



MINUTES
Committee of the Whole
Monday, April 10, 2017
City Council Chambers

CALL TO ORDER

Council President Spitzley called the meeting to order at 5:00 p.m.

PRESENT

Councilmember Brown Clarke-excused
Councilmember Kathie Dunbar
Councilmember Tina Houghton
Councilmember Adam Hussain
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood
Councilmember Jessica Yorko-arrived at 5:37 p.m.

OTHERS PRESENT

Sherrie Boak, Council Staff
Sandy Zerkle, LBWL
Beth Graham, LBWL
Calvin Jones
Doris Witherspoon, Planning & Neighborhood Development
Don Kulhanek, Planning & Neighborhood Development
Kathy Miles
Anethia Brewer, District Court
Chad Gamble, Mayors Office – arrived at 5:16 p.m. left at 6:15 p.m.
Angie Bennett- arrived at 5:25 p.m.
Chris Swope, City Clerk
Judge Alderson, District Court
Anethia Brewer, District Court Administrator
Mary Kelly, Deputy Administrator
Robert Bain
Lisa Noud
Benjamin Hirschman
Anthony Letnski
Bill Thick, Jr.
Seth Kalis
Caroline Wong
Tyler Wood

Michael Hamlin

Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM MARCH 27, 2017 AS PRESENTED. MOTION CARRIED 7-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM APRIL 3, 2017 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment

No public comment

Discussion/Action:

Ms. Zerkle introduced herself and gave a brief history of her time thus far on the BWL Commission. Ms. Graham introduced herself and provided a brief overview of her experience and what she believed she could bring to the Commission.

Council Member Wood asked Ms. Zerkle what tasks she was doing to connect with the 4th Ward Council Member and those constituents. Ms. Zerkle admitted apologetically that she had not done a lot to reach out to the constituents, and would work on that during her next term.

Council Member Wood asked Ms. Graham if she believed that the utilities at BWL should be privatized, and Ms. Graham stated no.

Council Member Houghton spoke in support of Ms. Graham and acknowledged Ms. Zerkle for her time and work on the BWL Commission thus far.

Council Member Hussain encouraged both appointees to forge relationships with their constituents and asked other Committee members if there was a term limit policy. Council Member Wood stated that was no policy.

Council Member Washington acknowledged Ms. Zerkle for her work on the Commission and then asked Ms. Graham when she would be resigning from the Planning Board because she is not able to serve on two boards. Ms. Graham admitted she had verbally resigned with the Administration and attended her last Planning Board meeting on April 4, 2017.

RESOLUTION RE- Appointment of Tracy Thomas as an At-Large Member of the Board of Water and Light Board of Directors for a term to expire June 30, 2020

Council Member Wood spoke in support of the reappointment stating she had good working relationship with Mr. Thomas who was her counterpart on the BWL Commission.

MOTION BY CAROL MEMBER WOOD TO APPROVE THE RESOLUTION OF THE REAPPOINTMENT OF TRACY THOMAS AS AT-LARGE MEMBER OF THE BOARD OF WATER AND LIGHT BOARD OF DIRECTORS WITH A TERM TO EXPIRE JUNE 30, 2020. MOTION CARRIED 6-0.

RESOLUTION – Re-Appointment of Sandra Zerkle as 4th Ward Member of the Board of Water and Light Board of Directors for a term to expire June 30, 2020

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION OF THE REAPPOINTMENT OF SANDRA ZERKLE AS THE 4TH WARD MEMBER OF THE BOARD OF WATER AND LIGHT BOARD OF DIRECTORS WITH A TERM TO EXPIRE JUNE 30, 2020. MOTION CARRIED 6-0.

RESOLUTION – Appointment of Beth Graham; 2nd Ward Member of Board of Water & Light; Term Expire June 30, 2018

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE RESOLUTION OF THE APPOINTMENT OF BETH GRAHAM AS THE 2ND WARD MEMBER OF THE BOARD OF WATER AND LIGHT BOARD OF DIRECTORS WITH A TERM TO EXPIRE JUNE 30, 2018 REPLACING THE VACANCY LEFT BY THE RESIGNATION OF MARK ALLEY. MOTION CARRIED 6-0.

Presentation/Introduction:

Annual Consolidated Strategy and Plan Submission & Action Plan Proposed Budget for Community Development Block Grant (CDBG) Fund Resources for FY2018

Budget

Mr. Kulhanek and Ms. Witherspoon went through the proposed budget. Ms. Witherspoon pointed out that the annual action plan is currently based on last year's figures based on the fact they currently have not gotten the approved funding allocations. Mr. Kulhanek referred the recent changes submitted 30 minutes before the meeting reflected the line item for the HOME funding. HUD changed the rules, and that changed the programming fund. When the funds come back the funds need to be programmed. Originally there was an estimate done for 40,000, however last week the Finance Department informed them to increase it, and suggested \$194,000. The will Increase HOME next year and increase down payment assistance funding. The programs are routinely funded outline. Ms. Witherspoon added to the presentation that with emergency solutions grant it was changed for the past 4 years. This has 6 eligible components which include homeless, rapid re-housing, shelter operations, homeless management and a 7.5% admin. Currently they fund 7 shelters and in the last year they used funds for the student outreach and previous years they used funds for rapid re-housing. These required an application process and follow the citizen participation plan for submission.

Council President Spitzley asked why they were asking for just under \$200,000 additional in HOME program. With recent proposed cuts across the board at the Federal level there could be an impact with HUD and other programs. She referenced the budget where it showed down payment assistance at \$101,616 and then revised to a proposed \$241,000 and then an increase of \$15,000 in the HOME general administration. Mr. Kulhanek answered that with regards to any allocations, as of right now the request is large based on last year's allocations, and currently the cannot predict what Washington, DC will do. He continued that the determination is late this year and there is a new Secretary of Housing and Development. The Department is currently assuming that the CDBG funding is being looked at and being reviewed. Based on informal conversations, the numbers have been going down over the years with no hope to go higher. Ms. Witherspoon pointed out also that the funding that is received is based on a formula determined by HUD. Mr. Kulhanek pointed out that the \$200,000 in HOME line item is approximate because the Finance Department told them their previous estimate was low.

Council Member Wood referred the staff to the Public Service allocation, and asked if it can be utilized for residents to pay for their portion of a sidewalk repair or sewer repair. Mr. Kulhanek was not able to provide and answer on if it can be used for those special assessments.

Council Member Wood then referred the staff to the down payment assistance, and asked for clarification on information she had received that City employees had contacted PND for assistance and were denied. Mr. Kulhanek admitted there is a process and Federal rules, but they look at them on a case by case basis, and encouraged the Council Members to contact the PND office if they are interested.

