa-nsn.gov



Date:	Monday, September 29, 2014
To:	LTBB Chairman, Fred Kiogima
RE:	Weekly Payroll

Please take note of the following Human Resources Department concerns related to returning to weekly payroll.

1. Weekly payroll would limit our data entry days to Thursday and Friday, as HR cannot make any changes to employee information within Abilia while payroll is in process.
2. HR Authorization forms still require supervisors to sign a paper form and return to HR for authorizations. These forms can sometimes take up to a week to return. Employees whose forms are not returned in a timely fashion could miss the payroll window.
3. Employees must be entered in to Abilia (see authorizations above) to have a timesheet in EWS.
4. Company sponsored benefits and elective benefit deductions would need to be recalculated and re-entered into Abilia for every employee.

Please contact me if you have additional questions.

Financial Impact Statement to convert to Weekly Compensation from Bi-Weekly

1. Angela does all the payroll administration by herself and is currently overworked with Bi-Weekly Payroll tasks
2. When payroll checks were distributed weekly, there was an additional payroll technician (J. Searles) to assist Angela
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Additional Costs for Weekly Payroll

Costs related to addition of a Payroll Technician with a Start Date of 01/05/2015						
Salary, Level 4 (Annual)	31,475.00	31,947.13	32,426.33	32,912.73	33,406.42	Angela is Level 5 (Starts at 36,121)
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Desk Phone (Every ten years)	600.00					
Miscellaneous Office Supplies & Printer Ink	675.00	300.00	325.00	350.00	375.00	More in the beginning to get set up
Computer (Every three years)	2,492.64			2,741.90		Assumed 10% rise in computer prices in three years
Printer (Every five years)	399.50					
Training 1 online course & 1 in person course	2,213.00	2,323.65	2,439.83	2,561.82	2,689.92	Assumed 5% rise in Travel/Training Costs each year
Desk Chair (Every ten years)	400.00					
Office Furniture (Every twenty years)	6,100.00					Would try to find items in storage to use instead.
Subtotal - Cost of New Staff	57,574.64	47,988.57	48,810.22	52,389.80	50,502.03	
Increase Checks/Envelopes (Annual)	1,683.10	1,716.77	1,751.10	1,786.12	1,821.85	Assumed a 2% rise in prices each year
Increase in Bank Fees (Annual)	1,251.12	1,276.14	1,301.67	1,327.70	1,354.25	PNC charges per DD, per check: 2012 rates
Subtotal - Cost of Actual Checks	2,934.22	2,992.91	3,052.77	3,113.82	3,176.10	
Overall Cost to Tribe	60,508.86	50,981.48	51,862.99	55,503.62	53,678.13	

Costs Specific to the Accounting Department
 Increased Space Costs as a Cost Recovery
 Pool this affects Accounting Department only, not the tribe as a whole unless additional office space overall is procured. A staff addition will require another Department to relocate and consolidate office space so Accounting can implement a workable floor plan.

Space Costs (16 x 16 foot)	7,936.00	8,015.36	8,095.51	8,176.47	8,258.23	Assumed a 1% rise in space costs
Overall Cost to Accounting Department	68,444.86	58,996.84	59,958.50	63,680.09	61,936.36	

54,408.86

Financial Impact Statement - Estimated Additional Costs for going from 2-week pay Period to Weekly Paychecks
Office of the Treasury

Assumptions from FY2012

1. Angela does all the payroll administration by herself and is fully utilized with current payroll system demands
2. When payroll checks were distributed weekly, there was an additional payroll technician (Jessica Searies) to assist Angela
3. Add'l technician position (Jessica Searies) eliminated / precipitated by the move to bi-weekly checks
4. Estimated 4 hours per pay period stuffing envelopes with pay checks
5. Does not account for efficiencies created by the Sage accounting system
- 6 # checks processed in a payroll cycle is approximately 236
- 7 To double the number of checks would most likely double the workload and require an additional Payroll Technician

Indirect Accounting Fund (2000-0-01)

