MINUTES
Committee of the Whole
Monday, June 26, 2017 @ 4:00 p.m.
City Council Chambers

CALL TO ORDER

Council President Spitzley called the meeting to order at 4:00 p.m.

PRESENT

Councilmember Brown Clarke
Councilmember Kathie Dunbar
Councilmember Tina Houghton
Councilmember Adam Hussain
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood
Councilmember Jessica Yorko- arrived at 4:20 p.m.

OTHERS PRESENT

Sherrie Boak, Council Staff
Eric Brewer, Council Internal Auditor
Jim Smiertka, City Attorney
Bob Trezise, LEAP
Karl Dorschimer, LEAP
Kris Klein, LEAP
Josh Hamilton, LEAP
Heather Sumner, Assistant City Attorney- arrived at
Randy Hannan, Mayors Executive Assistant- arrived at 5:09 p.m.
Angela Bennett, Finance Director – arrived at 5:30 p.m.
Elaine Womboldt
Brant Joanson
Kathy Miles
Jeremic Clayborn III

Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM JUNE 12, 2017 AS PRESENTED. MOTION CARRIED 7-0.

Presentations

LEAP – Beginning Presentation/Discussion on FY 2017/2018 Budget Policy on Corridor Façade Grant

Mr. Trezise provided introductions of the point person Karl Dorshimer and outlined their proposed PILOT Façade Grant Program. This would not focus in the downtown area, and was a request as part of the FY2018 Budget Policies. The program consists of $15,000 which would focus on 1-2 facades. Mr. Trezise confirmed they used the program from 8-10 years ago as the template for the program. This PILOT will also include a Committee consisting of representatives from SHIPO, Planning & Neighborhood Development, LEAP and architects. Council President Spitzley asked why SHIPO. Mr. Trezise defended that, no matter if it was a historic building or not, SHIPO has tremendous expertise and understands the architectural structures. In continuing on the presentation, the program will not impact any business in the downtown area, and will be open to anywhere per the specification set by Council. The applicant must be the building owner, or tenant, however if it is the tenant, the building owner must sign off as well. The program will require the applicant provide an upfront cash match. The group will be looking for simple, workable and creative ideas, and in addition the owner and tenant must have all their taxes paid. Mr. Trezise presented the timeline which begins July 5th when the criteria will be launched in the marketing, with a deadline of August 4th, and a final decision made on the project(s) on August 18th, with the written agreement in place by September 22, and complete by December 31, 2017.

Council Member Hussain asked what the eligible activity would be for the grant. Mr. Trezise answered that it could be glass, awnings, signage if part of the façade, but they won't entertain anyone who just wants a sign and call it a façade. Council Member Brown Clarke asked if there are limitations on if it will be temporary or permanent. Mr. Trezise admitted it had not been discussed, but it is presumed that it has to be permanent.

Council Member Wood referred Mr. Trezise and the Committee to page 5 of the document, and asked for an explanation on why. Mr. Trezise answered that it is a boilerplate that clarifies that LEAP is working on behalf of the City. This allows the City, via LEAP, to reserve the right to make decisions on the issues, and he admitted his opinion was that this language was standard on all RFP's. Council President Spitzley voiced her concern with the bullet point on page 5 "defer or abandon the process of the Project." She asked the City Attorney to review the items to determine if the items are standard and necessary.

Council Member Houghton asked if the program would cover repairs to sidewalks in front of the facades, and Mr. Trezise answered it would only be the building.

Council Member Houghton then asked what formats they were using to advertise the program. Mr. Trezise noted social media, websites, and recommendations from Council.

Council Members encouraged Mr. Trezise to attempt to accomplish awarding more than 2 projects this year, and would push for more funding in next year's budget. Mr. Trezise confirmed the would attempt, but at this time they are pushing for more than just painting of facades which would be small amounts of funding.

Council Member Wood asked if they had a condition on someone closing their business and moving after the façade work is done. Mr. Trezise admitted they had not contemplated that scenario, but with the limited amount of facades they can do, and the fact the winners have to pay up front and be reimbursed, they do not believe it would occur.

Council Member Wood asked what was given in the earlier program in 2010. Mr. Trezise noted they did not have the specifics, but their researched reflected $15,000-$25,000, and those funds were not City funds but EDC funds.

Council Member Dunbar asked if they were considering financing the businesses. Mr. Trezise noted they were not recommended, and those applicant would not be considered because if they cannot obtain funds to cover the match, they would not be a good project.

Mr. Trezise again noted the tight timeline and asked for support tonight, because a 1-2 week delay would move the completion date out a week. Mr. Smiertka admitted that LEAP already has a contract with the City, so there would be no need for page 5 of the document. The language is standard language in a city RFP, and does not have to be in this document, and not a guideline.

