AGENDA
Committee of the Whole
Monday, May 14, 2018 5:30 p.m.
City Council Chambers, City Hall 10th Floor

Council Member Wood, Chairperson
Council Member Washington, Vice Chairperson

1. **Call to Order**

2. **Roll Call**

3. **Minutes**
    - May 7, 2018
    - May 10, 2018

4. **Public Comment on Agenda Items (Up to 3 Minutes)**

5. **Presentation:**
    - City Council & Internal Auditor
    - Budget Review
    - FY2019 Budget Policies
    - Budget Wrap Up

6. **Discussion/Action:**

7. **Other**
    - Council Members Reports on Boards/Commissions

8. **Adjourn**

The City of Lansing's Mission is to ensure quality of life by:

I. Promoting a vibrant, safe, healthy and inclusive community that provides opportunity for personal and economic growth for residents, businesses and visitors
II. Securing short and long term financial stability through prudent management of city resources.
III. Providing reliable, efficient and quality services that are responsive to the needs of residents and businesses.
IV. Adopting sustainable practices that protect and enhance our cultural, natural and historical resources.
V. Facilitating regional collaboration and connecting communities

PUBLIC COMMENT AND SIGN IN SHEET

COMMITTEE OF THE WHOLE

DATE May 14, 2018

Please print

NAME	ADDRESS	Purpose for Attending	Email Address	PHONE
KATHY MILES		BUDGET		
Elaine Womboldt		Budget		

MINUTES
Committee of the Whole
Monday, May 7, 2018 @ 5:00 p.m.
City Council Chambers

CALL TO ORDER

Council President Wood called the meeting to order at 5:02 p.m.

PRESENT

Councilmember Kathie Dunbar- arrived at 5:04 p.m.
Councilmember Jeremy A. Garza- left at 7:53 p.m.
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley- excused
Councilmember Jody Washington- left at 7:56 p.m.
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Eric Brewer Internal Auditor
Jim Smiertka, City Attorney
Lisa Hagen, Assistant City Attorney
Heather Sumner, Deputy City Attorney
Samantha Harkins, Mayor's Executive Assistant
Angie Bennett, Finance Director- arrived at 5:16 p.m.
Don Kulhanek, Economic Development & Planning
Doris Witherspoon, Economic Development & Planning
Dominic Cochran, City TV
Deb Parrish
Loretta Stanaway
Chris Swope, City Clerk
Brian Jackson, Deputy City Clerk
Chief Talifarro

Annual Action Plan CDBG, HOME & ESG for Fiscal Year ending June 30, 2019

Mr. Kulhanek acknowledged Council for accommodating them with the special meeting and noted they had just received the allocations from HUD on May 1, 2018. Regarding the allocations received, this year he noted they were trending upwards, with $1.8 million in CDBG last year and this year over $2 million, along with an increase over $200,000 in HOME. Council President Wood asked which CDBG allocations increased, and she was told most additional funds went to CDBG Owner Rehab and a lot to Lead Safe Lansing. The funds come in at 50% for CDBG funds. Council President Wood asked if there was a waiting list for the applications for services, but Mr. Kulhanek was not able to provide the answer and this time but did not there is no waiting list for Lead Safe Lansing. She then asked if there was a waiting list for those using both programs and was told no. Council Member Jackson asked who submits the form and works on making the Plan. Ms. Witherspoon acknowledged it was her and the department, and more specifics and summaries of the Plan can be found on their website. They hold multiple public hearings on the Plan with Planning Board and Council before it is submitted.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION AND ACTION PLAN FOR THE CDBG, HOME AND ESG FOR FISCAL YEAR ENDING JUNE 30, 2019. MOTION CARRIED 6-0.

Meeting recessed at 5:10 p.m.
Council President Wood called the meeting back to order at 5:13 p.m.

Minutes

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM APRIL 30, 2018 MEETING AS PRESENTED. MOTION CARRIED 7-0.

