MINUTES
Committee of the Whole
Monday, May 12, 2025 @ 5:00 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council President Kost called the meeting to order at 5:00 p.m.

PRESENT
Councilmember Jeffrey Brown
Councilmember Peter Spadafore- excused
Councilmember Tamera Carter
Councilmember Trini Pehlivanoglu
Councilmember Jeremy Garza
Councilmember Ryan Kost
Councilmember Adam Hussain
Councilmember Brian T. Jackson- excused

OTHERS PRESENT
Sherrie Boak, Council Staff
Greg Venker, City Attorney
Lisa Hagen-Lawrence, City Attorney
Mark Lawrence, Mayor's office
Jack Brower, Chief Strategy Officer
Jackson Mills, Budget
Tristan Wright, LEFPA
Bryan Crowe, ASM Global (LEPFA Mgt)
Brad Jorae, IAFF Local 421
Justin Conklin, IAFF Local 421
Heather Duhoski, Teamsters 243
Loretta Stanaway
Andy Kilpatrick, Public Service Director

Minutes
MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM MAY 5, 2025, AS PRESENTED. MOTION CARRIED 6-0.

Public Comment
Ms. Stanaway spoke on the subject of the proposed budget. Ms. Stanaway asked for a foundational difference in how the budget is done in order to staff police, fire, public service, parks and recreation for best practice. She asked for elimination of items that are not needed, and provided examples of what she thought should be eliminated.

PRESENTATIONS

Department Budget Presentations

City Council

Council President Kost went through the list of questions.

- What is the difference with your budget from current fiscal year to the proposed budget?
  There are slight increases.
- Are there any rate increases from the current budget that have not been implemented yet, and if so why not.
  None
- Are there any major equipment purchases proposed in your budget?
  Sound system purchase came from this year's budget for the Council conference room.
- Are you able to perform all necessary departmental responsibilities with this budget?
  Yes
- Are there any new initiatives or services your department will be providing with this budget?
  No
- What impact has the new BSA had on your department, and what issues have you run into. Have your employees had issues with BSA payroll.
  None.

Internal Auditor

Council President Kost went through the list of questions.

- What is the difference with your budget from current fiscal year to the proposed budget?
  Internal Auditor position is currently vacant.
- Are there any rate increases from the current budget that have not been implemented yet, and if so why not.
  No
- Are there any major equipment purchases proposed in your budget?
  No
- Are you able to perform all necessary departmental responsibilities with this budget?
  No
- Are there any new initiatives or services your department will be providing with this budget?
  No
- What impact has the new BSA had on your department, and what issues have you run into. Have your employees had issues with BSA payroll.
  None

LEPFA

Ms. Wright and the LEPFS Finance director went through the list of questions.

- What is the difference with your budget request from current fiscal year to the proposed budget?
  T**here is a decrease of $12,358 and they are** c**ontracting with the Third Party management company, with ASM Global**.
- What impact on the budget will occur with the new outside management?
  They are asking for a decrease of $12,358.00, ASM Global does not cover costs such as capital improvement over $10,000.
- Are there any changes in services that your department is responsible for and if so why?

LEPFA will have ASM managing the day to day services. Services remain consistent to previous years.

- Are there any rate or fee increases and if so why?
  Green fees will go up 5% which is consistent, Lansing Center will increase up to 10% due to increase in cost and goods.
- What impact has 311 taken on your department and staff?
  None
- Are there any new initiatives or services you will be providing with this budget?
  Mr. Crowe explained ASM will manage day to day, and anticipate to utilize core skills to overall improve operations, generate additional revenues, review food and beverage, partnerships, sponsorships, expense management.
- Who are the top 2 largest vendors for your department and when were they last bid?
  Chase Creative, has not put out to bid because they are preferred and utilized their contract. The audio visual companies can use their own vendors. The food services is Gordon Foods and not out to bid because they are preferred bidder.
- Have you budgeted for receipt of federal grant funds? If you have, and the federal funds get pulled back, will you still be able to continue the service those funds would be used for, or purchase the item you intended to purchase with federal grant funds, or cover the staff that that the grant was supplementing?
  Currently do not receive, but some participants that do get federal funds, that could impact.

Council President Kost noted the LEPFA sent out a later about layoffs once ASM Global takes over. Mr. Crowe stated that when the transition occurs, LEPFA will not be the employer, but they will be under ASM. It is the intent to negotiate with the three (3) bargaining units and negotiate with those, and part of the transition process.

