MINUTES
Committee of the Whole
Monday, May 8, 2017
City Council Chambers

CALL TO ORDER

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

PRESENT

Councilmember Brown Clarke- arrived at 5:01 p.m.
Councilmember Kathie Dunbar
Councilmember Tina Houghton- arrived at 5:03 p.m.
Councilmember Adam Hussain
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood
Councilmember Jessica Yorko – arrived at 5:02 p.m.

OTHERS PRESENT

Sherrie Boak, Council Staff
Angie Bennett, Finance Director
Jim Smiertka, City Attorney- arrived at 5:15 p.m. left at 5:35 p.m. returned at 6:10 p.m.
Joseph Abood, Chief Deputy City Attorney- left the meeting at 5:17 p.m.
Heather Sumner, Assistant City Attorney
Amber Paxton, Office of the Financial Empowerment
Todd Heywood, Lansing City Pulse
Kathy Miles
Jon Miles
Ricardo Bridnes
Chad Gamble, Mayor's Office - arrived at 5:38 p.m.

Public Comment

No public comment.

Discussion/Action:
RESOLUTION – Amendments to the Deferred Compensation Plan (457) for the UAW 2016-2019 Collective Bargaining Agreement
Council President Spitzley corrected the agenda to reflect the item to state “2016-2019” instead of “2013-2016”.

Mr. Abood explained to the Committee that this amendment would allow employees of the UAW to invest as a retirement option under the 457 Plan of the City. In order to accomplish that the Council needs to amend the plan and the document in front of the Committee shows those amendments, which with ratification will allow the Committee to administer the plan, and will make it consistent with the CDA that Council had already ratified. Mr. Abood moved on in his explanation to provide details on the changes. The language was amended for 2.03 to state “as well as contributions pursuant to Sections 4.02g and 4.02h, subject to the following limitations”. 2.09 now includes “(other than contributions pursuant to Plan Sections 4.02g and 4.02h(i) through (iii)” and “other than as provided in Sections 4.02g and 4.02h”. The amendment added “Notwithstanding anything to the contrary herein, the Employer may designate a default Designated Institution and Investment Product in the event a Participant fails to make a designation in his or her Participation Agreement which shall be the deemed designation of the Participant.” Effective January 1, 2017 it now says “ 2.15 “10/21/13 UAW Local 2256 Employee” means an employee of the Employer who either hired into or transferred into UAW Local 2256 on or after October 21, 2013”. And “2.16 “Base Wage” means an employee’s salary or wager determined by his or her classification at an annualized rate of pay contained in the appendix of the collective bargaining agreement with UAW Local 2256 as then in effect”. In regards to eligibility Mr. Abood stated anyone who is a Local 2256 employee shall automatically participate, and will have 2% of their base wage mandatorily withheld and contributed as a pre-tax annual deferral, in addition the Employer will contribute as a pre-tax annual deferral. The Employer will also contribute on behalf of the employee in an amount equal to 2% of the base wage. Mr. Abood confirmed that HR is HR is working with the administrators of the options on the compensation to be deferred, the timing of the effective dates and whether the employee can defer additional compensation. The document he stated had been vetted by HR, Finance and the Administration, in addition comports with what ratification between the Union and the City.

Council Member Wood asked for verification that the UAW had seen the amendments. Ms. Bennett stated it was negotiated, and this agreement makes the defined contribution better met the needs and allows for mandatory contributions and employer contributions. Council Member Wood then asked if the ratified contract had been signed. Ms. Bennett could not verify it, so stated she would provide that answer when she could verify with HR. Council Member Wood asked what the time line was for approval of the amendments. Ms. Bennett confirmed the UAW did review it and it was agreement upon when the Council ratified the contract. Council President Spitzley asked Ms. Bennett again if the ratification was signed. Ms. Bennett still did not have an answer. Mr. Abood explained to the Council that when they amend the pension plan, the amendments have to be done in the same calendar year as it is ratified. Council Member Brown Clarke asked what the next steps would be if Council approved it. Ms. Bennett stated the Deferred Compensation Committee would sign and submit to the IRS. They will then hold sessions with the employees to go over the plans and options.