Public Comment on Agenda Items (Up to 3 Minutes)

Ms. Parrish spoke in support of the Fire Department and inquired into when there would be impairment assistance provided at the meetings so the public can hear.

Presentation

Department Budget Presentations

City Clerk

Mr. Swope provided a video presentation on his department, which highlighted their scheduled community events with registering to vote, records management, and implementation of the Laser Fiche program for contracts, resolutions and ordinances. Mr. Swope then went over other department items including their goal to work on public access to Resolutions that have been approved. The department's biggest change in the current fiscal year was the medical marihuana implementation. The Committee had a list of the applications and status. So far there are 8 denied a second time and they have the right to appeal to the Commission, and one has appealed to the Commission. It was noted that one applicant withdrew their application due to a property purchase falling through. The department has brought in $735,000 for these applications, and expects to return $162,000 for the 65 provisioning centers that will be denied. The department is proposing a new full time position, Marihuana Licensing Clerk, to address the processing, licenses, renewals, addressing any issues and being the point of contact with the Departments and the State. Council President Wood asked if they would need to increase the fee structure for the other licenses the department handles. Mr. Swope stated he saw no need at this time. Council Member Jackson inquired into the salary line item projected at $395,000 and asked if the $65,000 was for the new position mentioned or other positions. Council President Wood informed Council Member Jackson that some positions are in Local 214 and there may have been contract increases worked into that. Council Member Jackson asked the Clerk if they considered a full time position with benefits instead of a contract for the new positions, at which Mr. Swope confirmed they did have a contract employee this initial year, but it needs to be a permanent and ongoing position. Council President Wood inquired into the Contractual line item and asked how long the Clerk had a contract with the 3rd party that was reviewing the business plans. Mr. Swope assured them it was a one-time role, and they were an expert company, he then noted that there will be annual applications so they might want to relook at their services. They are currently paid $68,000 for their services, and since there are no plans required for processors, safety compliance or transporters they are not reviewing those applications. Those applications are reviewed by fire, code, law, police, and treasury when the assessments are made. Council Member Spadafore asked if the fees collected from the applicants are used to pay the contracted services. Mr. Swope noted the fees are placed in the General Fund, so not directly being used for that, but are offsetting the cost. They are also using the Building Safety Department and will have to reimburse that line item. Council discussed the scoring process and Mr. Swope admitted they have not gotten to a point where there is a tie in scoring, and are not figuring out the final process. The LFD, he added, has chosen not to review the applications until they have the final 20 licenses, so the scoring could change.

Council Member Hussain stepped away from the meeting at 5:44 p.m.

Mr. Smiertka acknowledged that Law is working with the Clerk on a weekly basis, and they cannot issue more than 25, and they assess and make a judgement call, but it continues to be a work in progress.

Council Member Hussain returned to the meeting at 5:56 p.m.

Council Member Garza asked why 4929 S Cedar is noted as "pending/appealing" and was not just denied, and Council President Wood added that the applicant did not meet the requirements in the ordinance and should have been denied, but they went to the BZA for an ordinance. Mr. Swope stated his understanding from Law, is that while they have a variance pending, they are kept as "pending" on the list.

<u>Fire Department</u>
Chief Talifarro did a presentation on their FY18 yearend projection of a $32,678,064 budget along with the proposed $34,149,900 FY19 budget. The presentation also spoke to Code Compliance leaving for Economic Development and Planning and other staffing demographics. The department noted they also have an ongoing partnership with Lansing Community College for paramedic training, basic EMT classes and firefighters. They are currently working with HR on addressing front-loading and future vacancies.

Council Member Spadafore asked for the number of stations, and why the department had listed a separate IT position. Chief Talifarro stated they have six (6) stations in operation along with maintenance, and they are working with IT on their vacant IT position to meet department demands for the analysis. Council Member Spadafore then inquired into the $100,000 on SCUBA and asked if it was purchased because the City equipment was transferred to East Lansing. Chief Talifarro confirmed there were ten (10) they loaned to East Lansing while they were waiting on theirs, but they were returned, and it is not uncommon to assist other areas and circulate. The ten (10) units he noted were used in the City storage, and when they are returned they are re-filled by Cascade, free of charge. Council Member Spadafore asked for the records that outlined when City materials were loaned or circulated to other jurisdictions and returned.

