MINUTES
Committee of the Whole
Monday, March 5, 2018 @ 5:30 p.m.
City Council Chambers

CALL TO ORDER

Council President Wood called the meeting to order at 5:33 p.m.

PRESENT

Councilmember Kathie Dunbar
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Eric Brewer Internal Auditor
Jim Smiertka, City Attorney
Samantha Harkins, Mayors Executive Assistant
Angela Bennett,
Linda Sanchez-Gazella, HR Director
Doris Witherspoon, Economic Development & Planning
Don Kulhanek, Economic Development & Planning
Brian McGrain, Economic Development & Planning Director
Elaine Womboldt
Chief Talifarro, LFD Chief
Karl Dorshimer, LEAP

Minutes

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM FEBRUARY 26, 2018 MEETING AS PRESENTED. MOTION CARRIED 8-0.

Public Comment on Agenda Items (Up to 3 Minutes)

Ms. Womboldt spoke on her concern with LEAP and her opinion on their lack of their staff for South Lansing area.

Presentations

FY2018 2nd Quarter General Fund Report and Vacancy Report

Ms. Bennett went through the General Fund Report dated 12/31/2017 with the Committee. This included a chart of the components, the defined varying numbers of sources compared to the budget and compared to the past years. One example she pointed to was the personal property taxes and income tax as of 12/31/17 came in at 60% higher than budgeted, but she noted the numbers can fluctuate. The fees for services and programs in this comparison, is 41.7% due to the component being less for code compliance fees along with fines and forfeitures lower than anticipated, coming in at 30.9% compared to 40.3%. The 3rd largest component Ms. Bennett referenced was the BWL payments. Council Member Dunbar asked for actual figures and not percentages to better define the indicators. Regarding the revenue, the report reflects 60.5% and they believe they are on target.

Council Member Spadafore referenced the State Revenue Sharing and asked if it drives the response and affects the fees. Ms. Bennett noted it would not be in this fiscal year's reports.

Council Member Jackson asked if the medical marihuana fees were reflected in the licensing and permits. Ms. Bennett stated they would be, but currently they are all being reviewed and if licenses aren't issued the applicant does get a partial refund that will come out of the account. As of the date of the report, 12/31/2017 they did not know how many would be refunded.

Council President Wood asked what percentage if any percentage was an increase due to the income tax collections by the Treasurer. Ms. Bennett did not have the specific number, and she was asked to get that to Council.

Council President Wood referenced the return of equity based on gross sales of BWL and asked if that was the entire BWL service area or just the City and she was informed it was the entire service area.

Council Member Spitzley stepped away from the meeting at 5:47 p.m.

Council President Wood then asked if they deduct funds before it comes to the City, at which Ms. Bennett stated it depends on how it is structured, the report reflects gross revenue.

Council Member Spitzley returned to the meeting at 5:48 p.m.

Council Member Jackson asked if the judges and supervisors in the Courts have a quota for fines and forfeitures. Ms. Bennett stated it was not a quota system, but based on the activity on tickets generated and processed.

Council President Wood asked in the case of violations being written against the State statue vs the City ordinances, what was the percentage is gained by State statue violations verse the City ordinance. Mr. Smiertka detailed that drunken driving, traffic codes, general offices are all under the City ordinances along with misdemeanors and traffic code in the City Ordinances.

Council President Wood asked how many properties were in the tax tribunal, which Ms. Bennett stated one and not substantial. Council President asked for the name of the one.

Ms. Bennett concluded with the General Fund report stating that as of 12/31/2017 there was only one exception which was fire due to ratification of bargaining agreement.

Mr. Brewer had no comments.

Ms. Bennett distributed the recent Vacancy Report which had a $500,000 factor. The current report shows the City is at $394,507.

Ms. Sanchez-Gazella confirmed for the Committee that her department is working with department heads and hiring managers to look at prioritizing all open positions and filling them, they are also looking at positions that are currently filled by contract and moving forward on those as well.

Council President Wood asked how long each position has been vacant, and what is the offset by having the work being done by a contracted employee. She added that Council has also asked for details on the vacant positions and if the department is now asking for a new positon, are they cutting a position. It has been stated before to Council that vacant positions rotate because someone may get promoted internally, however they still need to know how long a position has been vacant. Ms. Sanchez-Gazella confirmed she was aware of the previous requests from Council, and since she was hired in January she has had her department working on the information for accuracy. Council President Wood asked for the updated information before Council makes their final budget decision. Ms. Harkins added to the discussion, stating the Mayor's goal is to make contract employees into full time employees. This created a question by Council President Wood, where she then asked how many of the current contract employees are retired City employees hired back under contract.