Ms. Witherspoon stated again that the funding amounts are estimates and with the submittal deadline of May 14th, the department hopes to have the final funding numbers by then.

Council President Spitzley asked if the department provided data on their target goals, and if that is provided on their website to be shared. Ms. Witherspoon stated it is part of the consolidated 5-year plan which they update annually.

General Overview (Fees, Revenues, Fringe)

Ms. Bennett provided a power point of the overview and went through the power point with the Committee. (attached)

Council President Spitzley passed the gavel at 5:35 p.m. and stepped away from the meeting.

Ms. Bennett pointed out that the revenues exceeds and the 2018 budget is below the 1999 budget and adjusted by inflation.

Council Member Wood passed the gavel to Council President Spitzley as she returned to the meeting at 5:36 p.m.

Ms. Bennett went on to speak on the strategic visioning, a proposed budget committed to public safety, training, recruitment efforts, and continue spending of the Block by Block (B3). In addition, Ms. Bennett spoke on a new program, My Lansing, that has budget of \$100,000. Any new positions have been noted, and there were also notes on an increase in vehicles. One point Ms. Bennett made was to highlight a proposed ballot measure for a 1mill increase outside of the levy for sidewalk and road funding.

The Committee reviewed Slide 4, which was the projection on the allocation from the State, which shows a decline from 2010 to FY 2013 but a projected of a 2% increase. Ms. Bennett stated the road funding would be covered in the street program budget, in addition to any fees changes. Ms. Bennett moved onto slide 6; expenditures which represented the Police and Fire at up to 60% of the general fund. Slide 7 addressed expenditures by category, slide 8 focused on fringe benefits, slide 9 displayed trends in retiree health care, slide 10-11 shows the impacts of the changes that were made with the unions, slide 12 covered general fund, and slide 13 outlined the CIP. It was clarified that the departments will cover their individual CIP projects.

Ms. Bennett lastly spoke about the potential road millage. This would be a debt levy voted on by the citizens which would then allow the City to levy additional millage outside of the City operating levy. If the voters approve it, the City will issue bonds in the Winter 2017, and construction will start in the spring 2018. It would be a 3-year bond, with a 1 mill request, and the repayment period would match the construction period.

Council Member Wood pointed out to Ms. Bennett that the Charter states the City shall not exceed 10% of all real and personal property for a special obligation, so the information the Council would need is how much. Ms. Bennett did not have an answer, but noted last time it was \$100 million, she would have to get that information to the Committee at a later meeting.

Council Member Wood then asked how much was still outstanding with the tax tribunals. Ms. Bennett stated that with the 2016 pending the maximum exposure is \$200,000 and they do not have the 2017 cases yet. They have budgeted for \$300,000 but there has been a decrease.

Council Member Wood asked for the projection in the reduction in revenue from income tax with East Lansing considering implementation. Ms. Bennett answered there is the potential for

\$700,000-\$900,000, but not in this upcoming year because East Lansing is still only considering it. The City has not had any conversations with East Lansing.

Council Member Wood once again asked for the fireworks revenue that the City was supposed to be obtaining from the inspections. She noted it should be 70%, but since this passage in 2011 the City has never seen any booked revenue. Ms. Bennett did not have that information and would have to provide it.

Council Member Wood asked for franchise costs for AT & T, and Ms. Bennett did not have that information and would have to provide it.

Council Member Wood asked if there were any union contracts that were not ratified. Ms. Bennett confirmed there was one, laFF, but they were close to settlement. Council Member Wood then asked if the health care benefits had come in to project. Ms. Bennett confirmed the City did have the amounts, and it appears there will be an increase for the self-funding of 4% and 13% increase for Blue Cross. Council President Spitzley asked how often those plans and carriers were reviewed for the best deal. Ms. Bennett stated they are reviewed regularly to bring plans together in a unified plan. These are reviewed in a coalition of union and administration.

Council Member Wood asked if the Financial Health Team had any budget recommendations, and Ms. Bennett stated the FHT have only been informative not providing recommendations.

Council Member Yorko referred Ms. Bennett to slides 7-8, specifically for fringe benefits and one represented \$59.9 million and one represented \$47 million, and now there is a projection for \$65 million in 2018. The question was asked as to why the 2018 projection was not represented in either slide on page 7-8. Ms. Bennett could not provide an explanation and stated she would provide that later after she researched it.

Council Member Yorko referred to slide 10-11 which represented Police and Fire retirement changes, and asked why those were not include in any other retirement system, to which Ms. Bennett stated it was a combination.

Council Member Yorko stepped away from the meeting at 6:22 p.m.

Council Member Hussain asked for a comparison report on what the current Police, Fire and Roads millage was being used for now, since they were proposing another sidewalk and road millage. Council President Spitzley added to that, pointing out that if there is a gap, Council needs to know, and if the City has a base line of what they used to do, Council needs to be told what has been done with those dollars. This should also include how much is it going to cost to do a total fix City wide.

Council Member Washington informed the Committee that she had asked Mr. Brewer to do a breakdown on what has been sent on with the millage and what the funds fixed.

Ms. Bennett referred to her presentation, stated that over \$120 million was spent for roads, \$25 million for sidewalks, and \$211 million for major streets. Council President Spitzley asked how much of those dollars were generated for sidewalks. Ms. Bennett answered that with the proposed millage, \$1.8 million over a year for 6 years. Council President Spitzley asked how they choose the sidewalks or roads.

Council Member Yorko returned to the meeting at 6:24 p.m.

Ms. Bennett stated that Public Service looks at the worst of the worst, but the new millage will have a primary focus on sidewalks.

Council Member Washington cited that 1 mill for sidewalks would be \$50 for a \$100,000 home, and you had to add that \$50 to each mill for the increase. Ms. Bennett confirmed that with a house value of \$100,000 it would be \$50 a year, and with the current mills it could be up to \$500.

Council Member Washington stepped away from the meeting at 6:30 p.m.

Council President Spitzley asked the Mr. Gamble to provide a comprehensive review and discussion during the Pubic Service budget hearing.

Council Member Washington returned to the meeting at 6:32 p.m.

Council Member Yorke stepped away from the meeting at 6:37 p.m.

Department Budget Presentations

Council and Internal Auditor presentation was moved to the April 17th Committee of the Whole meeting.

City Clerk

Mr. Swope outlined the tasks and duties of the Clerk's office including elections, maintaining all City records, perform the oath of office to all City officials, staff Council and prepare Council agendas and packets, handled all business licenses, issue passports, and the future coordinator and issuer of Medical Marihuana licenses. In FY 2018, they anticipate improved voting services which will be in place at the August Primary in-line to be the first in the State. In the new budget, Mr. Swope pointed out that he is proposing a new position, and under advisement from Finance it will be a contract position, to address the new duties assigned with the Medical Marihuana ordinance. This position will be the point person and will be re-evaluated after year. The proposed increase is \$30,000 because it will only be 6 months of the fiscal year from December through June.