MOTION BY COUNCIL MEMBER YORKO TO APPROVE THE FY2018 CITY OF LANSING TARGETED PILOT FAÇADE IMPROVEMENT MATCHING GRANT PROGRAM GUIDELINES REMOVING THE LAST PAGE.

Mr. Smiertka confirmed he was comfortable with that change, and stated that does not mean that LEAP cannot have it in the contracts.

MOTION CARRIED 8-0.

It was confirmed that per the budget policies LEAP was asked to work with the Committee of the Whole on the guidelines but it was not required to be adopted as a resolution.

<u>Public Comment</u>

Ms. Womboldt spoke on her opinion on procedures and policies, supported Draft 6D of the Medical Marihuana Ordinance, spoke in opposition to the D & P Draft #1 version asking for the Committee not to even discuss that one.

Mr. Clayborn III spoke in opposition to legalizing of medical marihuana.

Ms. Miles spoke in opposition to marihuana and drinking in businesses.

<u>Discussion/Action:</u>

<u>RESOLUTION – Fiscal Year 2017 Year-End Budget Amendments</u>

Ms. Bennett noted to the Committee that the income tax revenue exceeded expectations then when the budget was set, and those funds will be allocated between Police OT and the Financial Empowerment Center. In regards to the Financial Empowerment $20,000, the parole program began with the Bloomberg grant, but once that ran out they continued to fund with other grants. It was confirmed that in FY2018 there will be an increase with those grants. Ms. Bennett stated that the requested $20,000 is an estimate of grants vs. cost. When the grant was approved, $20,000 was not spent, but they anticipate that by the end of the fiscal year, they may need this new requested amount. Council Member Wood asked for a breakdown on what the expenses will be that will have an allocation of $20,000 but Ms. Bennett stated they do not have that, but are projecting the estimate.

Council Member Dunbar stepped away from the meeting at 4:47p.m.

Council Member Yorko asked if there were any major changes with partnerships that affected their shortfall in funds. Ms. Bennett confirmed there were, but stated they did not impact this need. $20,000 is the estimate of the shortfall.

Council Member Brown Clarke asked about the amounts for technology and security, and the $650,000 for trucks in the fleet account.

Council Member Dunbar returned to the meeting at 4:53 p.m.

Ms. Bennett confirmed the $650,000 is to purchase (2) trucks. In regards to the technology, in the FY2018 budget it is dedicated to security, this amendment of $650,000 consists of $405,000 for security measures for the software infrastructure and the $130,000 for data analytics. This will also expand Lansing Connect APP and e-filing. Council Member Brown Clarke asked if there would be additional costs or oversight. Ms. Bennett confirmed this would be for the purchase and implementation.

Council Member Washington asked why if both the $650,000 for technology and $650,000 for trucks is so important, why they were not included in the budget a month ago. Ms. Bennett stated the truck need has become more relevant. They are still projecting with this increase, but will be close to target by the end of the fiscal year. Council Member Washington spoke in opposition to the request, noting there were other areas the funds could go.

Council Member Wood again voiced her concern on the request from Financial Empowerment, and noted also that since IT and Fleet have a fund balance, the requested $1.3 million could go the Legacy Funds. Ms. Bennett stated that there is not a fund balance to cover the IT request or the (2) trucks. Council Member Wood asked what the $1 million in the CIP for vehicles was for. Ms. Bennett was not able to provide the complete list, but noted police cruisers, and heavy duty trucks.

MOTION BY COUNCIL MEMBER HOUGHTON TO APPROVE THE RESOLUTION FOR THE FISCAL YEAR 2017 YEAR-END BUDGET AMENDMENTS. MOTION CARRIED 6-2.

Council President Spitzley referred the Committee to items in the packet from Andy Schor and Chris Hertl on the revenue sharing.

Council Member Washington stepped away from the meeting at 5:01 p.m.

Ms. Bennett distributed a spreadsheet on Lansing Revenue Sharing.

Council Member Spitzley stepped away from the meeting at 5:02 p.m. and passed the gavel.

In FY2018 there will be difference from the budget at $377,573 and a difference from the FY2017 projection of $206,029.

Council Member Spitzley and Washington returned to the meeting at 5:03 p.m.

<u>DISCUSSION – Ordinance Amendments; Chapter 1300 Regulation and Licensing of Medical Marihuana Establishments</u>
Council Member Dunbar stepped away from the meeting at 5:04 p.m.

