MINUTES
Committee of the Whole
Monday, April 17, 2017
City Council Chambers

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

PRESENT
Councilmember Brown Clarke
Councilmember Kathie Dunbar- left at 8:39 p.m.
Councilmember Tina Houghton-excused
Councilmember Adam Hussain
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood
Councilmember Jessica Yorko-excused

OTHERS PRESENT
Sherrie Boak, Council Staff
Chad Gamble, Mayors Office – arrived at 5:03 p.m.
Angie Bennett- arrived at 5:02 p.m.
Mindy Biladeau, Downtown Lansing, Inc.
Mary Riley, HR Director
Scott Keith, LEPFA
Bob Trezise, LEDC
Brett Kaschinske, Parks and Recreation Director
Eric Brewer, Council Internal Auditor
Brandon Waddell, Assistant City Attorney
Jim Smiertka, City Attorney
Karl Dorschimer, LEAP
Steve Willobee, LEAP
Eric Pratt, LEAP
Marchelle Smith, LEAP Controller

Minutes
MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM APRIL 10, 2017 AS PRESENTED. MOTION CARRIED 6-0.

Public Comment
No public comment

<u>Discussion/Action:</u>

Department Budget Presentations

<u>Downtown Lansing, Inc.</u>

Ms. Biladeau provided an overview of the department outlining the annual goals, Main Street Accreditations, the increase in residential with the housing in Ball Park, and a targeted campaign to promote the downtown. The department has received 2 sign grants and they are worked on a way-finding program with implementation in June. In 2016 the Downtown Lansing focused on destination and branding, and they plan to unveil the new branding in 2017. In addition to downtown the Downtown Lansing gave $22,000 in grants to Old Town for the Commercial Association and the Michigan Institute for Contemporary Arts.

Council Member Wood asked Ms. Biladeau why Downtown Lansing Inc. was looking for an increase in their budget, what they are currently using it for, and what the proposed increase would be used for. Ms. Biladeau stated the funds from the City current go towards their share of the City Information Technology, the Silver Bells event and capital improvements for way-finding. In 2017 the design for the way finding will be done with the focus on signage. Council Member Wood asked why Downtown Lansing was using City funds to pay for City Information Technology. Ms. Biladeau referred the question to Ms. Bennett, who stated that the City Information Technology Department administers the needs to Downtown Lansing, Inc. claiming it was more efficient for the City to perform the work than for Downtown Lansing to contract on their own. Council Member Wood how many other contracts are held with the City Information Technology Department to do their technology services. Ms. Bennett could not confirm exactly, but did state that BWL has interfacing for the purchasing department. She noted that LEAP and LEPFA also have interfaces with the City. Ms. Biladeau added to the conversation that the increase that was asked about was not for the Information Technology services with the City, but to cover the proposed way-finding implementation for phase 1. Council Member Wood asked Ms. Biladeau and Ms. Bennett to provide the Council a breakdown on the increase requested.

Council Member Brown Clarke asked for detail on what phase 2 of the way-finding project was, and if there was planned technical support in that increase. Ms. Biladeau again confirmed that there is no requested increase for information technology and they will not be assisting with the way-findings in any way. Phase 1 she explained had to do with a vehicle signage focus on parking and destination, and phase 2 would be destination signage. Council Member Brown Clarke then asked Ms. Bennett if the Information Technology Department needs an increase in their budget. Ms. Bennett answered that every department budget will reflect in an increase for Information Technology. Council Member Brown Clarke pointed out to Ms. Bennett and Ms. Biladeau that it appears that Downtown Lansing Inc. is sub contracted and using the City services, and if they need technology support it should not be comingled. It appears the City is paying for their own service, and Downtown Lansing should either be paying for it themselves or backing it out of the allocation from the City. Ms. Bennett stated her opinion that it was similar to building safety, when subsidized revenues don't meet the expenditures. Council President Spitzley asked if the bottom line is that the City has increased their subsidy to Downtown Lansing Inc. roughly $200,000.

Due to broadcasting issues, the Committee went to recess at 5:19 p.m.