Council Member Wood asked about the revenue for the Collection Bin Licensing.

Council Member Yorke returned to the meeting at 6:44 p.m.

Mr. Swope admitted it was missed in the budget projections, and did inform them that some companies are not renewing. The Staff is speaking to the applicants, but not performing physical checks on if the bins are being removed when they choose not to renew.

Council Member Wood asked for an explanation of the new fees. Mr. Swope stated his fee schedule was complicated prior to this year, so they have made changes to reflect the actual costs.

Mr. Brewer had no comments.

District Court

Judge Alderson, Court Administrator Anethia Brewer and Deputy Administrator Mary Kelly were present. Judge Alderson referenced the annual report the Council had in the Budget information highlighting that the District Court is making updates to help increase customer opportunities through their operations, and technology.

Ms. Brewer provided statistics which include 30,517 in new cases, 1,354 felonies, 3,195 misdemeanors, 181 drunk driving, 11,000 traffic violations and 4,083 parking violations. In 2016, they participated in a study with district court analysis, and interviewed judges and clerks to enhance their online services. This program was done with Management Assistance Project (MAP), which provided recommendations that provided a framework for the Court's internal work. In December 2016, the Sobriety Court hit a milestone of 100 graduates. The department has also established a kiosk in City Hall which allows 24-hour access, under camera watch, for PBT test. (Preliminary Breathalyzer Testing). Ms. Brewer highlighted their proposed budget noting they have no significant increases and have come in under expenditures and obtained an increase in revenue.

Ms. Brewer then spoke briefly on the program that provides defense to the people who need to be represented by an attorney, and the Court is obligated to provide Counsel if it is determined they cannot do get their own. With the State-wide abilities, there is a National and State wide effort that engages to provide these services. Council Member Dunbar asked how the program was different then the court appointed attorney. Judge Alderson answered that the program is a State Initiative and how the Court list is created. The State is looking at it now, but there is no change at the local level until they receive direction from the State.

Council Member Wood asked if there was an explanation on why the traffic tickets were down by 6,000 from the 2015/2016 year. Ms. Brewer admitted that the LPD was back up to full staff, and with the time spent on training the new officers, they are starting to see an increase.

Council Member Wood referenced the pages in the budget that spoke to fines and costs, and the budget in the previous year was \$1 million and at year end they are at \$500,000, so is the projection appropriate. Ms. Brewer stated she felt comfortable with the projection.

Council Member Wood asked for specifics on the technology updates. Judge Alderson confirmed the online items are being tested.

Mr. Brewer asked about the \$12,000 in equipment. Ms. Brewer stated the allocations will cover the scanners for the projects with video capability for enhanced security.

Ms. Bennett referred to an earlier question by Council Member Yorko on the internal service funds and the difference in the slides. Ms. Bennett clarified it was those that are distributed and those that are operation costs.

Discussion/Action:

RESOLUTION - Determination of the Elected Officers Compensation Commission

Council Member Wood stated she appreciated all the work the Commission had done.

COUNCILMEMBER WOOD MADE A MOTION TO DENY THE RECOMMENDATIONS.

Council President Spitzley clarified for the public that the Council received the Commission's recommendation on March 17th, and that recommendation was for a salary increase for the Mayor and City Clerk, with no changes to any fringe benefits for any elected officials. She noted that if the Council took no action the recommendations would be automatically approved.

Council Member Hussain added to the information that the recommendation was a 1% increase July 2017 and a 1% increase in July 2018. He concluded by stating he would approve denying the recommendation.

Council Member Washington also stated she would support the denial of the recommendation as she did in 2015.

Council Member Yorko asked for clarification if there were any changes to the fringe benefit package. Ms. Boak stated that as the recording secretary for the EOCC, she could confirm that the Commission made no changes to any of the fringe benefits.

MOTION CARRIED 7-0.

Council Member Dunbar stepped away from the meeting at 7:12 p.m.

PUBLIC COMMENT

Mr. Bain spoke about safety concerns he had with the traffic at Shiawassee and Washington near the LCC campus. Mr. Bain asked for fines to increase in that area and speed bumps installed.

Mr. Letnski spoke in support of rescinding the resolution on sanctuary city.

Mr. Kahlis spoke in support of the sanctuary city.

Council Member Yorko stepped away from the meeting at 7:13 p.m.

Mr. Kahlis also encouraged Council to keep in-line with what they have done.

Council Member Dunbar returned to the meeting at 7:16 p.m.

Ms. Wong spoke in support of a sanctuary city.

Mr. Wood spoke in support of a sanctuary city resolution.

Council Member Yorko returned to the meeting at 7:19 p.m.

Mr. Hamlin spoke on a claim that would appear on the Council agenda for the Rivendell property.

Adjourn

Adjourned at 7:21p.m.