Council Member Garza noted he also saw a letter, where it stated ASM would offer to most employees with employment, and he asked if they would eliminate. Mr. Crowe stated that once they develop the structure, they will look at the top roles to utilize the positions. LEPFA is scheduled to sign the agreement on May 20th and anticipate filling the positions aggressively.

Council Member Pehlivanoglu referred that capital improvements will be covered by ASM, but only public facing, and asked what those are. Mr. Crowe stated that ASM contribution of $500,000 is for improvements with partnership with LEPFA on customer enhanced front facing services. Currently I understand that there are no capital improvements in this proposed budget.

Council Member Carter referred back to the statement of renewals on food beverages, commercial sponsorships, and asked Mr. Crowe about his familiarity with the partnerships in this region. Mr. Crowe stated as an MSU graduate and resident central Michigan, and as part of any transition there is a lot of knowledge to be gained to make improvements and have experience with partnerships to work to give back to the community. Do not generally come in with outside national partners, and their intent is to grow in this area. Council Member Carter asked what sets ASM Global different in training employees, marketing, and specifically set them different than LEPFA. Mr. Crowe stated they will be in partnership with LEPFA, they have a library of training and focus on growing and developing employees and value tenure of employees. Council Member Carter asked about the statement over $10,000 at expense of City; what about anything over. Ms. Wright, the initial $500,000 is focused on the face forward and generating factor to it.

Council Member Brown asked if they could reduce the operating fund and if so how long. Mr. Crowe stated in their proposal is a multi year budget and this one is not the significant change due to the transition. In their projections they would reduce year over year, and see the impact in year 2 through year 5. Council Member Brown asked if they have a strategy to help support funding for the City properties; foundations, taxes, etc. Mr. Brower stated they will discuss the extension of the LEPFA operating which expires 2026, they are looking at naming rights for the Lansing Center, in addition to the programs ASM is proposing. City will maintain ownership of the three (3) facilities and will continue to contribute for capital improvements and operating agreements. LEPFA will have oversight by their board. Council Member Brown noted there would be a reduction over the next 2-5 years, but no details, so in turn asked Mr. Brower his projection. Mr. Brower stated his projection was over $2 million over status quo. They take the reduction to operate and turn around to capital improvements for facilities improvements. Council Member Brown asked what the anticipated cost for improvements for the Lansing Center, and Mr. Brower stated $500,000 contribution from ASM, $50,000 pursuant to stadium. Council Member Brown stated that it appears projects are not budgeted but are need. Mr. Brower offered to provide facility audits and did not have details this evening.

Council President Kost stated that bringing in ASM will increase City subsidy, and now Mr. Brower stated it will reduce. Ms. Wright stated the budget will decrease in the first year is the $12,000.

Council Member Hussain aske about the subsidy projection schedule with ASM, and asked about the contract with LEPFA and ASM, has that been executed. Ms. Wright stated it has not, but anticipate May 20th and they board went through diligently.

Council Member Brown asked about communication with employees, and there is a strategy in reorganizing, and what was the average of reduction in employees. Ms. Wright stated that the notice on employees letters were sent, and they held an emergency staff meeting to address questions with employees. ASM was present along with board members and legal. Mr. Crowe notices went out late on a Friday, and LEPFA held a staff meeting and he was able to introduce and answer questions of staff and speak on transitions. ASM does not come in to intend to reduce the number of employees unless it is an obvious reason and will be part of transition. Based on what aware of currently staffed is that is not a priority. Looking at increasing customer experience, bring people in, and not a focus on reduction in staff. Council Member Brown asked who sent out notification. Ms. Wright stated she sent it out in accordance with the ACT. The notice was sent due to the statutory timeline and ASM was notified it was going out over the weekend. Ms. Wright stated an email was sent to ASM when the notices. They were working on contractual deal and had to send a 60 day notice with statuary. Mr. Brower stated LEPFA met with attorney on that Friday, and discussion on when to send in relation to when agreement is signed, and their attorney stated that 60 day notice everything goes in motion whether agreement is signed, and that was a last minute determination with their attorney. Council President Kost voiced his concern on communications with LEPFA and ASM, and asked Mr. Brower what happens if the City decides not to renew the contract with LEPFA. Mr. Brower stated it will continue through October 2026, and then a legal question. Mr. Venker stated the currently licensing through October 2026, and the way ASM and LEPFA agreement; ASM is contracting with LEPFA who will management. If it is not renewed, then ASM agreement with LEPFA would go defunct. Council President Kost asked if ASM could sign a contract with the City to do, and asked Mr. Crowe if they do full on management. Mr. Crowe confirmed, however their intent now is partnership, and going forward with contract signing the 20th, moving forward. Feel confident there is a great team running these facilities.