<u>CDBG 2018/2019 Action Plan</u>
Present was Doris Witherspoon, Don Kulhanek and Brian McGrain to answer questions.

Ms. Harkins stepped away from the meeting at 6:01 p.m.

Ms. Witherspoon noted to the Committee that the action plan before them was the 3rd year of the 5 year plan and an application to the Department of Housing of Urban Development for federal funds. They submit for CDBG, HOME and Block grant funds and those provide funds for revitalization, or activities that fill one of 3 objectives. The application has to be submitted by May 14th or funds will be awarded.

Ms. Harkins returned to the meeting at 6:03 p.m.

The HOME funds are used for payment assistance on construction assistant, and provides a wide range of series under 5 program components. Currently they do not the numbers from the Urban Plan so they have based them currently on what they had last year. The required public hearings were held and Ms. Witherspoon assured the Committee that once they get the final numbers, they will change the plan before submission.

Council Member Spitzley asked if the Block Grant $129,600 is the same amount every year. Ms. Witherspoon noted the total is $1.8 million and Mr. Kulhanek stated the exact number is for the last 3 years. Council Member Spitzley referenced the façade improvement loans and grants asked to see the metrics and how it is done and how is it working with an example of the loans.

Council President Wood asked if the City or organization was handling the program funds for facades. Mr. Kulhanek confirmed their façade program is through LEAP and they are working with LEAP.   Council President Wood referenced funds in the budget designated for facades. Council Member Spitzley asked if they were working with LEAP to supplement the funds the City already gave to them. Mr. Kulhanek answered that the funds in this plan are targeted for area around Holmes and Pleasant Grove, and he was not sure how that is being leveraged. These are $80,000 per façade and only CDBG eligible areas.

Mr. McGrain stated to the Committee that a lot of the funds are for the CDBG areas and they need to be in that area to be eligible. They are evaluating methods to make sure they are being spent in the best method. They are CDBG areas and eligible housing target areas and in 2017 the target area was Holmes and Pleasant Grove and LEAP has targeted Holmes and Pleasant Grove by LEAO. The approach is looking at CDBG zoning districts with no target area for housing activities.

Council Member Washington and Spitzley stepped away from the meeting at 6:15 p.m.

Council Member Dunbar asked if residents can get CDBG funds even if not in the area. Mr. Kulhanek stated that they look at census tracts to determine more than 50% lower that low to moderate income.

Council Member Spitzley returned to the meeting at 6:16 p.m.

Council President Wood asked how long the list was for the assistance programs.

Council Member Washington returned to the meeting at 6:18 p.m.

Mr. Kulhanek acknowledged there was no list for the DDA and will have to get them the list for the others. Currently there is no wait list for lead abatement, $16,000 available for each unit and priority. The waiting list on the CDBG rehab program, and if they are going over $16,000 full referral and could be a waiting list.

Council President Wood asked if they are working with the Greater Lansing Housing Coalition. Mr. Kulhanek stated they have not qualified however still have some programs with them. Council President Wood asked what will happen if the housing coalition closes, and Mr. Kulhanek confirmed they will be moving Tuesday Toolman Program and any other program they want to continue.

Council President Wood asked if the CDBG funds is used for Neighborhood Empowerment Center. Mr. Kulhanek said the NSP funds originally funded it. More recently CDBG funds were used to repair the roof in 2017. Their obligation lasts until 2033. Mr. McGrain had a concern with their assets and items not being maintained and with assets that the organization are leaving.

Council Member Garza asked the property owner gets the CDBG funds is it then up to them to do the improvements. Mr. Kulhanek clarified that the homeowner does not do the work, the City does the scope of work and handles the bidding but then there is an agreement between the homeowner and contractor. Council Member Dunbar asked if the funds can be used for new construction. Ms. Witherspoon stated they can be used for habitat for humanity homes and partial funds.

Council Member Spitzley asked if they are still supporting the Closing the Digital Gap Program.

Council Member Hussain stepped away from the meeting at 6:24 p.m.

Mr. Kulhanek acknowledged they had reached out a year ago and have not heard back from them. It is too late this year if they come to them now.

Council Member Hussain returned to the meeting at 6:26 p.m.

RESOLUTION – Set the Public Hearing; CDBG 2018/2019 Action Plan
MOTION BY COUNCIL MEMBER SPITZLEY TO SET THE PUBLIC HEARING FOR THE CDBG 2018/2019 ACTION PLAN FOR MARCH 26, 2018. MOTION CARRIED 8-0.