Respectfully Submitted by,
Sherrie Boak, Recording Secretary

Lansing City Council

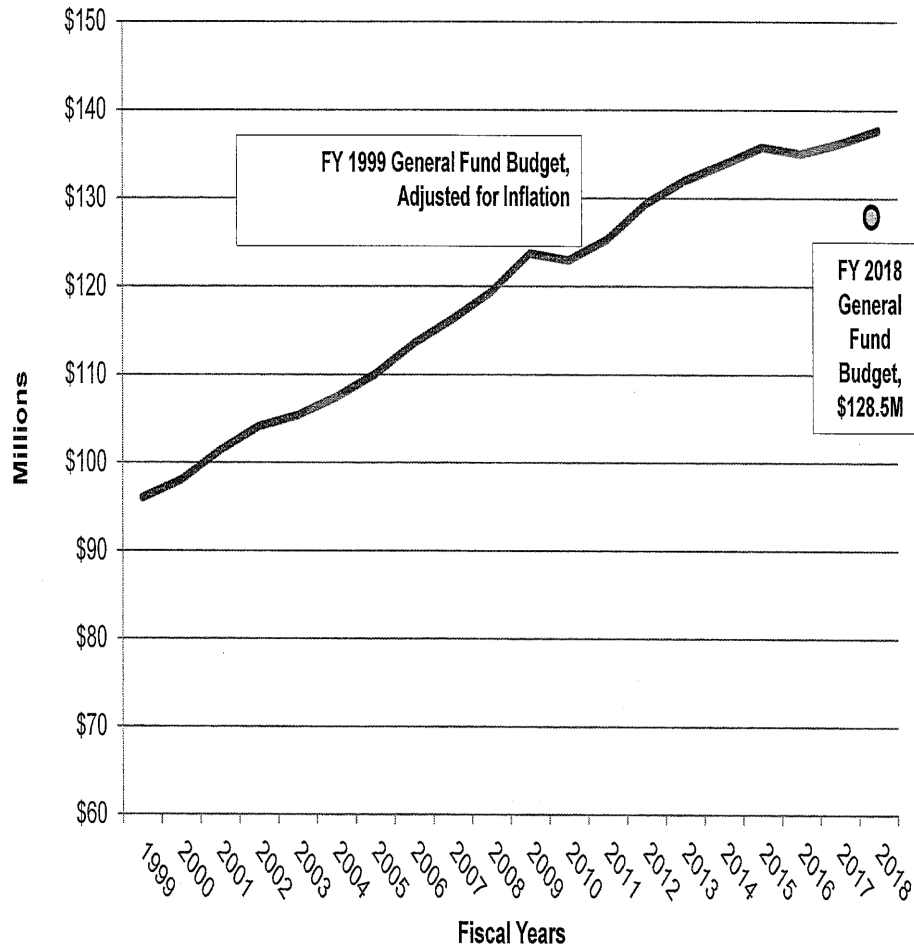
Approved by Committee on April 17, 2017



Virg Bernero, Mayor

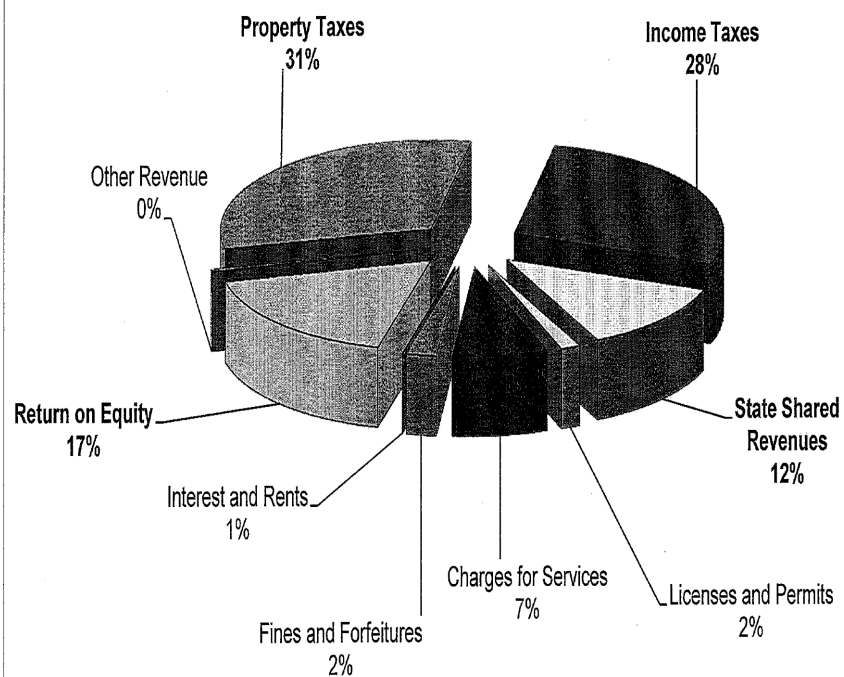
**Committee of the Whole
FY 2018 Budget Overview
April 10, 2017**

City of Lansing FY 2018 General Fund Budget Comparison to FY 1999 Budget

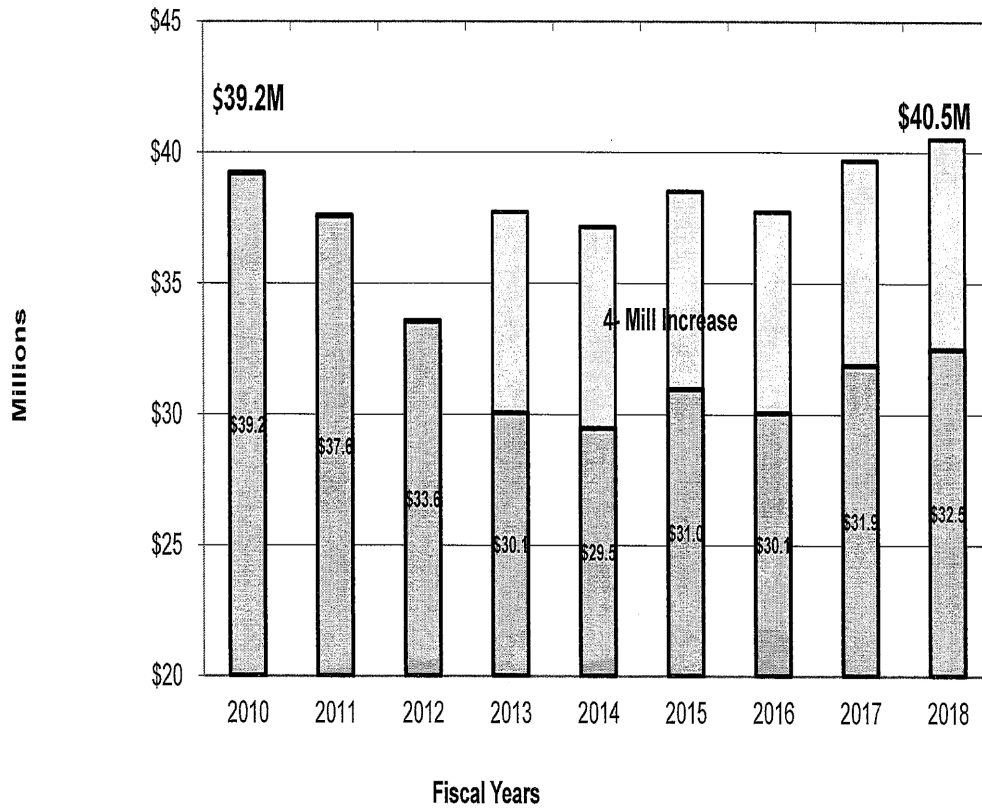


The FY 2018 proposed General Fund budget is still well below the FY 1999 General Fund budget, when adjusted for inflation.