Council Member Brown spoke on the process taken so far over the last year with ASM and LEPFA.

Union Representative Comments

Ms. Duhoski acknowledged Council for the invite and hearing their perspective. After reviewing the proposed budget and saw the increased number of positions, and it sparked concerns on her end with where it stands with open positions. Ms. Duhoski noted 29 open in 243 union positions, and appreciate the positions in the new budget, but what about the 29 that are currently open and some over years. Ms. Duhoski asked for what the plan is to fill vacant positions, and there is the issue of using contract employees for those vacant positions and what is the impact on employees and impact on the pension system. There are concerns with health insurance increases and the cost of living that do not off set. She is looking for Council to consider the investment back.

Council President Kost asked if the current budget, does it provide what they need for their staff. Mr. Jorae stated that at this time, it is behind. In 2010 there were 9 stations, 52 employees on a day, in 2012 with recession they took major cuts including 3 stations. There are 41 personnel a day, but the call volume is up to over 27,000 a year and has not brought anything back from the cuts in 2012. They are looking go a long-term plan to get back to the appropriate staffing levels to cover the call level. Ms. Duhoski agreed with Mr. Jorae, the cutbacks in 2012, 2013, 2014 have not been recuperated. The laborers took a cut to keep people working, but have never been able to get back to the number of people. They also are looking for that long term, and how to fill vacant positions already funded.

Council Member Hussain spoke to Mr. Jorae about the reduction in staff but increase in call volume, and what has impacted on front line workers and the citizens. Mr. Jorae as call volumes increase, fiscal budgets are flat, there are members struggle with PTSD, sick leave increasing due to employe stress. Applauding HR on their efforts for postings, Chief for working with IAFF, state legislators for help with the legislation, but still need to address staffing level, and they cannot keep this pace of 27,000 + call volume. Chief Sturdivant has been diligent in creating a strategic plan for a 2029 staffing level increase.

Council Member Brown asked about the defining of calls he is referring to. Mr. Jorae outlined the process of a call from 911 dispatch, types of response, station notified, etc. The calls take anywhere from a battery replacement in a smoke detector to a longer call with accident or structure fire. Ambulance calls can take 45-1 hour depending on travel time and where the call is. The studies show they need 10 ambulances to reach the calls, where right now they have 5.

Council Member Pehlivanoglu noted the statement by Ms. Duhoski about vacancies in court and clerical are critical as well. It was noted there are 29 vacant in 243, and some filled by contract instead of FTE and asked for what those were. Ms. Duhoski stated the highest volume in contract are in treasury, finance and HR. Some of those in treasury and finance are counter staff which should be FTE. When an employee knows, they are going to stay in a community they are going to invest back, so offering FTE, benefits and retirement to keep employees instead of contract employees who have no investment. Agree with contract employees with special projects for a short time, but the ones causing problem that have been renewed for years, some since 2015.

Council Member Garza asked Mr. Brower how many of those contract positions are utilizing the funded vacancies. Mr. Brower stated he does not have that number, but try to reduce and was asked for those numbers. Council Member Garza asked for one FTE in Fire, and how that is that strategy working and what is plan. Mr. Brower stated there is a SAFER grant with 15 fire fighter positions, and those have been hired in, and those positions need to be built into the budget to keep those positions. This year did not have a lot of funds for projects, and there is $250,000 for Council to fill in the budget. Council Member Garza noted the SAFER grant is not guaranteed, and is looking for a concrete plan to use the resources that are in place right now, and would like to see a strategy from the Chief Strategy Officer. Council President Kost noted $250,000 given to Council, but the Fire needs three (3) and there are other items in the budget to cut to help. Mr. Jorae stated that with the SAFER Grant is for short term, and was put in place to fill when people to retire. Council President Kost asked Mr. Brower stated he needs to look at what can do to get more fire fighters.