	Thru 9/17/14	Less: Non- people related expenses	Adj Y/E 2013	
Salaries	\$ 306,919.39		\$ 306,919.39	
Fringe	\$ 112,417.02		\$ 112,417.02	60.8%
Travel	\$ 9,721.31		\$ 9,721.31	5.3%
Training	\$ 4,804.00		\$ 4,804.00	2.6%
Supplies and Maintenance	\$ 4,725.36		\$ 4,725.36	2.6%
Computers	\$ 5,291.07		\$ 5,291.07	2.9%
Reproduction	\$ 3,642.95		\$ 3,642.95	2.0%
Postage	\$ 1,518.91		\$ 1,518.91	0.8%
Cell Phones	\$ 623.63		\$ 623.63	0.3%
Telephone				0.0%
Dues and Subscriptions	\$ 360.00		\$ 360.00	0.2%
Advertising				0.0%
Professional Licenses				0.0%
Background Investigations	\$ 512.96		\$ 512.96	0.3%
Equipment < 5K Purchase	\$ 619.33		\$ 619.33	0.3%
Space Costs	\$ 38,498.84		\$ 38,498.84	20.8%
Software, Maint. Agreements	\$ 2,201.00		\$ 2,201.00	0.0%
Other Minor Expenses	\$ 1,309.98		\$ 1,309.98	0.7%
Bank Service Charges	\$ 12,125.81		\$ 12,125.81	0.0%
Program Materials	\$ 869.80		\$ 869.80	0.5%
Consultants for Programs	\$ 67,644.37		\$ 67,644.37	0.0%
Equipment Lease	\$ 2,214.72		\$ 2,214.72	0.0%
	\$ 576,020.45	\$ 84,185.90	\$ 491,834.55	266.0%

60.2% Cost / Employee DL \$

Cost of Bi-Weekly Checks - 1 FTE for Lead Payroll Technician			
	10/1 through 12/31/14	1/1/15 through 12/31/15	
Payroll Technician Salary	\$ 10,520.93	\$ 39,663.91	
Plus Other Expenses	\$ 6,338.73	\$ 23,897.02	
Total All Payroll expenses:	\$ 16,859.66	\$ 63,560.92	
Cost of Weekly Checks - 2 FTE's including Lead Payroll Technician plus 1 add'l technician			
	10/1 through 12/31/14	1/1/15 through 12/31/15	
Payroll Technician Salary	\$ 10,520.93	\$ 39,663.91	
Support Technician Salary	\$ 9,423.08	\$ 35,000.00	
Subtotal Salary Expense	\$ 19,944.01	\$ 74,663.91	
Plus Other Expenses:	\$ 12,016.02	\$ 44,984.09	
Total All Payroll expenses:	\$ 31,960.03	\$ 119,647.99	
Add'l cost for Support Technician	\$ 15,100.36	\$ 56,087.07	

Financial Impact Statement - Estimated Additional Costs for going from 2-week pay Period to Weekly Paychecks
Office of the Treasury

Assumptions from FY2012

1. Angela does all the payroll administration by herself and is fully utilized with current payroll system demands
2. When payroll checks were distributed weekly, there was an additional payroll technician (Jessica Seattles) to assist Angela
3. Add'l technician position (Jessica Seattles) eliminated / precipitated by the move to bi-weekly checks
4. Estimated 4 hours per pay period stuffing envelopes with pay checks
5. Does not account for efficiencies created by the Sage accounting system
6. # checks processed in a payroll cycle is approximately 236
7. To double the number of checks would most likely double the workload and require an additional Payroll Technician

Indirect Accounting Fund (2000-0-01)

	Y/E 2013	Less: Non-people related expenses	Adj Y/E 2013	
Salaries	\$ 393,871.78		\$ 393,871.78	57.2%
Fringe	\$ 148,346.56		\$ 148,346.56	5.6%
Travel	\$ 14,521.69		\$ 14,521.69	3.6%
Training	\$ 9,221.00		\$ 9,221.00	4.0%
Supplies and Maintenance	\$ 10,360.69		\$ 10,360.69	3.6%
Computers	\$ 9,258.31		\$ 9,258.31	1.4%
Reproduction	\$ 3,514.06		\$ 3,514.06	
Postage	\$ 793.14		\$ 793.14	0.3%
Cell Phones	\$ 888.24		\$ 888.24	0.3%
Telephone	\$ 1,050.56		\$ 1,050.56	0.4%
Dues and Subscriptions	\$ 367.50		\$ 367.50	0.1%
Advertising	\$ 1,048.65		\$ 1,048.65	0.4%
Professional Licenses	\$ 5,146.41	\$ 4,946.41	\$ 200.00	0.1%
Background Investigations	\$ 2,255.51		\$ 2,255.51	0.9%
Equipment < 5K Purchase	\$ 1,720.36		\$ 1,720.36	0.7%
Space Costs	\$ 55,151.78		\$ 55,151.78	21.3%
Equipment Repair and Maintenance	\$ 12,779.61	\$ 12,779.61	\$ -	0.0%
Other Minor Expenses	\$ 3,921.02	\$ 3,151.70	\$ 769.32	0.3%
Bank Service Charges	\$ 15,878.06	\$ 15,878.06	\$ -	0.0%
Consultants for Programs	\$ 92,686.26	\$ 92,686.26	\$ -	0.0%
Equipment Lease	\$ 2,054.00	\$ 2,054.00	\$ -	0.0%
	\$ 784,845.19	\$ 131,506.04	\$ 653,339.15	251.8%