FY 2017/2018 General Fund Revenues
\$128,950,000



City of Lansing Property Tax Revenues

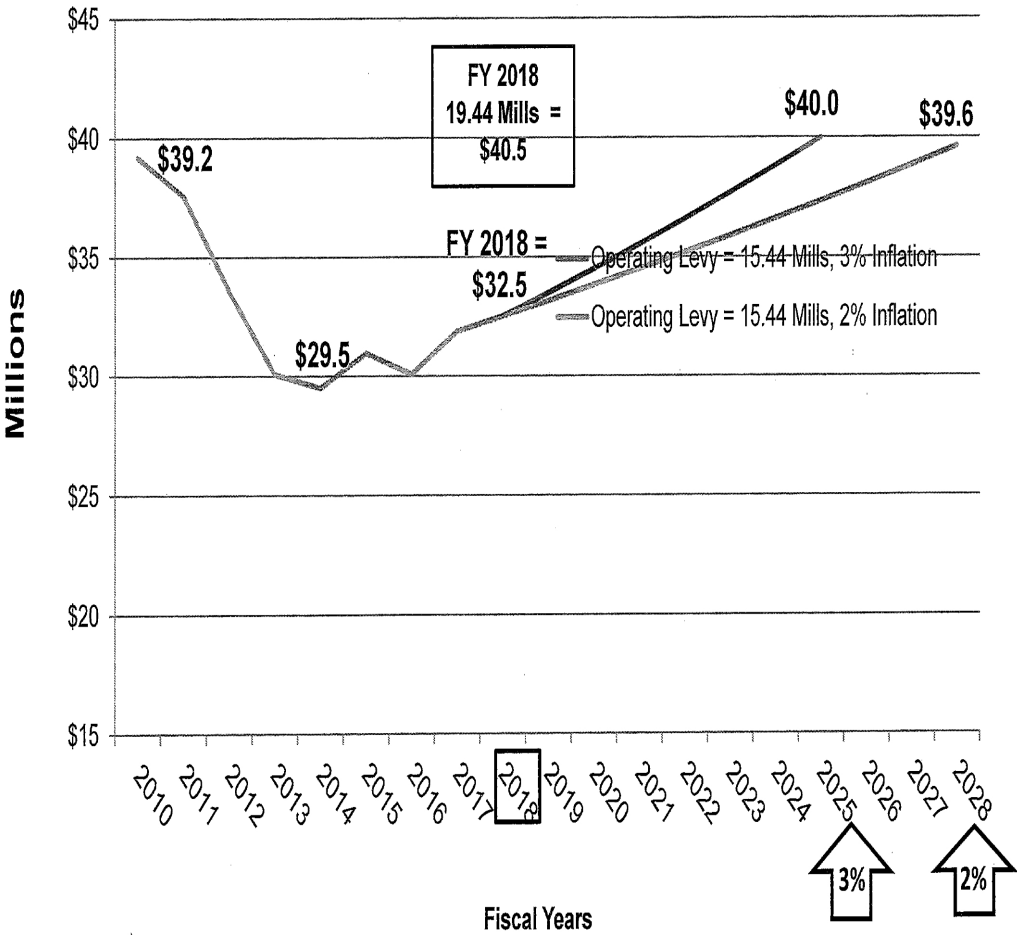


■ Base Operating Levy = 15.44 Mills

■ Extra Police/Fire/Road Millages = 4 Mills

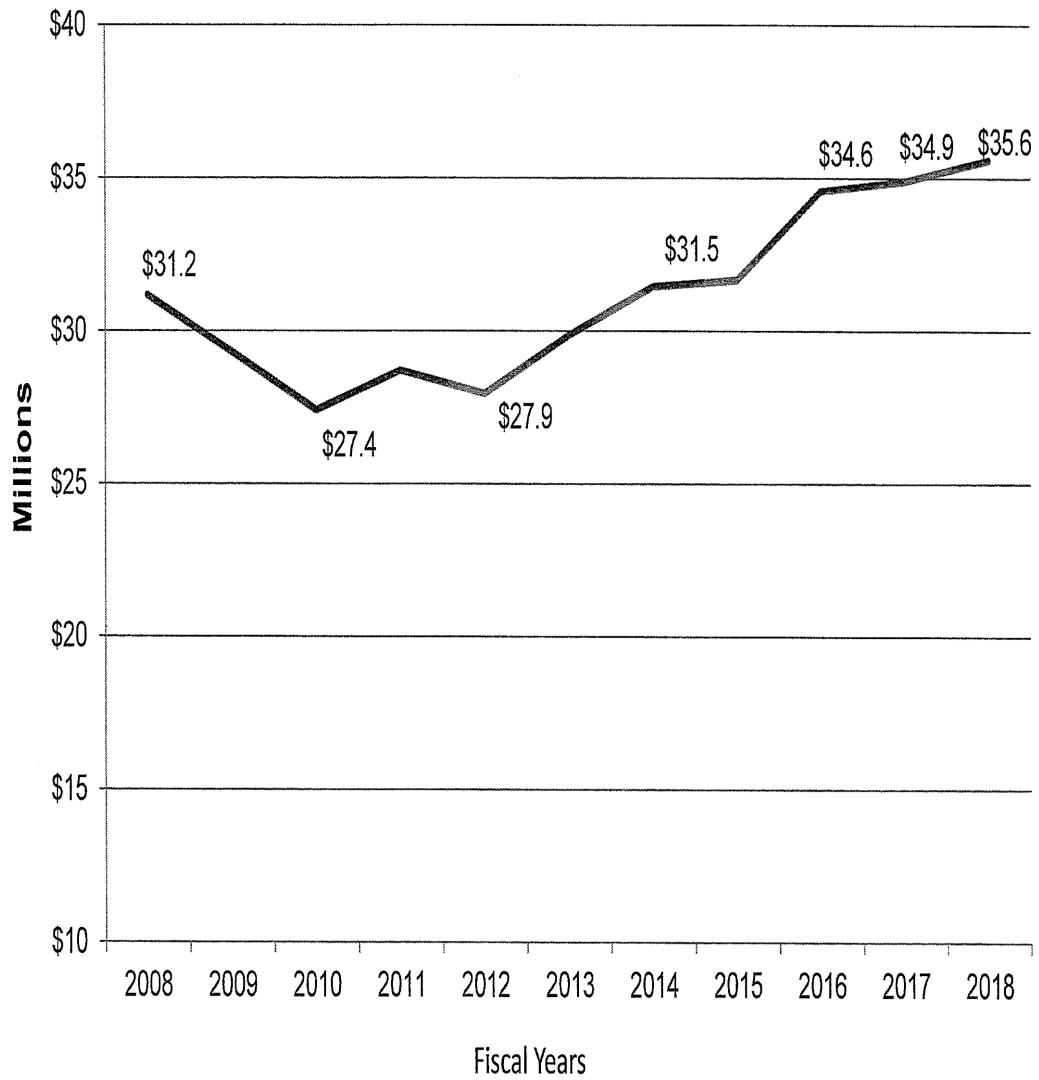
Due to declines in property values during the Great Recession, property tax revenue, with the extra 4.0 Police/Fire/Road millages, is now at FY 2010 levels, before the extra millages.