Council Member Brown asked about the large list of vacancies by union 243 noted, and asked Mr. Brower why. Mr. Brower stated it would be a case by case decision, but if there is a specific position he can look into it, and in the past they have reached out to each department on why positions have not been filled. Council Member Brown voiced his impression that Mr. Brower appears to think there is no issue, but Council is hearing there is an issue with vacancies. Council Member Brown asked what the increase of revenue from last year to this year. Mr. Brower did not have the information but referred him to the budget transmittal letter, and Council Member Brown asked for the approximate. Mr. Brower stated 3-4% and was asked what that would be in dollars, and Mr. Brower referred him to the budget book, and Council Member Brown asked him again what that amount it. Mr. Lawrence stated they did not know and would get back. Council Member Brown asked Mr. Brower again, that as Chief Strategy Officer, that if the City has 3-4% in revenue and they should look at addressing the vacancies. Mr. Brower then stated he was able to confirmed from the budget document, that $165.2 million to $173.1 million in the proposed budget.

Council Member Garza stepped away from the meeting at 6:12 p.m. and returned at 6:13 p.m.

Mr. Brower state that most increase of that increase was for status quo to City; retirement costs, costs of living adjustments, cost of positions, overall increase with revenues with overall costs. First priorities were Council priorities, and the proposal was put together to work with those. Council Member Brown asked what pay increase for contract employee vs. FTE increases. Mr. Brower stated he does not budget positions, but work with CBA. Council Member Brown asked for a comparison over the last couple years for contract employees and Mr. Brower stated he could look into it, but could take a larger amount of time.

Council President Kost asked how many of the 29 vacancies in 243 have been posted. Ms. Duhoski stated in March when she got the vacancy reports, HR has been putting forth real steps, and there has been a long discussion in bargaining on contract employees, and start to push the vacant positions.

Council President Kost asked if the Administration has spoken to them about the staffing issues, and Mr. Jorae confirmed they have met and they tell them it will be a priority, and then when it gets to budget season they are told there is no money. Council President Kost asked if they were contacted in the last 6 months for input, and they both confirmed they have not. Ms. Duhoski stated the concerns were brought during recent negotiations, and she has asked for updated organizational charts to compare and offered to put in the work to solve these issues. Labor is not against solving the problem.

<u>Budget Review/Budget Wrap Up</u>
Mr. Kilpatrick acknowledged Council for the option to present. The budget assumptions presented included the rates increases, but the resolution did not included it. Historically the rates increase 3-5%, and this is 5% for these increases. It is essential to have incremental every year instead of a 10-15% increase after CSO and other projects. With sanitary fund being an enterprise fund they have to look to the customers.

Council Member Garza asked about the normal was. Mr. Kilpatrick historically 3-5%, and not aware of a year not proposed. It does equate to several dollars per month, and last year was about 5%. Can provide percentage and dollar amounts over the last 5 years.

Council President Kost noted the budget is a “living document” so this can be added easily, and Mr. Venker confirmed it could amended before adoption next week.

<u>Discussion/Action:</u>

<u>General Fund Status Report; Fiscal Year 2024-2025 3rd Quarter</u>
Mr. Brower went through the report.

MOTION BY COUNCIL MEMBER CARTER TO PLACE ON FILE. MOTION CARRIED 6-0.

<u>Vacancy Report; Fiscal Year 2024-2025 3rd Quarter</u>
Council President Kost noted a different list that was sent to Council just today at 3:30 p.m.

Ms. O’Leary and Ms. Moore were present. Ms. O’Leary stated that in previous reports they provided status updates and the original referral did not have that. There were also discrepancies in the police department and she wanted those accurate. Ms. O’Leary then went into updates, they have filled 42 since January; 23 posted today account for 52 of the vacancies and 101 positions are being worked on. That could be updating job descriptions, on boarding, processing. They have attended 13 job recruiting events in the fiscal year. With an update on the LPD positions; 5 were sworn in this morning, 16 in vetting process in August academy, 3 projected retirements, and currently recruiting lateral jurisdictions.

Council Member Hussain asked for time from start to finish. Ms. O’Leary outlined the process.

Council Member Carter asked about the recruiting sites, and if only Lansing or outside communities. Ms. O’Leary stated in Lansing, CAMW, Juneteenth job Fair, locally in Lansing, and if Council hears of options please reach out to HR. They include department partners to give the applicants a day to day outlook.

MOTION BY COUNCIL MEMBER CARTER TO PLACE ON FILE. MOTION CARRIED 7-0.

<u>Other</u>

No other topics.

<u>Adjourn</u>

The meeting adjourned at 6:37 pm
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee May 19, 2025