Council President Spitzley acknowledged Council Member Wood and Hussain for their roles as Committee on Public Safety Chairperson’s during the creation process of the Medical Marihuana Regulation and Licensing Ordinance. She also acknowledged all the public that attended those meetings over the last 18 months, and now she stated it was time for the review to begin at Committee of the Whole for all of the Lansing residents to participate. Council Member Spitzley then pointed out this would be not a circumvention of the process, and the ordinance in the end will remain intact once it is adopted. The Committee of the Whole will now continue and complete the process, and without a hastily review, she appreciated all of Council coming in early to address the task, and anticipated it would take a couple meetings to make sure they adopt something protective to residents and provide a regulatory structure. From this point on she stated the Ordinance will be referred to as COW Draft #1 and then began the discussion on the pending discussion from the last meeting on the "Commission". The Committee was referred to the blue covered document, which was the D & P Draft #1 which incorporated all of Draft #6d from Public Safety noting strike outs and additions.

Council Member Wood referred the Committee to the Draft #6a, which spoke to 7 members; one from each Ward, one representative from a patient advocacy group and 2 members from the business world. The last discussion ended with whether all eight (8) Council Members could make recommendations for the 4 Ward members.

Council Member Dunbar returned to the meeting at 5:11 p.m.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE TO REPLACE 1300.3 IN THE NOW COW DRAFT #1 WITH ALL THE LANGUAGE FROM DRAFT #6A 1300.3.

The Committee held discussion on the recommendations from all of Council for the 4 Ward positions, with the final consensus that Council will submit 8 names with the Mayor finalizing the 4, with one from each Ward.   Mr. Hannan pointed out that any Council Member at any time can make a recommendation to the Mayor for any appointment to the City. Council Member Yorko asked Mr. Smiertka if there was a connection or possibility to write the Ordinance Section 1300.3 "Commission" to follow the same requirements as the Ethics Board. Mr. Smiertka read details on the Ethics Board from the Charter, however noted that to set this Commission the same way would require a Charter amendments.

Council Member Dunbar stated her opposition to the "Commission" and wanted the duties performed in the Clerk's office. She added she would agree to the "Commission" however wants every Council Member to have a say in the membership and it should be one from each Ward. Council Member Brown Clarke pointed out that the problem will only occur with the initial creation of the "Commission" because the positions rotate every 2 years. The consensus of the Committee was again for a seven (7) member "Commission". There was also a consensus to have four (4) members recommended by Council in any form, and the other three (3) appointed by the Mayor. Those consist of one (1) from a patient advocacy group and two (2) from businesses.

COUNCIL MEMBER HOUGHTON MADE A MOTION TO AMEND THE LANUGAGE TO THE PROPOSED DRAFT #6A ON THE TABLE FOR 1300.3 (B) (1) TO STRIKE IN LINE 42 – 44 "EACH WHO REPRESENTS A DULY ORGANIZED AND EXISTING RESIDENTIAL OR NEIGHBORHOOD ORGANIZATION OR NEIGHBORHOOD WATCH GROUP.
MOTION TO AMEND CARRIED 5-3.

Council Member Hussain asked if the Ward members would have to be residents of the City. Mr. Smiertka reviewed the Charter for Board member qualifications.

Council Member Yorko stepped away from the meeting at 5:48 p.m.

Mr. Smiertka read the Charter, citing that the member can only be appointed after meeting all qualifications, so they have to be a registered voter in the City.

Council Member Yorko returned to the meeting at 5:49 p.m.

MOTION TO REPLACE 1300.3 IN THE COW DRAFT #1 WITH ALL THE LANGUAGE IN 1300.3 FROM DRAFT #6A CARRIED 8-0.

Council Member Spitzley moved the Committee discussion to the Clerk memo in the packet, asking the Committee to review 1300.6 for the next meeting and take into account for his concerns. She noted and supported the Clerk's recommendation for an ordinance that would provide a license only upon the applicant receiving a license from the State of Michigan. Lastly, the memo spoke to application fees, and Council Member Spitzley noted that would be referred back to when the Committee got to that point in the ordinance.

Council Member Spitzley moved on to the ordinance beginning on page 2, line 38 with the proposed strike out and new language. Council Member Wood stated the language was in 6D because the public wanted all the ACT's listed, and was not sure if Law required it. Council Member Brown Clarke stated she proposes to remove it based on discussions with Law after the City Attorney attended workshops on the topic. Mr. Smiertka confirmed to the Committee that it is not applicable in this portion of the ordinance, but it would be okay to leave it in. The consensus of the Committee was to include "MTA" wherever "MMMA and MMFLA" is listed. It was the consensus of the Committee also to add back in "given in those acts, as amended, and the marihuana tracking act ("MTA", MCL33.27901, ET SEQ. and removed the proposed new language of "provided in those statues, as applicable".