Lansing Property Tax Growth of 15.44 Mill Levy (without extra Police/Fire/Road mills)

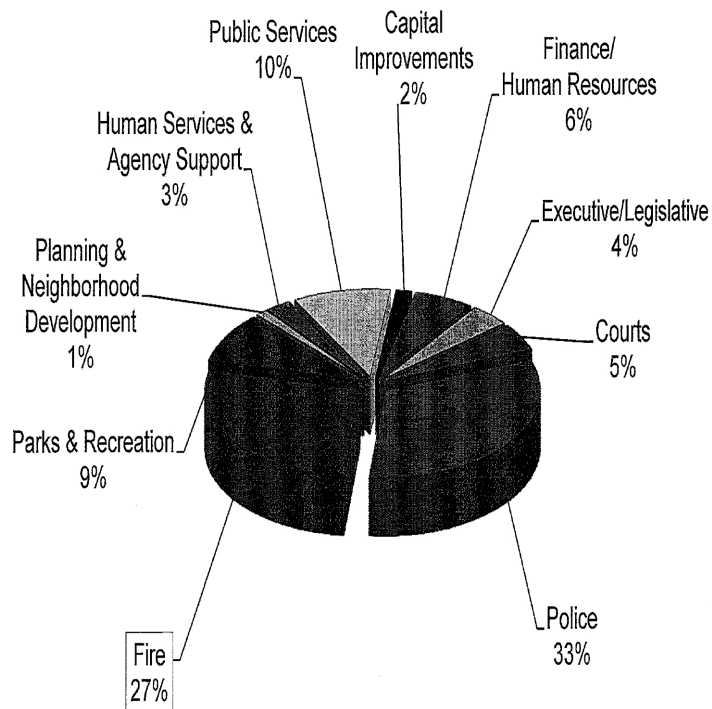


Because of State limitations on property tax growth, property tax revenues, exclusive of uncapping, are not projected to reach FY 2010 levels until 2025-2028, assuming 2% - 3% inflation.