Council Member Dunbar asked what the Lansing portion of the joint Fire Department was, and was told just the Chief. There is no shared cost of equipment, and the City is the fiduciary for grants. Council Member Dunbar then asked for a detailed breakdown of the run volume from page 15 of the presentation.

Council Member Garza asked how many fire inspectors the department currently has. The Chief stated that there is a Fire Marshall and three (3) inspectors, and they will have the current proposed position, and they have always had four (4) since 2014. Currently there are 6 vacancies in the department and 3-4 retiring also. Council Member Garza asked what the rate of collection was on inspections. Chief Talifarro stated they do not typically charge for all inspections, and any fees are not based on services, therefore they have not outstanding bills for inspections.

Council Member Hussain inquired in the terms of the contract with East Lansing, and asked how long the term of the contract was for. Chief Talifarro explained that he is a City of East Lansing employee, and the position began during the economic crisis when municipalities were trying to save funds and began talking about regionalizing services. At that time Plante and Moran also was doing a study on if regionalism is viable, at which point they determined it was. There are however, he added not added savings for sharing a Fire Chief. Council Member Hussain then asked if there is any requirement that after the City pays for training of the officers if they are required to work for the LFD. Chief Talifarro admitted there is not, but they are looking at it with paramedics, but with new hires there is a cost savings upfront already because they only get 50% of a new employee during the first six (6) months to get trained.

Council Member Jackson asked if there is a cost savings with the City of Lansing only paying half of the Chief. The Chief noted there could be a savings, and he understands that either community could dissolve the agreement at any time. Council Member Jackson then asked if there could be a reason to not have all the truck go out on all the calls and still maintain performance. Chief confirmed that the fire truck is on a tiered system and only goes out based on dispatch when it is warranted or needed.

Council Member Washington acknowledged the work the Chief has done, but spoke in opposition to continuing sharing a Chief with East Lansing. The Council understanding was that they would see the contract again before it was renewed, and they never saw it. She then asked if the department was having issues with recruitment. Chief confirmed they are struggling with fully licensed certified paramedics, but recruitment is an ongoing need. Council Member Washington encouraged them to reach out to the schools for their Fire Cadet Program, the question as then asked if the Department is prepared for a flood emergency. Chief Talifarro confirmed they have full time staffing in Emergency Management and meet regionally to discuss services because there are also State facilities in Lansing. Council Member Washington inquired into the department cost to stock Nar can, what they will do when the grant funding runs out and if there is a limit per person. Chief Talifarro stated that the grant covers drugs for the Police and the medication in the Fire Department is billed through the ambulance cost.

Council Member Spadafore inquired into a process the department uses when loaning out equipment and if it is not returned, referencing the City Ordinance that speaks to the purchasing process. Chief Talifarro acknowledged his concern and stated they will be cautious in their interpretation and would never gift equipment.

Council Member Jackson stepped away from the meeting at 7:02 p.m.

Council President asked which position he was proposing to move from part time to full time, and if a time study was performed to determine that need. Chief Talifarro stated the position was the secretary, and a formal study was not done, but they evaluate the work load versus the time employee was in the office processing the reports.

Council Member Garza stepped away from the meeting at 7:04 p.m.

Council President Wood asked if once an officer is licensed if they can take that license somewhere else, and it was confirmed. She then encouraged the Chief to create an agreement, and he confirmed he has requested the one the LPD uses.

Council Member Jackson returned to the meeting at 7:05 p.m.
Council Member Spadafore stepped away from the meeting at 7:05 p.m.

Council President Wood asked again for confirmation that there is no fire inspection fee, and the Chief reiterated there was not.

Council Member Spadafore returned to the meeting at 7:07 p.m.