The meeting was called back to order at 5:27 p.m.

Council Member Wood asked Ms. Biladeau how much the Downtown Lansing has collected from Old Town since they just granted them $22,000 in grants. Ms. Biladeau confirmed $22,000.

Council Member Wood then asked when the last time was the assessment increased. Ms. Biladeau answered that it was established in 1996 and there is no record of an increase. Her Board of Directors are actively pursuing information currently on a potential increase, which Council Member Wood encouraged to address the funding need instead of taking funds from the City general fund for increases.

Council Member Wood asked Ms. Biladeau how many units in downtown went from a commercial use to residents. The answer was that there were no changes, but only new construction.

Council Member Hussain voiced a concern on the increase from $66,000 to $221,000 in the budget request, and asked how many business had closed. Ms. Biladeau stated there had only been 3, and explained that businesses leave for multiple reasons.

Council Member Washington also spoke in opposition to a 65.7% increase and encouraged Downtown Lansing to become more self-sufficient.

Council Member Brown Clarke again asked Ms. Biladeau and Ms. Bennett to address the funding designation to the City Information Technology Department because it is a payment from the City and then a revenue for funding the Downtown Lansing to return payments for City Information Technology services.

Ms. Bennett explained to the Committee that the total increase requested is $221,000, with a general fund increase of $88,000. The way finding is a one-time increase request and the Information Technology increase is $5,000 of the $221,000, which every department will be requesting. Mr. Gamble spoke in support of the way-finding project.

Council Member Dunbar referred the Committee and Ms. Biladeau to the miscellaneous revenue line item which showed an increase up to $109,000. Ms. Biladeua stated that was a $100,000 contribution from the Visitors and Convention Bureau for the phase 1 of the way-finding.

Council President Spitzley asked if the department also provides grants to REO Town. Ms. Biladeau stated that REO Town is not in the district.

<u>LEDC</u>
Mr. Trezise provided introductions and distributed a memo from LEDC/LEAP.

Council Member Spitzley passed the gavel to Council Member Wood at 5:42 p.m. due to potential conflict with the LEDC budget due to the fact her employer works with LEDC on multi developments.

Ms. Bennett left the meeting at 5:42 p.m.

Council Member Wood asked why the memo was not provided to Council when it was requested twice prior to the meeting. Mr. Trezise stated they provided it to the Mayor's office on Friday, April 14th at noon, and his understanding was that it was going to Council at that point. He apologized and stated his surprise it did not go to Council. Council Member Wood made it clear to all the departments, Ms. Bennett and Mr. Gamble that the information was to be provided to Council by the Friday before the meeting, however Council had not received any information as of the start of the meeting.

Mr. Trezise first clarified that the City has a contract with LEDC and is its own authority, who then has a contract with LEAP to perform services. The LEDC is requesting an increase in funding from $170,000 to $270,000. Prior to this year the Radisson Hotel made payments of $100,000 to LEDC, but that contract ended in January and the funds are no longer required to be paid. Those funds were part of a non-repeat clause with the Radisson and also part of the 30 year bonding for the hotel. In addition that project had major HUD funds. All funds went into LEDC that then used them in a revolving loan fund to businesses in the City. The group then reviewed the list of projects on the last page of the handout, and were provided with a website link to track those projects. www.purelansing.com/lansingedcprojects

Ms. Bennett returned to the meeting at 5:50 p.m.

Mr. Trezise went through his memo highlighting the 50 bullet point accomplishments. Those included a $500,000 EPA Brownfield Assessment grant which resulted in $121,000 on 15 possible projects. In addition, the Entrepreneur unit worked on grants to bring back start-up businesses and 3 have been done. Over the last year he added here were 28 start-up businesses, and 20 of those impacted the City of Lansing. LEAP is currently working with Razer Trust and Northpoint Developers on former GM sites.

Mr. Gamble left the meeting at 6:00 p.m.

Council Member Wood referred to page 98 and 103-107 which represented an increase in the General Fund from $100,000 to $270,000. Mr. Trezise stated again it reflected the decrease with the loss of the $100,000 from the Radisson, and that the State law allows them to collect administration fees for managing the TIF in downtown.