Income Tax Revenue

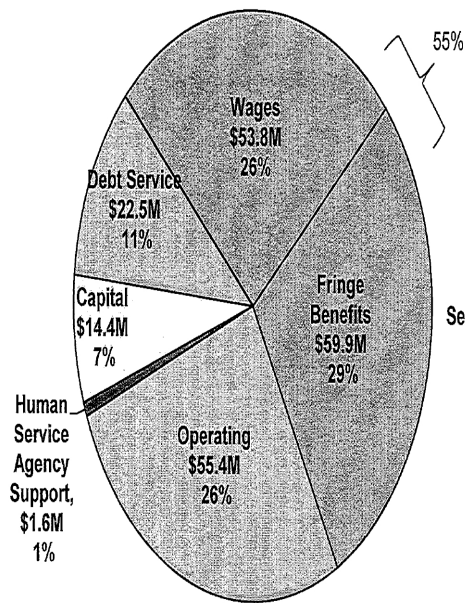


FY 2017/2018 General Fund Expenditures
\$128,450,000



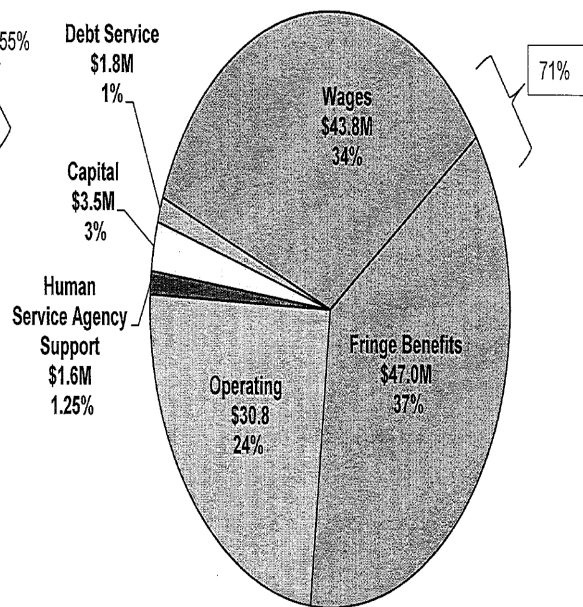
FY 2018 City-wide Budget By Category

\$207.6M

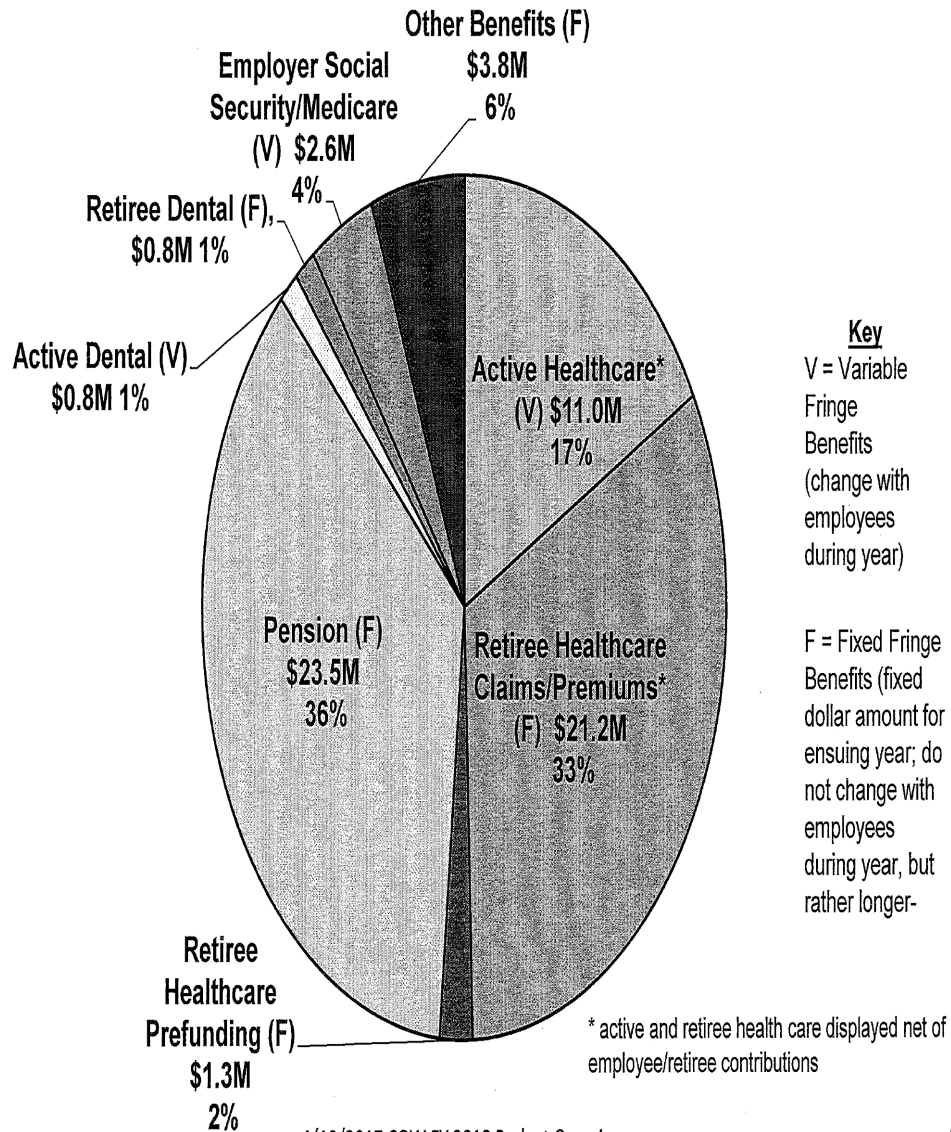


FY 2018 General Fund Budget By Category

\$128.45M



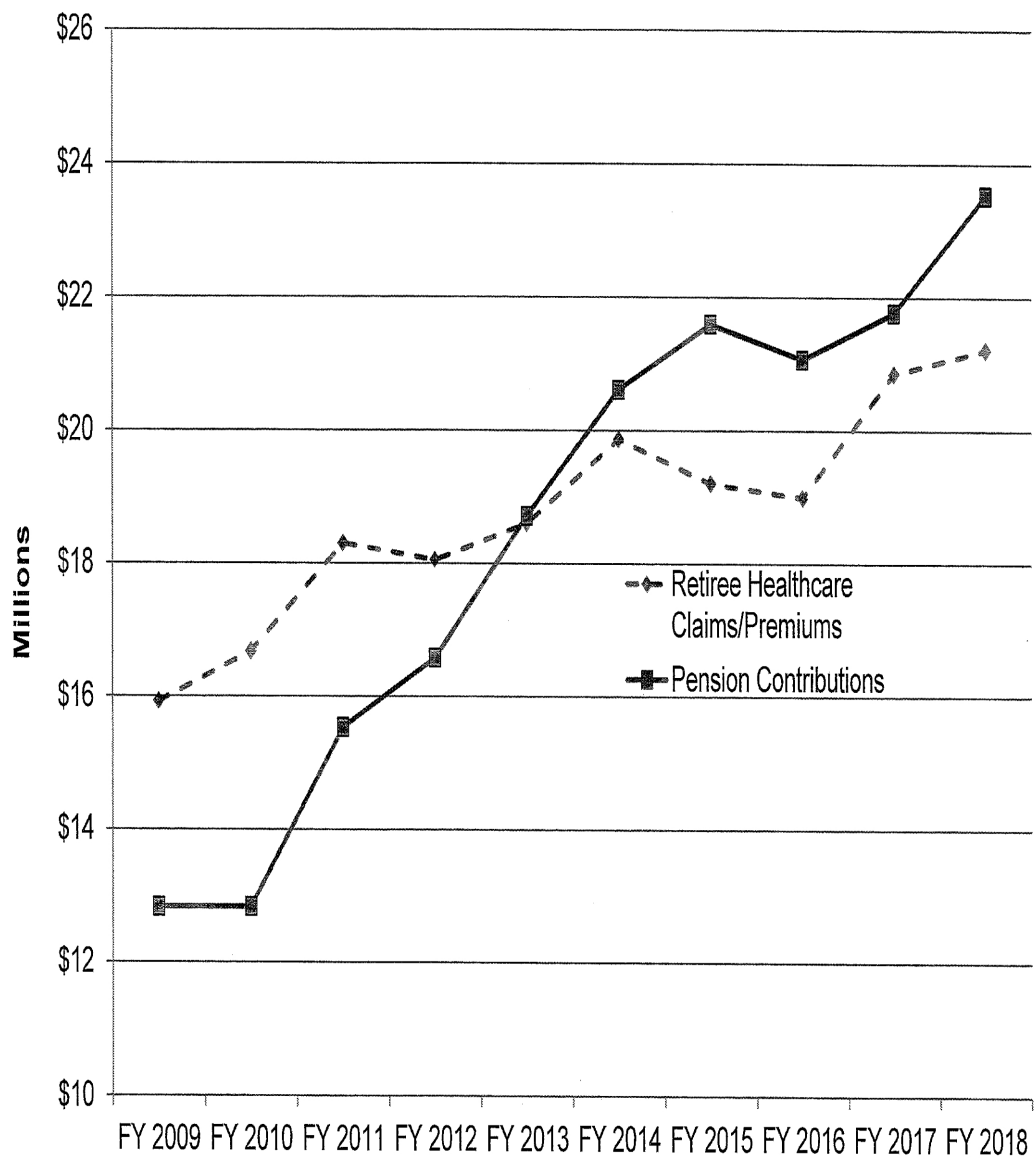
FY 2018 Projected Fringe Benefits - \$65 Million



4/10/2017 COW FY 2018 Budget Overview

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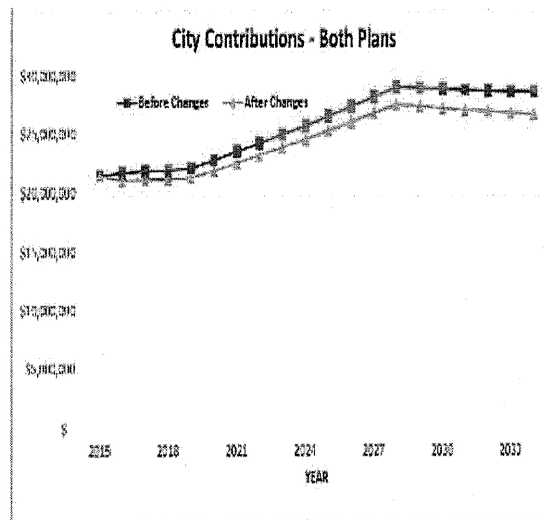
Pension and Retiree Healthcare Costs



4/10/2017 COW FY 2018 Budget Overview

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The City of Lansing
Employees' Retirement System
and
Police and Fire Retirement System
Analysis of Recent Benefit Changes

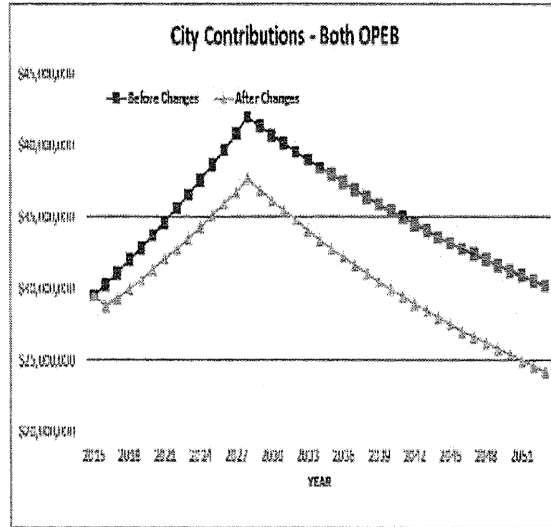


20 Year Cumulative Cost Impact

(\$ millions)	ERS	Police/Fire	Both Pension Plans
Difference in Plan Cost versus current provisions	\$11.4	\$12.5	\$23.9

Note: All of the figures and graphs herein have been constructed on an expected basis. The actual impact will depend on the actual experience of the plans.