Council President Wood then asked about the inspections for the medical marihuana ordinance because Law informed Council that the fee structure for that was based on multiple departments, tasks, reviews and inspections including Fire.

Council Member Washington stepped away from the meeting at 7:07 p.m.

Council Member Wood inquired into how the City is going to be reimbursed for the Fire inspections on these types of licenses and inspections.

Council Member Garza returned to the meeting at 7:08 p.m.

Chief Talifarro stated that it falls under State Rule 26, which states that Fire inspections are done at the State level, they have the approvals. They have been asked if they will authorize the local Fire inspectors to do the inspections, but at this time the State has stated the State Bureau of Fire Services will be doing the inspections.

Council Member Washington returned to the meeting at 7:10 p.m.

Council President Wood then referred the Chief to his budget which shows a reduction because of Code Compliance, but their proposed budget is higher than when they had Code Compliance. Chief Talifarro explained that they have salary increases due to 57 new hires that have step increases, and had wage enhancements from their contract negotiations. Council President Wood then noted there was a potential of $1.3 million savings in regionalism, but the Chief noted when looking at the millage, that they heard from the public that they did not want to give up local control.

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

Council President Wood inquired into what the outstanding debt with the ambulance collection was.

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

Chief Talifarro stated they take the fees the medical biller recommends, what the insurance companies are willing to pay, which includes a recommendation to increase the mile fee. At this time he was not able to provide an answer on outstanding ambulance fees. He was also asked to provide a report on the percentage of the runs were people with no insurance. Council President Wood asked what percentage the biller gets, and was told by the Chief it was 6.3% on billed and they also cover the cost of the tablets for medical vehicles. Council President Wood inquired into what the pay scale was for the proposed Fire IT Analytical position, and was told they had not established it but budgeted $74,000, which he noted was similar to the LPD.

Mayor & Community Media

Ms. Harkins noted the office did not have a presentation, but their opinion was that there were no significant changes from previous years, other than the new position for Chief Labor Negotiator and Citizen Advocate. Council Member Washington asked why the office is maintaining positions that do not seem necessary or are duplications of other positions. Those she noted were Sister Cities, Faith Based, Citizen Advocate, Neighborhood and Citizen Engagement and Neighborhood Resource Coordinator. Lastly, she informed Ms. Harkins that she has received complaints from resident recently that they are not able to see what Department Heads are making, so the Mayor's office was asked to provide that. Ms. Harkins admitted they have also been scrutinizing programs, but supported the Office of Faith Based and Sister Cities because their opinion is that they are both experienced. Council Member Washington pointed out that Sisters Cities should have been self-sufficient by now. Ms. Harkins then addressed the inquiry into duplications, noting their plan is having the Mayor's staff present at community events so making sure they are always aware of any questions, concerns or situations. She did acknowledge she would check to getting the salaries on website. Council Member Washington informed Ms. Harkins that when Sister Cities was initiated they were given $5,000 from the General Fund and it was to be lowered annually until they became self-sufficient, however that has never occurred and she asked that the Mayor's office look into that for upcoming budgets. Council Member Jackson spoke in support of the Sister Cities division. Ms. Harkins stated that the Mayor is not afraid of change and will look forward to creating the budget for next year.

Mr. Cochran spoke on the media portion of the budget and had no presentation on the division but was asked by Council President about the employee status. Mr. Cochran briefly outlined the status of his full time employees and contracted employees. He noted that the General Fund covers the salaries, but all other funds come from PEG dollars that are used for capital purchases. Council President Wood inquired into if there was still a consideration of eliminating the Cable Board, and Mr. Cochran stated they are trying different models.

Discussion/Action

RESOLUTION – Introduction & Set Public Hearing; Ordinance Amendment to Chapter 230, Section 230.01; Renaming of Dept. of Planning & Neighborhood Development to Department of Economic Development & Planning

Mr. Smiertka detailed the three proposed ordinance amendments to the Committee, noting that an Executive Order was done earlier creating the Economic Development & Planning department replacing the Planning & Neighborhood Development department. The ordinance amendments he added would change the Municipal Code to reflect what was done by the Executive Order.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO INTRODUCE AND SET THE PUBLIC HEARING FOR MAY 21ST, 2018 FOR THE ORDINANCE AMENDMENTS TO CHAPTER 230, SECTION 230.01.
MOTION CARRIED 7-0.