Mr. Gamble returned to the meeting at 6:06 p.m.

Mr. Trezise then spoke about the projects and what the staff does to site research, be site consultants, write grants and manage websites. Council Member Hussain asked how many staff LEDC had, and Mr. Trezise stated there was not a specific number only for the City. Council Member Hussain asked then how the LEDC determines where to direct a potential developer into the City if they work for the whole area even outside the City. Mr. Trezise stated they have a fire wall of encoded ethics for the staff, and if it is a regional project there is focus on the region, if it is a City project that is where it goes. The LEDC follows what the client wants whether it acreage, building driven, new or existing. The client makes the decision. Council Member Hussain asked why always the push for downtown. Mr. Trezise stated that when he first started the downtown area needed it and the direction was to push for downtown. Council Member Hussain asked LEAP to think of different ways to support other areas outside of downtown.

Council Member Wood referred the group to the list on the last page of the LEDC report, noting that some projects have not even broke ground, there is just an assumption. Mr. Trezise confirmed the assumption.

Council Member Wood then asked for a status update on High Grade Construction, the concrete factory on Turner. Mr. Dorschimer admitted there was slow progress, but stated it was good because they were so busy with the construction boom, they have not had time to spend on their own property. If they do not meet the requirements in the agreement, the City can revoke the Brownfield agreement.

Due to broadcasting issues, the Committee went to recess at 6:28 p.m.

The meeting was called back to order at 6:34 p.m.

LEPFA

Mr. Keith went through a power point handout, which addressed visitors, the City Market, the Stadium, and Common Ground. Also mentioned in the handout was the proposal for LEPFA to take over full operations of Groesbeck Golf Course by 1/1/2018. The proposed budget for LEFPA reflected proposed revenues at $6,000,355 and expenses to $7,114,365 with the City contribution of $723,800. One point made about the market was that the revenues were at $109,978 but the expenses were at $190,678, so $80,700 was being requested as part of the $723,800 from the City. The stadium only has $6,000 in revenues so LEPFA was asking for $399,000 from the City.

Council President Spitzley referred Mr. Keith to the Lansing Center budget and asked for details on the expense line item which reflected $73,822 for the last two years, but his projection was for $440,682 for 2017. Mr. Keith confirmed and explained it had to do with no exclusive agreement for client services, and now they are allocating revenues and expenses. Council President Spitzley then asked what the percentage of occupancy at the City Market was at. Mr. Keith stated they were at 76%, with 5 vendors and the restaurant/bar vendor using 50%, 30% for the bar itself. He was asked if he knew the highest number of vendors it has had, and he was not able to answer that.

Council Member Washington spoke in opposition to LEPFA taking over Groesbeck Golf Course, and the proposed amount to subsidize LEPFA itself. Her reasoning for not supporting the transition to Groesbeck had a lot to do with the fact they did not have a business plan, and since the City continues to subsidize LEPFA and they are not self-sufficient, taking over the course would not be possible. Council Member Washington proposed to Committee members they should look into cuts that will force LEPFA to be self-sufficient over the next 5-10 years. She concluded by stating she would only support their budget if they stayed status quo and potentially go forward on a different note with the new Mayor in 2018.

Council Member Hussain and Spitzley both asked what experience LEPFA has in running a golf course, what the business plan is and what happens to the City staff currently there. It was proposed a meeting should be held just on this item with LEPFA and Parks and Recreation both at the table.

Council Member Wood asked Mr. Keith where in his budget did it show the revenue he plans to get for the golf course. Mr. Keith admitted it was not in there, and after the change January 1, 2018 there will be a change in the budget to reflect it. Council Member Wood reminded him that the budget gets approved in May of 2017.

Council Member Wood asked for details on the cost of the ball field turf that was installed last year. Mr. Keith assured the Committee there was no additional cost for the turf, it was cheaper than they had planned because they had to use another vendor, however the savings were used for the soil base for the newer turf because it was not the same type as they had originally planned.

Council President Spitzley asked why the Lansing Center was not regularly utilizing the patio area. Mr. Keith stated it was customer driven.