65.9% Cost / Employee DL \$

Cost of Bi-Weekly Checks - 1 FTE for Lead Payroll Technician			
	10/1 through 12/31/14	1/1/15 through 12/31/15	
Payroll Technician Salary	\$ 10,520.93	\$ 39,663.91	
Plus Other Expenses	\$ 6,930.78	\$ 26,129.03	
Total All Payroll expenses:	\$ 17,451.71	\$ 65,792.94	
Cost of Weekly Checks - 2 FTE's including Lead Payroll Technician plus 1 add'l technician			
	10/1 through 12/31/14	1/1/15 through 12/31/15	
Payroll Technician Salary	\$ 10,520.93	\$ 39,663.91	
Support Technician Salary	\$ 9,423.08	\$ 35,000.00	
Subtotal Salary Expense	\$ 19,944.01	\$ 74,663.91	
Plus Other Expenses:	\$ 13,138.33	\$ 49,185.67	
Total All Payroll expenses:	\$ 33,082.34	\$ 123,849.58	
Add'l cost for Support Technician	\$ 15,630.63	\$ 58,056.64	

Financial Impact Statement - Estimated Additional Costs for going from 2-week pay Period to Weekly Paychecks Office of the Treasury

Assumptions from FY2012

1. Angela does all the payroll administration by herself and is fully utilized with current payroll system demands
2. When payroll checks were distributed weekly, there was an additional payroll technician (Jessica Searles) to assist Angela
3. Add'l technician position (Jessica Searles) eliminated / precipitated by the move to bi-weekly checks
4. Estimated 4 hours per pay period stuffing envelopes with pay checks
5. Does not account for efficiencies created by the Sage accounting system
- 6 # checks processed in a payroll cycle is approximately 236
- 7 To double the number of checks would most likely double the workload and require an additional Payroll Technician

Indirect Accounting Fund (2009-0-09)

	Y/E 2012	Adj Y/E 2012	
Salaries	\$ 273,455.36	\$ 273,455.36	
Fringe	\$ 101,178.49	\$ 101,178.49	52.8%
Travel	\$ 4,423.19	\$ 4,423.19	2.3%
Training	\$ 2,686.00	\$ 2,686.00	1.4%
Supplies and Maintenance	\$ 13,086.73	\$ 13,086.73	6.8%
Reproduction	\$ 1,705.28	\$ 1,705.28	0.9%
Postage	\$ 2,047.93	\$ 2,047.93	1.1%
Telephone	\$ 1,629.30	\$ 1,629.30	0.9%
Dues and Subscriptions	\$ 138.46	\$ 138.46	0.1%
Background Investigations	\$ 746.90	\$ 746.90	0.4%
Bank Service Charges	\$ 18,671.28	\$ 18,671.28	0.0%
Consultants for Programs	\$ 149,536.00	\$ 149,536.00	0.0%
Space Costs	\$ 47,510.28	\$ 47,510.28	24.8%
Equipment Purchase	\$ 45,207.62	\$ 43,348.70	1.0%
Computers	\$ 3,531.90	\$ 3,531.90	1.8%
Equipment Repair and Maintenance	\$ 22,947.33	\$ 12,041.58	5.7%
	\$ 688,502.05	\$ 223,597.56	

70.0% Cost / Employee DL \$

Yearly Cost of Bi-Weekly Checks - 1 FTE for Lead Payroll Technician	
Payroll Technician Salary	\$ 35,276.80
Plus Other Expenses	\$ 24,697.68
Total All Payroll expenses:	\$ 59,974.48
Yearly Cost of Weekly Checks - 2 FTE's including Lead Payroll Technician plus 1 add'l technician	
Payroll Technician Salary	\$ 35,276.80
Support Technician Salary	\$ 35,000.00
Subtotal Salary Expense	\$ 70,276.80
Plus Other Expenses:	\$ 49,201.57
Total All Payroll expenses:	\$ 119,478.37
Add'l cost for Support Technician	\$ 59,503.89

Debbie DeLeon

From: Michael Garrow
Sent: Wednesday, September 17, 2014 3:11 PM
To: Carrie Carlson
Cc: Debbie DeLeon; Tribal Council
Subject: LTBB Weekly Payroll Period Analysis
Attachments: Financial Impact Statement Weekly Paychecks V3.xlsx

Carrie,

Attached is an update for the FY2012 Payroll Period Analysis to reflect more recent historical data from FY2013 and YTD for FY2014. The original FY2012 analysis completed by Treasury is on the first tab labeled "2012" since it was the initial analysis containing the 2012 data. Tab two contains the data for 2013 and tab three contains the YTD data for 2014.