Council Member Garza stepped away from the meeting at 6:27 p.m.

2017/2018 Budget Update–Lansing Fire Department
Chief Talifarro was present to update the Committee on his budget.

Council Member Garza returned to the meeting at 6:28 p.m.

He acknowledged they are over due to personnel due to a prior labor agreement and changes made change to the platoon system. In regards to staffing the Fire Department is budgeted for 159 they have 6 vacancies currently. They are looking at doing recruitment and would like to prioritize the search with paramedics, they have a LCC pilot program and there are 2 currently in there. Council Member Dunbar asked how many EMT were on staff to train into paramedic.

Council Member Jackson stepped away from the meeting at 6:33 p.m.

Chief Talifarro noted there are currently 39 EMT's and 49 paramedics at different stages in rotation. Council President Wood asked who pays for classes and if they are paid during school. Chief Talifarro stated that paramedic courses are paid by the City. They have a contract with LCC to train. Council President Wood asked if they sign an agreement that says after they get their education they have to stay with the LFD. Chief Talifarro stated there is no written agreement.

Council Member Jackson returned to the meeting at 6:35 p.m.

They have done a data tracking and have a retention rate with a connection in the 45 mile radius. Even though they have no written agreement, they have retained all of the ones trained. Council President Wood asked Law and the Administration to formalize an agreement.

Mr. Smiertka stepped away from the meeting at 6:38 p.m.

Council President Wood asked if the fire fighters going to school were paying into their retirement. Chief Talifarro confirmed they are sworn in and paying in.

Mr. Smiertka returned to the meeting at 6:30 p.m.
Council Member Spadafore stepped away from the meeting at 6:39 p.m.

Regarding the CIP projects, they have three but the newest is from 2007 and the other two are 1996. They are currently looking at entering in an agreement to purchase a used vehicle. They will replace ambulances more frequently because they run 24/7.

Council Member Spadafore returned to the meeting at 6:41 p.m.

Council President Wood asked if the mentioned vehicle purchase would be this fiscal year. Chief Talifarro noted it would be because it is currently available and after speaking to the fleet manager, it is a good value and worth the purchase. He confirmed it was not in the CIP, but they have funds to make purchase, and it would be within the fleet budget expenses.

Council President Wood asked if the fire inspector position was filled. Chief Talifarro stated there was significant savings to move some positions and they could restore new fire prevention in emergency management. They have put in a place holder for the position because currently multiple people doing reporting items on software systems. Council President asked for statistics on the fire inspector.

Brownfield Update – LEAP
Mr. Dorshimer went through the presentation outlining the brownfield program. (Attached)

Council President Wood asked if when Council approves a brownfield does it stay with the property or go away if it is not utilized. The Committee went through slide 7 which outlined it.

Council Member Hussain asked if the eligible funds include new construction or just site preparation. Mr. Dorshimer stated funds are for cleanup costs and demolition. Council Member Spitzley then asked how long a brownfield plan is for.

Council Member Garza asked if there was a list of stipulations and qualifying materials, and if anyone inspects. Mr. Dorshimer stated the City does the building and safety inspections. A brownfield is a funding mechanism and they still have to comply by all laws and inspections. Council Member Jackson asked about self-funding and asked if there was any money in reserve. Also he asked what if a brownfield captures less than expected, how would that come back on the bottom line. The table details were listed in the presentation. The brownfield is structured so new taxes goes to the taxing unit. Council Member Spitzley asked if the structure be negotiated such as 65/35 or 10/10/80. Mr. Dorshimer said the standard model is 10%, and a number that works with developer. The plan is for only a certain number of years, usually 5,10,15.

Council Member Washington asked if what the City would see for 30 years on the Red Cedar. Mr. Dorshimer stated they have $30 million and a small percentage of that is being diverted. They are taking a maximum of 30 years, and the whole thing goes on the tax roll, but is negotiable.

Council Member Spitzley returned stepped away from the meeting at 7:11 p.m.

Mr. Smiertka stated they are not dealing with taxes, but with assessed value and could be exempt. Then what is captured is where the revenue comes off. There will always be a redevelop plan and tax plan, where the questions are answered in the plan

Council Member Spitzley returned to the meeting at 7:12 p.m.