RESOLUTION – Introduction & Set Public Hearing; Ordinance Amendment to Chapter 1210, Section 1210.01; Department of Economic Development & Planning Supervision over Planning, Development, Building Safety, Code Compliance, and Parking

Mr. Smiertka noted this changed would amend the code to reflect the functions of the new department.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO INTRODUCE AND SET THE PUBLIC HEARING FOR MAY 21ST, 2018 FOR THE ORDINANCE AMENDMENTS TO CHAPTER 1210; SECTION 1210.01.
MOTION CARRIED 7-0.

RESOLUTION – Introduction & Set Public Hearing; Ordinance Amendment to Chapter 224, Section 224.01; Removal of Code Compliance from the Lansing Fire Department and placing all duties and functions of Code Compliance, Code Compliance Manager and Officers to the Department of Economic Development & Planning without change or interruption.
Mr. Smiertka noted this amendment would remove Code Compliance from the Fire Department and place them and their duties in the new department, Economic Development & Planning. Council Member Spadafore asked if it has to be in an ordinance or could have all been covered in the Executive Order. Mr. Smiertka answered that this will make sure when the ordinance is codified it will be correct.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO INTRODUCE AND SET THE PUBLIC HEARING FOR MAY 21st 2018 FOR THE ORDINANCE AMENDMENTS TO CHAPTER 224, SECTION 224.01.
MOTION CARRIED 7-0.

Council President Wood asked Law to confirm if the amendments needed to go to the Planning Board, but Mr. Smiertka clarified the changes are not changing anything in the zoning ordinance itself, so they do not. Council President Wood asked why the other new department, Neighborhood Engagement was not addressed in the Ordinance amendments, along with the job description, minimum requirements as do all the other Departments have. Mr. Smiertka confirmed they were mentioned in the Executive Order and an ordinance could be created, and in process.

Presentation
Department Budget Presentations- continued
Finance
Ms. Bennett provided a brief outlined of the department and their goals for FY2019.

Council Member Wood passed the gavel at 7:53 p.m.

Ms. Bennett continued with the department breakdown.

Council Member Washington passed the gavel to Council President Wood at 7:55 p.m.

Ms. Bennett stated they are proposing one full time employee and moving one position from part time to full time. Council Member Wood asked if the department was currently fully staffed. Ms. Bennett noted there are 2 vacancies in operations; one is on hold and they are not sure where it is going; one position in Assessing that they are in the process of filling; and Treasury currently has 5 open positions. Council President Wood inquired as to why the turn over. Ms. Bennett noted that most of the part time positions employees have found full time employment. Council President Wood asked if the Treasurer was a Department Head of Manager. Ms. Harkins answered the question, stating the position reports to the Finance Director and the Mayor and they have not looked into having that position as a separate Department Head. Council President Wood asked what the Contractual Services line in Treasury covered and Ms. Bennett outlined that it covered printing of bills and collections. She then inquired as to what the Finance Contractual Services line covered, and that was answered by Ms. Bennett by providing information on a contract with BWL for the purchasing duties and services for ab actuarial. Council President Wood asked when the office will go out again for bid on and auditing firm. Ms. Bennett acknowledged it had been 8 years so they would consider it.

Council & Internal Auditor
This topic was moved to the May 14th Committee of the Whole meeting agenda.

The Committee was reminded of the upcoming first Neighborhood Budget Meeting on Thursday, May 10. 2018 at 5:30 p.m. at Foster Community Center.

Other
Annual Action Plan CDBG, HOME & ESG For Fiscal Year ending June 30, 2019
Placed on file.

Council Members Reports on Boards/Commissions
This item was moved to the next Committee meeting.