Council Member Wood voiced her concern again of approving something if there is no assurance that the contract has been signed yet. Council President Spitzley asked Ms. Bennett to provide that information prior to action at the Council meeting later in the evening.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE AMENDMENTS TO THE DEFERRED COMPENSATION PLAN (457) FOR THE UNION 2016-2019 COLLECTIVE BARGAINING AGREEMENT. MOTION CARRIED 8-0.

RESOLUTION – Ballot Language for Charter Amendment 8-403.6
Council Member Washington informed the Committee that she had crafted the ordinance with the City Attorney office, based on the all the constituent discussions and comments during the recent Scott Park/BWL decisions. She summarized that the amendment would have any park property, cemetery or waterfront land be brought to the vote of the people before a sale, gift, lease or license.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION FOR THE BALLOT LANGUAGE TO AMEND THE CHARTER FOR 8-403.6.

Council Member Dunbar stated she was seeing it for the first time, and asked when action had to take place. Council Staff stated that if the language was going to be on the August ballot, it needed to be passed on May 15th. Council Member Dunbar stated that she would need more time, and if not would have to vote no at this meeting. Council Member Washington reminded the Committee the information was in the packet when it was posted the end of last week.

Council Member Spitzley acknowledged Council Member Washington for her work on it, and understood her intentions based on what happened during Scott Park and BWL. She however had concerns with the words “license” and “easements” because her opinion was that the Council was elected to make those decisions.

Mr. Smiertka confirmed that ballot language is also governed by the City Act, which requires all language to go before the State Attorney General and the Governor before it is placed on the ballot. His office had sent the current language to the Attorney General office, but had not received a response yet, and they will still need the Governors approval.

Council Member Brown Clarke noted she did not have a concern with the topic, however did not realize the goal was a turnaround for the August ballot, but she would have time to review before the deadline for the November ballot.

Council Member Washington stated she did not have an issue with waiting until the November ballot, therefore she asked the Council President to place it on the May 15, 2017 Committee of the Whole agenda.

Council Member Hussain spoke in support of asking the constituents to vote.

Council President Spitzley repeated her concern with having the words “easements” and “license” in the language.

A brief discussion was held on the time line for the August ballot, and the approval process from the State Attorney General and Governor.

Council Member Washington withdrew her motion, and requested Council Member Spitzley to place it on the May 15, 2017 agenda, noting if Council had any legal questions they can contact the City Attorney office.

MINUTES

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM MAY 3RD, 2017 WITH THE TIME CHANGE FOR ARRIVAL OF COUNCIL MEMBER DUNBAR TO 6:34 P.M. AND ADDING THAT SHE WAS ALSO EXCUSED. MOTION CARRIED AS AMENDED 8-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM MAY 4TH, 2017 AS PRESENTED. MOTION CARRIED 8-0.

The minutes from May 1, 2017 were moved to May 15, 2017 for any action.

Budget-
Department Budget Presentations
Finance Department

Ms. Bennett provided and overview of her department which included the Treasurer, Assessor and new this year the Office of Financial Empowerment (OFE), which is currently under the Mayor’s budget. Ms. Bennett concluded by stating she had not changes in the frame of the operational, but it will include $150,000 for the Legacy Cost study.

Council Member Wood asked for vacancy information, the number of positions, and the current number of vacancies, how long they have been vacant and how many are filled by contractual or temporary.