The Committee consensus was to support a market study be done on the City Market.

Council Member Brown Clarke asked for an update on the naming rights and agreement for the stadium. Mr. Keith confirmed the agreement ends in 2020 and there are ongoing discussions. The naming rights could potentially generate funding for maintenance he stated.

Council Member Dunbar referred to the handout, the annual report and the budget which all reflected different revenues and expenses in categories. Mr. Keith stated that the operating revenues from the Stadium and from games pass through LEPFA and are given to the City so they are not reflected.

Council Member Spitzley asked about other funding options for maintain the Lansing Center. Mr. Keith referred them to an example in Oklahoma City where the voters approved a facility tax to maintain their facilities.

Mr. Gamble addressed the golf course questions, with $1 million of subsidy for LEPFA, which leverages $6 million worth of business which attributes to 13% of the budget for LEPFA. Those funds are also $4.4 million in economic impact. The City is subsidizing over 500,000 of golf operations coming from the parks millage. The FHT has said it is unacceptable and the City needs to do something about it. This change would allow the park millage to cover the parks throughout the City. Council President Spitzley pointed out to Mr. Gamble that even if LEPFA was self-sufficient they would get people to come to the City. The golf course was approved by the voters for part of the park millage where they approved to pay for parks and golf courses.

Council Member Dunbar asked what operations would be handled by LEPFA. Mr. Keith confirmed all operations. Council Member Dunbar agreed with an earlier statement to have LEPFA and Parks/Recreation at the table for further discussions. She then asked if LEPFA would contract the maintenance or use City employees. Mr. Keith acknowledged that there are options for golf course maintenance, and they would evaluate those after they hired a grounds super intendent, who will then hire the staff. Council Member Dunbar asked why they wouldn't just keep the current City employees that are already there doing the job. Mr. Keith answered that those employees would have the opportunity to apply for any of those jobs.

Council Member Washington again spoke in opposition to LEPFA maintaining and managing the golf course.

Council Member Wood asked Ms. Bennett what the amount of the contract would be for LEPFA to manage the golf course. Ms. Bennett stated they will begin at $283,389 for half a year. Currently she stated it is projected in the current FY to be $944,000, and in the prior year it was $840,000. There was some debt service that ended in this fiscal year. Council Member Wood asked if there is a negative balance, is it expected those dollars will come out of the parks millage to make it whole. Ms. Bennett stated that if the revenues do not cover it then the general fund will. Council Member Wood pointed out that if the revenues do not meet $900,000 LEPFA will come to the City and ask for additional subsidized funds, and more than likely the contract will state whatever LEPFA can't pay for the City will cover.

Council Member Brown Clarke spoke in support of the golf course maintained by the City, and made suggestions on how LEPFA can get involved with events at the course. However she pointed out that the proposal sounded similar to what was given earlier for Downtown Lansing to utilize the City IT department to save money, however the City would be cover the expenditures either way.

Council Member Dunbar asked for a breakdown for the costs currently on utilities and where those expenses will go, benefits, etc.

Council President Spitzley and Hussain both acknowledge that when they were on the Park Board and encouraged the vote for the park millage, it was promoted to cover golf courses and where those dollars would go. Also, they confirmed their consideration for continuation of City employees.

Council Member Wood asked for a feasibility study and how the administration came up with the idea. Lastly, Law was asked to review the requirement of a contract over $50,000 to be approved by City Council. Mr. Smiertka reminded the Committee that the City signed an agreement with LEPFA recently and that agreement had a provision that facilities that LEPFA would operate would be covered in that agreement from time to time. He did assure the Committee he would consider the question. Council President Spitzley also asked Law if the City collected a millage for the maintenance of parks including the golf course, can those dollars be transferred to LEPFA. Mr. Smiertka reminded the Committee that the facilities are still owned by the City. LEPFA was a corporation set up when the Lansing Center built to allow for revenue bonding. In the agreement, the City took its own facilities and hired LEPFA to operate.