Based on all three years of data (and attached assumptions) it appears that the additional costs of salary and direct costs for another payroll technician is approximately \$60,000 annually. The burden percentage ranges from 70% in FY2012, 65.9% in FY2013 and 60.2% in FY2014. It appears to go down a little year-to-year, however that may be because there is more volume (people) to spread some of the costs out, e.g., space, travel, and training.

The task at hand is to determine the incremental amount for the remainder of FY2014 plus the FY2015 amount since the support technician position was not included in the FY2014 or FY2015 LTBB budgets which have already been approved by Tribal Council. The assumption based on an October 1st 2014 start date for the support technician would be for **\$15,100.36 for the remainder of FY2014 plus \$56,087.07 for FY2015**. The position could then be added into the FY2016 budget.

Feel free to utilize the attached analysis and change any assumptions that may be more appropriate for the accounting department. Thank you.

Michael

From: Carrie Carlson
Sent: Tuesday, September 16, 2014 3:00 PM
To: Michael Garrow
Cc: Regina Bentley; Debbie DeLeon
Subject: Weekly Payroll Analysis

Michael,
So we have similar format can you share with me the Excel workbook you used on your weekly payroll analysis?

*Carrie Renee Carlson
Chief Financial Officer
Little Traverse Bay Bands of Odawa Indians
7500 Odawa Circle
Harbor Springs, Michigan 49740
Phone: 231-242-1442
Cellular: 231-838-6850
Facsimile: 231-242-1445*

From: Michael Garrow
Sent: Wednesday, August 06, 2014 12:13 PM
To: Beatrice Law
Cc: Tribal Council
Subject: FW: Weekly Payroll Period Analysis

Councilor Law,

You had requested that the Treasury follow-up regarding the costs that were calculated last year, in regards to LTBB going from a two-week pay period to a one-week pay period.

I just confirmed with the CFO, the results of last year's analysis, that the additional annual costs to LTBB are approximately \$70,000 per year created by hiring an additional payroll technician for the increase in workload.

Thank you.

Michael

From: Carrie Carlson
Sent: Wednesday, August 06, 2014 11:56 AM
To: Michael Garrow
Subject: Re: Weekly Payroll Period Analysis

No change from last time in so far as base costs as **we would need a second payroll clerk**. We will share Angela's time study if requested. Please note the new software did not reduce staff workload in our department. The new software was necessary as our old software was no longer being supported by the manufacturer and would no longer be functional. The new software happened to offer electronic timesheets and purchase orders for ease of access for LTBB staff as is common today but did not reduce the workload of Accounting staff. Much like a new car has more bells and whistles and runs better than a 13 year old car but it still needs a fulltime driver.

Sent from my Verizon Wireless 4G LTE DROID

Michael Garrow <MGarrow@LTBBODAWA-NSN.GOV> wrote:

Carrie,

Last Year the Treasury was asked by the Tribal Council to review the potential costs in going from a two-week pay period to a weekly pay period. The analysis demonstrated that the estimated costs to proceed with such a move would be \$69,421 per year since an additional FTE would need to be hired, based on the assumption that the current technician is fully utilized.

At a meeting last month, a tribal citizen stated that it was their opinion that with the new accounting system and additional accounting staff hired that accounting could go to a weekly pay period for minimal costs. Because of this Treasury was asked to relook at the prior numbers. When I spoke to you about this topic, you advised me that Angela was performing a wage study to review her hours and that would be completed last Friday.

Please review the attached spreadsheet of FY2012 costs and consider the info provided in Angela's wage study.

Is it still fair to say that another payroll technician would have to be hired if LTBB went to a weekly pay period or has this assumption changed?

Please let me know if this assumption has changed and if so, what new assumptions should be considered. I don't need an exact amount I just need to see if the figure has drastically changed in either direction. Below is the written summary from last year:

Summary of financial impact

Financial Impact to tribe is estimated at \$69,421.

Payroll is currently performed in-house by a single payroll technician who processes approximately 235 checks per pay period. A movement to a weekly paycheck cycle would most likely double the amount of required work. As the current technician is fully utilized already, there is no additional capacity available to absorb this additional work. The burdened cost of an additional technician would cost approximately \$59,500 per year.

Thanks,

Michael