Council President Spitzley referred Ms. Bennett to the line items for salaries under all her divisions where it appeared all were requesting $100,000 increases. Ms. Bennett stated there is a $20,000 due to contractual wage increases, and outlined the decreased projections in the other line items. She then answered the other question on vacancies, but stating she has 4 vacancies, 2 in the process of being filled and 1 on hold. This explains the current fiscal year end projection for an increase. Council Member Wood asked how many of the 4 positions are filled by contract. Ms. Bennett stated that there are 2. Ms. Bennett then went back to the question by Council President Spitzley on the salary increases, stating the Assessor shows an increase because the is currently a vacancy due to a promotion, and they are proposing to be at full staff in the future. The totals Ms. Bennett provided reflected 4 vacancies in Budget/Accounting with 2 under contract, and 2 vacancies in Assessing with 1 under contract, and 2 vacancies in Treasury, one full time and one part time, which is currently contracted. Council Member Wood asked for timelines on how long the positions had been vacant. Ms. Bennett only provided information that the auditor position had been vacant for a while. In regards to the timeline on all the contract positions, Ms. Bennett stated that only one had gone over 1 fiscal year.

Council Member Wood then moved the discussion to the requested additional $150,000 for the Legacy Study, reminded Ms. Bennett that during the budget season last fiscal year, Council asked if there would be a need for more funds, and her understanding from Ms. Bennett then was that there would not be another request. Ms. Bennett state that there will be recommendations on how to implement into the new budget, in the terms of reduction or increase in legacy costs. Last year, she stated her opinion was the study wouldn't have been done to make that determination.

Council Member Wood asked Ms. Paxton what the $165, 000 for operating costs was for in her OFE budget. Ms. Paxton detail that they had obtained a 3 year $1.5 million grant, and they had $110,000 left over. They will also be pulling $15,000 from Lansing Save for the OFE. Ms. Bennett stated the funds from Lansing Save will come from the Treasurer budget and that is why the budget shows $27,000 compared to last years $37,000. The additional $5,000 is from the AmeriCorps position.

Council Member Wood asked Ms. Paxton if she was a contract employee or full time employee, and if she was in the Union. Ms. Paxton confirmed she had become a permanent employee on January 1, 2017 and not part of the Union, but a member of the Mayor's staff. Council Member Wood asked Ms. Bennet if when Ms. Paxton is moved to the Finance department if she will be in a union bargaining group, and Ms. Bennett was not able to answer that at this time but would work with HR. Council Member Wood asked for a copy of Ms. Paxton contract from January 1, 2017.

Council Member Hussain asked Ms. Bennett for details on the requested additional $150,000 for the Legacy Costs, and how they came up with that amount. Ms. Bennett stated the original request from a year ago was $200,000 which had the $100,000 match from the State, to study the City pension and what the City can do with those costs. The understanding is that once the report is released they may require additional studies or implementation costs to accomplish the recommended plan. The Committee then reminded Ms. Bennett that they were told last year that Council was told they would see a draft document from the study, and have never seen it, but it is being represented to the FHT on May 11th. Mr. Gamble assured them the study will outlined the changes to the liability, the laws, and then work with Council and the FHT to develop a map to navigate to make sure the City can fund and keep City services. The $150,000 would be used for recommendation implementation and evaluation of costs, Ms. Bennett clarified it will not be another study. Council Member Wood reminded the Committee that last year during the budget the funds were taken from the BWL audit, and with that there were still funds in that account, so those funds could be used instead of another request for $150,000. Ms. Bennett confirmed the $100,000 was moved from the BWL audit; however the other funds were not carried forward.

Mr. Brewer provided his opinion that the study from Siegel Group would be comprehensive, and their recommendations will need a specialist, however his opinion was that the City will see the return down the road.

Council President Spitzley recapped for everyone that it was just made clear the $150,000 request is not for additional studies, as it keeps being said, but for the implementation.