The City of Lansing
Employees' Retirement System
and
Police and Fire Retirement System
Analysis of Recent Benefit Changes



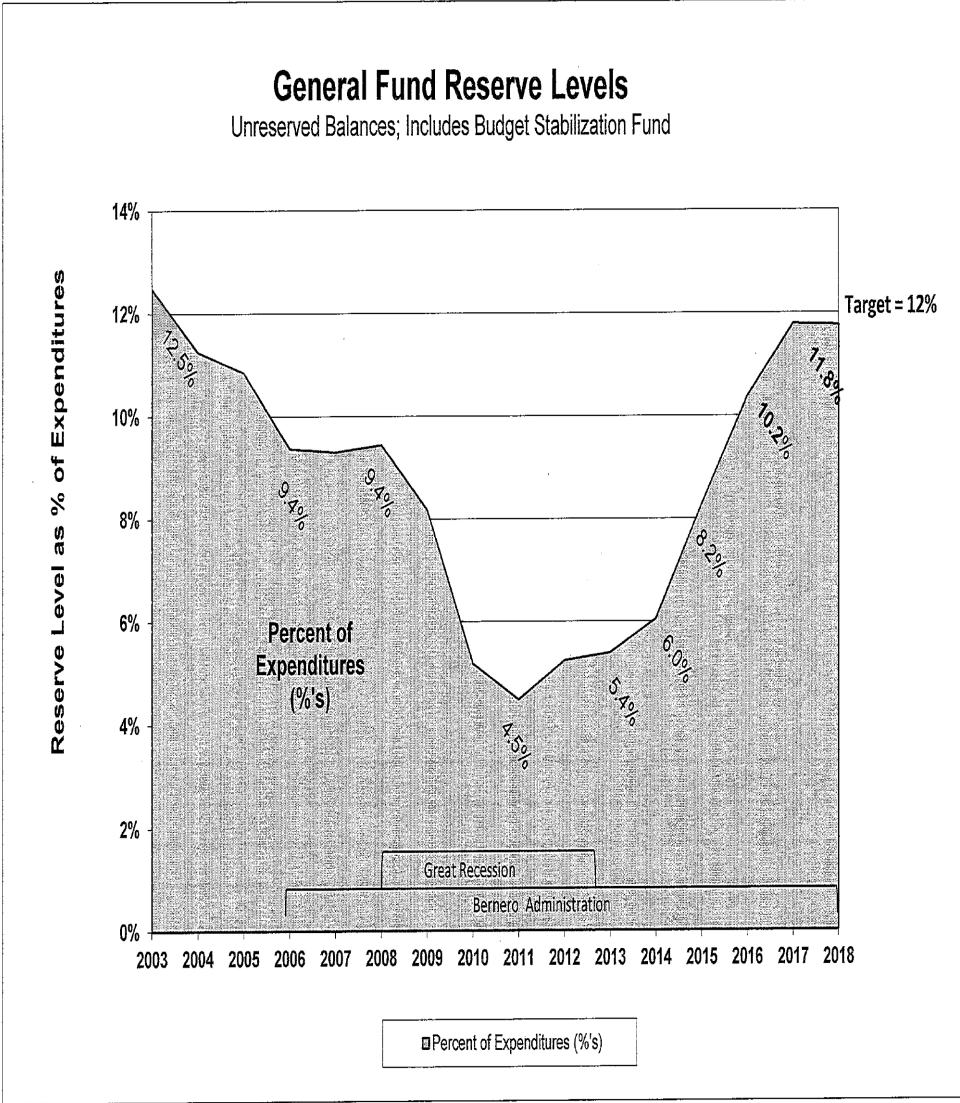
20 Year Cumulative Cost Impact

(\$ millions)	ERS	Police/Fire	Both OPEB Plans
Difference in Plan Cost versus current provisions	\$27.4	\$38.4	\$65.7

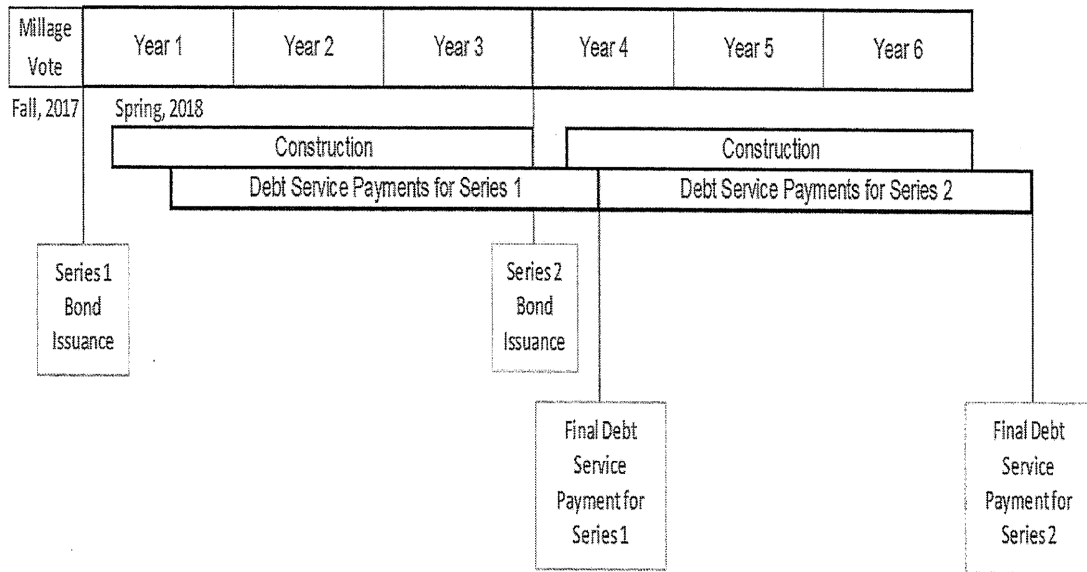
40 Year Cumulative Cost Impact

(\$ millions)	ERS	Police/Fire	Both OPEB Plans
Difference in Plan Cost versus current provisions	\$75.8	\$86.6	\$172.4

Note: All of the figures and graphs herein have been constructed on an expected basis. The actual



Proposed Sidewalk/Road Millage Timeline



Proposed Millage:

1 mill, generating approximately \$2 million annually for debt service payments
 1 mill equates to \$50 annually for a \$100,000 house