ADJOURN
The meeting was adjourned at 8:09 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on

MINUTES
Committee of the Whole
Thursday, May 10, 2018 @ 5:30 p.m.
Neighborhood Budget Meeting
Foster Community Center

CALL TO ORDER

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

PRESENT

Councilmember Kathie Dunbar- arrived at 5:43 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley- excused
Councilmember Jody Washington- excused
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, City Attorney- arrived at 5:38 p.m.
Mark Lawrence, Mayor's Citizen Advocate- arrived at 5:33 p.m.
Angie Bennett, Finance Director
Nancy Mahlow
Kat Tyler
Otto Graveser

Council Member Wood gave an overview of the meeting process and noted there is another meeting on May 15th at Alfreda Schmidt.

Discussion/Presentation

City of Lansing Fiscal Year Budget 2018/2019

Ms. Bennett spoke about the FY19 Budget and current steps which is the budget hearings, and the planned adoption on May 21, 2018. It was stated that in the proposed budget the Mayor has top priorities, one of those being neighborhoods. The budget also shows an increase for $150,000 for business corridor for façade improvements, and additional funds for an increase in premise officers, which will give one full and part time office for each Ward. In regards to the roads, the Mayor is proposing for the first time in 4 years, $400,000 from the General Fund to supplement the account. In addition the Mayor has proposed additional staffing in Treasury, and a social worker on staff for the LPD. Lastly Ms. Bennett pointed out that there are still revenue challenges and State limitations which are noted in the Budget Executive Summary.

Public Comment on Agenda Items

Ms. Mahlow spoke in opposition to the proposed budget and stated her opinion that there were wasted funds in the proposed budget. Ms. Mahlow noted a concern that there is a need for funds for the Legacy costs, but there are no proposed plans to address that or other areas.

Ms. Tyler voiced her concern and opposition to the $863,000 budgeted for the new department, Neighborhood and Citizen Engagement. Ms. Tyler asked the Committee consider funds to be allocated to the LPD.

Council President Wood reminded the group about the meeting on May 15th at Alfreda Schmidt and also the scheduled public hearing on May 14th during the regular Council Meeting.

ADJOURN

The meeting was adjourned at 5:52 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on

City Council and Internal Audit

FY'19 Budget Proposal

Introduction

- My name is Eric Brewer, as the City's Internal Auditor reporting to City Council, I will be presenting the fiscal year 2019 budget proposal for City Council, the City's legislative body, and for Internal Audit which is contained within a separate cost center.

City Council - Role

- City Council is the legislative branch for the City of Lansing.
- Responsible for the adoption and amendment of ordinances in accordance with the City Charter and State law.
- Vested with oversight and investigative powers and is charged with creating City policy through the adoption of resolutions.
- Conducts Committee of the Whole and regularly scheduled Committee meetings.
- Reviews proposals from the Administration and offers citizens an opportunity to make suggestions for the improvement of the City and City operations.
- Adopts an annual City budget, designating appropriations and the amount to be raised by taxation for general purposes and payment of principal and interest on its indebtedness.
- Works directly with other governmental, business, and community groups to resolve regional and neighborhood issues.

City Council - Budget Request

- The current City Council proposed budget includes 25 line items for a total requested amount of $714,000 that is a 2.3% or $16,000 increase from the prior year adopted budget of $698,000.

FY'19 Executive Budget Recommendation Book - Page 35					
Category	**FY 2017 Actual**	**FY 2018 Adopted Budget**	**FY 2018 Projected**	**FY 2019 Proposed**	**% Change Adopted FY19 Proposed**
Personnel	$465,998	$483,542	$487,770	$494,573	2.3%
Operating	$173,023	$214,458	$178,301	$219,427	2.3%
Total	**$639,021**	**$698,000**	**$666,071**	**$714,000**	**2.3%**

City Council – Line Items

- These line items included items, such as:
  - ✓ Salaries for Councilmembers that are set by Elected Office Compensation Committee.
  - ✓ Two Paid Office Staff members paid per the city's salary schedules (Based off of Teamsters Local 214).
  - ✓ Fringe benefits calculated by the Finance Department based on social security rates and healthcare coverage, etc.
  - ✓ Councilmembers officeholder expense accounts that provide for $2,000 for At Large and $1,500 for Ward Councilmembers.
  - ✓ Overhead expenses for Information Technology, utilities, phone, insurance and bonds, etc.
  - ✓ Accounts set up for support of community projects, such as Promotion and Community funding that can be used to buy ads in program booklets for events and/or to help sponsor events, etc.