Once a brownfield plan expires, all taxes go to the taxing units. By using a brownfield plan, there is an increase to the revenue to the City and taxing units, and when the plan expires they have a site generating taxes. The taxes include CATA and millages, but some could only capture only local so it excludes school taxes.   Council President Wood asked if the developer pays taxes as part of the brownfield, and Mr. Dorshimer stated it stays with the property, so if development is not finished, the new developer can finish. If they do not pay the taxes, they withhold reimbursement. Council President Wood asked if it can be revoked. Mr. Dorshimer stated they have discussed it but before action could take place a new developer usually comes along. There is no cost to leave it in effect.

Council Member Spitzley asked if there are metrics on the economics coming to the City. Mr. Dorshimer confirmed they have a spreadsheet they use.

Council Member Jackson asked if a developer has to finish the plan or can change it. Mr. Dorshimer confirmed they can come with a new idea can amend and do a new process.

Council Member Hussain asked what LEAP was doing to leverage the brownfield throughout the City, and what are they doing to inventory the properties. Mr. Dorshimer stated there has to be an opportunity and an investor, and other incentives that come into play. Council Member Hussain asked if there is an active ongoing inventory were to reinvest. Mr. Dorshimer said they are looking at individual projects but also working on corridor improvement projects.

Council Member Washington asked LEAP to present to Council at a later time on the services they can do. Ms. Harkins reminded the Mayor created the Economic Department to supplement LEAP. It is a big priority for Mayor to address corridor development and they are working on a mapping piece.

Council Member Dunbar informed the Committee that she had interns working with LEAP on the inventory project. Council President Wood halted the conversation stating she was speaking out her other job.

Council Member Garza asked if LEAP was working on the former Kmart and the former Sams Club. Mr. Dorshimer confirmed they have reached out to corporate and they have a national agent handling it.

Council President Wood referenced Mr. Brewers report and of the 71 Brownfield, how many are complete and how many are still in existence or sold off. Mr. Dorshimer stated there are 26 active and capturing, 12 are able to capture but currently do not have a project on them.

Discussion/Action:

RESOLUTION – Set the Public Hearing; Re-Adoption and Re-Codification of Codified Ordinances

Mr. Smiertka informed that after reviewing all cases in that window, as of last Monday, they had 78 cases. The impact of the issue is not great. Since 2007 there have been many amendments to the ordinance, so impact Mr. Smiertka believed it is not great, and even income tax not covered by sunset. Outside counsel was sought and Clark Hill performed the review. The current resolution after the hearing will readopt all the ordinances in effect as of 12/31/2017 or another 10 years. Mr. Smiertka suggested the City needs to adopt a practice. Council Member Spadafore asked if there should be an annual review and renewal, referencing the Charter 3-307 which spoke to expiration of ordinances. The Council implemented and emergency 60 days, and if it expires is there an issue since there has been no notice on intent to readopt. Mr. Smiertka assured them there was no issue, the emergency was to reactivate the ordinance to allow time to do this process. Council Member Spadafore asked if Council should adopt another emergency 60 days until the hearing is held and recodified. Mr. Smiertka stated the emergency 60 day requirement was for the emergency title.

Council Member Jackson asked if the 78 cases were effected by prosecution be dismissed. Ms. Sumner answered that many of them will be dismissed and some were referred to the County prosecutor to allow them to issue charges if they want to.

MOTION BY COUNCIL MEMBER WASHINGTON TO SET THE HEARING FOR THE READOPTION AND RECONDIFICATION OF CODIFIED ORDINANCES FOR MARCH 26. 2018. MOTION CARRIED 8-0.

Other

Action on the following items were moved to the next meeting.

PLACE ON FILE – Report of Board, Authority and Commission Term Expirations
Boards/Commissions Updates(excluding Council Committee Assignments) Council Members

{Closed Session}
City Attorney Review of a Document Subject to Attorney Client Privilege

MOTION BY COUNCIL MEMBER WASHINGTON TO GO INTO CLOSED SESSION AT 7:49 P.M. TO CONSULT WITH THE CITY ATTORNEY REGARDING TRIAL AND SETTLEMENT STRATEFY IN CONNECTION WITH LET LANSING VOTE VS CITY CLERK UNDER SECTION 8E OF THE OPEN MEETINGS ACT AND TO CONSIDER MATERIAL EXEMPT FROM DISCUSSION OR DISCLOSURE BY STATE OR FEDERAL STATUTE UNDER SECTION 8H OF THE OPEN MEETINGS ACT, TO WIT: A WRITEN LEGAL OPINION FROM THE CITY ATTORNEY'S OFFICE.
MOTION CARRIED 8-0 WITH A ROLL CALL VOTE.

{Reconvene}

ADJOURN
The meeting was adjourned at 8:17 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on March 12, 2018