Council President Spitzley asked Ms. Paxton what items are in her Miscellaneous Operating budget line item. Ms. Paxton stated it would be for program management, two counselors, $16,000 for software and a position offset by the CDBG. They plan to move Ms. King from temporary help in the Treasury Department in the OFE office. Council Member Wood pointed out the budget does not reflect a reduction in the Treasury office temporary help. Ms. Bennett stated it will be offset by seasonal needs for the income tax season because Ms. King salary was coming out of temporary help. Ms. Paxton concluded by adding that Mr. Engle, whose position was formally supported by grants will now work for the OFE and she is proposing $20,000 for that.

Budget Review

Council President Spitzley asked that the Council review the draft resolution in the packet and make any recommendations to Council Staff by noon on Wednesday, May 10, 2017. The Council Staff will then compile all the changes into a draft 2 document and redistribute to Council prior to the meetings on Monday, May 15th.

Council Member Yorko asked Ms. Bennett additional questions on the sidewalk millage. Ms. Bennett explained that there is a proposed $25 million per the engineering which would bring sidewalks up to the standards that are needed. The proposed is for a 6 year bond issued and a millage levy and which generates $11 million worth of work. The debt payment would be more than that over the 6 years, which equates to $1.8 million a year. Council President Spitzley asked why the millage is primarily for sidewalks, but it says “Sidewalks and Roads”. Mr. Gamble stated it includes that because with road maintenance projects they also need to do the mandatory sidewalk for ADA compliance. They believe there is 600 miles of infrastructure and they hope to repair 120 lineal miles of sidewalk. Only 30% of the costs of sidewalk repairs are generally assessed to the residents. Council Member Wood took everyone back to the meeting on May 4th where the Committee was told that the City would not be doing a special assessment the residents for the sidewalks in addition to this millage. Mr. Gamble clarified they were misinformed. Council Member Wood then referred Mr. Gamble to the CIP, which has an $11 million with no offset for a special assessment. Mr. Gamble explained that by stating the Administration cannot speculate on the voter’s approval, and so after they vote they will have to provide that. Council Member Wood asked if every section of sidewalk was the same cost to replace. Mr. Gamble confirmed they were, whether it was in front of a house or at a corner, each took the same amount of concrete. There may be additional extra item costs at the corners for curb cuts, soils for ramps and ADA items.

Council Member Houghton informed the Council of a “Roads 101” session that will be held on May 11, 2017 at 6:30 p.m. located at Sycamore Creek Church.

Ms. Bennett referred the Committee to an earlier handout that added additional fees to the budget resolution for Bike Lockers in the Public Service General Fund budget.

<u>Budget Policies</u>
Council President Spitzley asked Council to review the draft polices in the packet and provide any comments to Council staff by noon on Wednesday, May 10, 2017. Ms. Bennett made the change to page one under "Vacancy Factor" to reflect the attrition vacancy allowance would be $500,000 not $800,000 as has been stated in the last couple years.

Council Member Dunbar referred to the last page of the draft policies, and read the "Transparency and Accountability in Government", emphasizing that the City Council can pass policies and procedures, then referring back to the sanctuary city discussions from earlier meetings noting other Council members stated the Administration passed policies.

Council Member Yorko asked Ms. Bennett a budget question regarding the Income Tax Revenue Chart from the budget overview from an earlier meeting, and asked if the income was from people who worked in the City. Ms. Bennett confirmed it was a combination, and also included employer withholding and corporate income tax.

Council Member Wood asked Ms. Bennett for the answers to the questions Mr. Brewer had been sending her.

Ms. Bennett referred back to an earlier question on the Deferred Compensation changes and the Union Contract. She informed the Council that the UAW has the contract for signature, but have not signed it. Ms. Bennett then answered that she was advised that the Council needed to move forward anyways or it would be unfair labor practice if they did not.

Council President Spitzley replied to an earlier comment from Council Member Dunbar on the policies, stated that there is transparency in governing, however, the policy that was discussed during the sanctuary city meetings is a policy directing the LPD and that is covered under the Police Commission per the City Charter.

<u>Adjourn</u>
Adjourned at 6:44 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by Committee on May 22, 2017