Ms. Bennett referred the Committee to page 97 of the budget which detail how the park millage dollars are utilized. If LEPFA takes over, it would free up funds. Council Member Dunbar also asked for the business plan and projections. Council President Spitzley pointed out to Ms. Bennett that when she states less millage, it comes across that there will be increase in the fees for the golf course for it to be self-sufficient. Ms. Bennett admitted there is the potential it will ever achieve self-sufficiency.

Mr. Gamble went back to the question on staff, and stated there will be no staff lost and Mr. Keith added that the City can retain those employees for another City position and if they have longevity they would want to stay with City.

Council Member Washington referenced the administration to the issues where the sale of Waverly golf course was handled and addressed to the situation it is in now.

The Committee reiterated to the staff that the public does believe that the park millage covers the golf course.

Council Member Washington corrected an earlier statement where she meant to refer to the Red Cedar Golf Course.

Mr. Gamble again focused on the discussion on the City employees assuring the City will absorb any golf course employees into the City jobs.

<u>Public Service</u>
Council President Spitzley asked Mr. Gamble why after the Council requested the power point and hand out by Friday the 14th, the did not get anything, but it was sent to City TV. Mr. Gamble stated that he did not believe it was finished until today and was then sent to City TV at 4:05 p.m.

Council Member Wood stepped away from the meeting at 8:11 p.m.

Mr. Gamble went through the hand out of a power point on the department. Highlights he presented included their goals, timely remediation on pothole complaints, improving walkability, and cost effective wastewater.

Council Member Wood returned to the meeting at 8:13 p.m.

Slide 4 offered the presentation on their performance indicators.

The focus of the Police, Fire and Road millage is utilized with prevention, potholes, road hazards, sweeping, plowing and street materials. Mr. Gamble did not that in the budget there is a line item labeled MLK, but it is Major Streets.

The slides then spoke on CIP Projects for FY2018 including a STP match, major maintenance of streets, bike lanes, millage paving projects, traffic signalization, sidewalk gap closure and US 127 pathways.

Council President Spitzley stepped away from the meeting at 8:22 p.m.

The group was referred to slides 9-11 on their storm water and an asset management grant. Slide 13 outlined the CSO project.

Council President Spitzley returned to the meeting at 8:26 p.m.

Mr. Mumby was acknowledged for his work on the City Works program which began in October 2014 and now addresses streets, surfaces, forestry, trash and is integrated. They are currently working on incorporating online permitting. They acknowledged earlier multiple requests for Council to have a demonstration on the program and hope to provide that after the budget process.

Mr. Gamble moved onto the proposed sidewalk and street millage to address 120 miles of neighborhood sidewalks and 4.5 miles of streets. Also listed was a proposed traffic circle at Washington and Grand River, which they plan to be pedestrian friendly similar to Washington and Michigan.

Council Member Dunbar left the meeting at 8:39 p.m.

Council Member Washington asked if they had any grants for the projects and if they don't would the program fail. Mr. Gamble stated the project is currently programed through Tri County Regional Planning.

Council Member Washington asked who will do the work on the sidewalks that are scheduled in the millage project. Mr. Gamble stated that work will be contracted and packaged with larger contracts. Council Member Washington asked Mr. Smiertka if those contracts will be before Council. Mr. Smiertka stated that if the money is appropriated and does not require public hearings, they will not come to Council.

Council Member Washington asked Mr. Gamble about a recent sole source purchase of a Quad Guard for $22,487. Mr. Gamble stated that was for an energy disapter.

Council Member Wood asked for a break down on the CIP and bonding dollars.

Council Member Wood asked Mr. Gamble the cost for the ADA ramps that will be part of the sidewalk millage. Mr. Gamble informed her they were not designed yet, but the ADA ramps are only required in the intersections. Mr. Gamble was then asked if they had inquired into grant for the sidewalks. Mr. Gamble stated that the grants through Safe Schools program was a separate project.

Regarding the early discussion on the traffic circle at Washington and Grand River, Council Member Wood asked staff to work with the neighborhoods.

Council Member Wood asked if the City was still doing the wet weather program, and addressing basement backups. Mr. Gamble admitted they are still performing the program and no longer have a threshold because there are not that many in need.