Page 3, lines 1-5 was reviewed and the consensus was to change line 2 to "entity's rights under the MMMA, MFLA and MTA."

Page 3, line 9, the Committee discussed the inclusion of "cultivation facility" and removal of "grower facility". Mr. Smiertka confirmed the language in the State documents for definition was "grower facility". The consensus of the Committee was to add back in "grower facility" and remove the proposed "cultivation facility".

Changes on lines 13, 22, 23 25 and 26 were reviewed and determined to accept the suggested changes.

Council President Spitzley noted that the proposed definition of "Buffered Use" would be noted and the Committee will return to that in a later discussion.

Page 4, lines 23-24 was determined to be removed because it was also noted later on page 5 lines 42-45. (Definition for "Commission" was removed and "Medical Marihuana Commission" or "Commission "remained.)

Page 4, line 29 the consensus was to reinsert "chapter" and remove the suggested "ordinance". The Committee briefly moved to page 6, line 16 where it also spoke to "dries, trims and cures", and after a discussion on the cultivation definition, the definition in the MMMA and definitions in the health code, they added those same three words to the definition of "Cultivation" or "Cultivate" on page 4.

Page 5, line 13-27, definition for "Marihuana", it was the consensus to use the definition from the public health code as read by Mr. Smiertka.

"MARIHUANA" MEANS ALL PARTS OF THE PLANT CANNABIS SATIVA L., GROWING OR NOT; THE SEEDS OF THE PLANT; THE RESIN EXTRACTED FROM ANY PART OF THE PLANT; AND EVERY COMPOUND, MANUFACTURE, SALT, DERIVATIVE, MIXTURE, OR PREPARATIONS OF THE PLANT OR ITS SEEDS OR RESIN.

MARIHUANA DOES NOT INCLUDE:

1. THE MATURE STALKS OF THE PLANT;

2. FIBER PRODUCED FROM THE STALKS, OIL OR CAKE MADE FROM THE SEEDS OF THE PLANT;
3. ANY OTHER COMPOUND, MANUFACTURE, SALT, DERIVATIVE, MIXTURE, OR PREPARATION OF THE MATURE STALKS, (EXCEPT THE RESIN EXTRACTED FROM THOSE STALKS, FIBER, OIL OR CAKE; OR
4. ANY STERILIZED SEED OF THE PLANT THAT IS INCAPABLE OF GERMINATION; OR
5. INDUSTRIAL HEMP GROWN OR CULTIVATED OR BOTH FOR RESEARCH, PURPOSES UNDER THE INDUSTRIAL HEMP RESEARCH ACT.

Council President Spitzley moved the group onto page 5, line 29-33. Council Member Wood asked for the State definition on “Marihuana-Infused Product”.

Council President Spitzley stepped away from the meeting at 6:26 p.m. and passed the gavel.

Mr. Smiertka read the following:
"Marihuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing any usable marihuana that is intended for human consumption in a manner other than smoke inhalation. Marihuana-infused product shall not be considered a food for purposes of the food law, 2000 PA 92, MCL 289.1101 to 289.8111.

The consensus of the Committee was to replace the proposed definition for “Marihuana-Infused Product” with the one read by Law.

Page 5, line 36, consensus to keep the recommended addition, along with lines 38-41.

Council Member Houghton stepped away from the meeting at 6:28 p.m.

Page 5, lines 43-45 was confirmed to remain.
Page 6 lines 4-10, and the consensus was to return to the definition, and Council President Spitzley asked the Committee to come to the next meeting with recommendations. After a discussion on operationalizing, multiple sites, the license issued for an establishment, and Law’s direction to keep a consistent definition, the consensus was determined to make no recommendations or changes to line 4-10 “Medical Marihuana Establishment”.

Council Member Spitzley and Houghton returned to the meeting at 6:30 p.m.

A typo on line 6 was corrected to “possesses”.

Page 6, lines 12-17 received a consensus to remove “also known as “medical marihuana cultivation facility”.

Page 6, lines 19-20 were deemed okay as presented with “certain” changed to “State”.

Council Member Wood asked why the addition of “business” in line 13. Council Member Dunbar answered it was related to the zoning aspect, and that was confirmed by Council Member Brown Clarke.

Page 6, line 22-35 was reviewed and it was the consensus was determined to keep as written.

Page 6 line 38 received a consensus to remain.

Council President Spitzley stated to the Committee and the public that the discussion will continue at the Committee of the Whole meeting on July 10^{th} at 5:00 p.m.

Adjourn

Adjourned at 6:46 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by Committee on July 10, 2017