Council Member Wood asked about the proposed fees for tower antennas, and what revenue it would generate. Mr. Gamble had no specifics on the revenue. Council Member Wood then asked Law if there would be an ordinance needed. Mr. Mumby answered that the proposal had already gone through Law.

Council Member Wood asked Mr. Gamble to provide the requested staffing information including current vacancies, duration of those vacancies and if any of those vacancies are filled by temporary or contracted help. Council President Spitzley asked that all requested information be provided in writing.

Council Member Brown Clarke asked the Committee to work towards a plan to address increasing operational costs for garbage and rubbish removal.

Council President Spitzley asked Mr. Gamble to provide the answers and information that the Committee had from the last meeting on the sidewalk millage, that he was asked to provide at this meeting. Ms. Bennett informed the Committee that the new millage would not apply to the property tax cap, and would not apply as an operating millage. Council President Spitzley pointed out that it will be $1.8 million for 25 miles of sidewalks for 6 years, and the public will want to know what that millage will go for and where. The public will still believe and know it is a tax and to them it will not matter it does not apply to the cap. Council Member Hussain added that at the last meeting there was a question on how they were determining the prioritizing of the work. Council Member Washington concurred on the need for more information and a plan.

<u>Parks & Recreation</u>
Mr. Kaschinske outline his departments performance indicators with a focus on summer playground camps, and the after-school program, which they continue to see an increase in participation. The department in 2017 will see a significant impact in their infrastructure. The CIP projects in 2017 will focus on the pavement of entrances at Bancroft Park and the Foster Center. The earlier mentioned project of the kayak launches will also be a focus in 2017.

Mr. Kaschinske reminded the Committee that in 2011 was the last time the City went out for an RFP for privatization for the golf course. The City stayed with the same model this time, but did not do an RFP, but only looked towards LEPFA because they have the same unionization.

Council President Spitzley asked why Parks and Recreation had a proposed budget for Groesbeck Golf Course if they were also proposing to turn it over to LEPFA. Mr. Kaschinske admitted they did have $75,000 for the expenses until 1/1/2018.\

Council Member Washington asked for an update on the Riverwalk at Michigan and the river where the stair case was removed on the south-east side of Michigan. Mr. Kaschinske stated the project is in 3 elements for the grant, the steps near the Lansing Center were repaired, then they will start on replacing the stairs mentioned by Council Member Washington, then lastly close the North side and repair those. The City has met with BWL on the poor lighting in the area and getting a quote.

Council Member Washington asked the department to spend more of a focus on winter sports at Groesbeck Park. Mr. Kaschinske stated the park is open during the winter but they are not equipped to handle rental of equipment.

Council Member Wood asked about the Todd Martin canoe fees. Mr. Kaschinske stated the agreement with Todd Martin is that the revenues that are taken in are to offset, and then they pay the difference.

Council Member Wood asked if the department still offers scholarships. Mr. Kaschinske confirmed they are available for all Lansing residents, 18 years or younger.

Council Member Wood asked for a report on current staffing vacancies, the duration of those vacancies and if any of those vacancies are being filled by contracted or temporary employees. Mr. Kaschinske stated he would refer that question to Ms. Bennett.

Council Members asked if the landscaping contract had changed or increased, and if their performance is measured. Mr. Kaschinske stated that a few years back the number of cuts were increased to 27 cuts a year, and they have also added pesticide applications. The department is happy with the contractor and their performance. Council Member Wood asked that they confirm that contractor is paying income tax.

Council Member Wood asked Mr. Kaschinske what progress was made on the weekend damage to Porter Park. Mr. Kaschinske stated they have been diligently working with the LPD on the damage that was caused.

Council Member Wood asked Council President Spitzley to request that the departments that will present next Monday have their information to the Council offices no later than Friday. Council President Spitzley stated that Council staff had already sent out an email reminder to those departments. She added that the departments were informed that the information ahead of time is critical so questions can be established ahead of time.

PUBLIC COMMENT
No comment

Adjourn
Adjourned at 9:50 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by Committee on April 24, 2017