City Council – Why Increase?

- The primary reason for the increase of from the prior year budget is from:
  - 3.10% or $8,866 increase for Salaries Line Item
    - Office support staff increases, as a result of following (Teamster Local 214).
  - 1.41% or $1,810 increase for Fringe Benefits Fixed Line Item
  - 5.34% or $4,002 increase for Information Technology Line Item
    - Result of increase funding overall for Information Technology Department.
  - 5.80% or $467 increase for Insurance & Bonds Line Item
    - Result of increase funding for Insurance and Bonds allocation.

Internal Audit - Role

- The Internal Auditor is established by City Charter to review the City's financial compliance in accordance with Council policy.
- The Internal Auditor works under the direction of the City Council in reviewing external audits of financial transactions and procedures.
- The Internal Auditor also performs routine audits of other City business.
- The Internal Auditor is appointed by and is responsible to the City Council.
- The mission of the Internal Auditor’s office is to follow the City Charter, to improve the accountability for public funds and to improve operations of city government for the benefit of the citizens of the City of Lansing.

Internal Audit - Budget Request

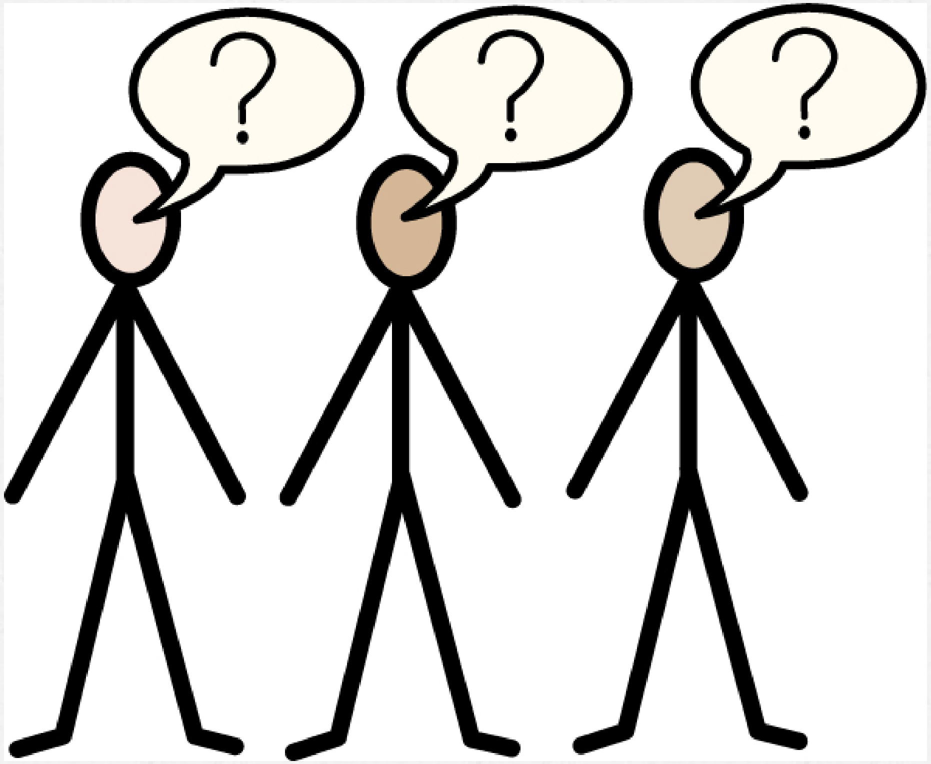
- The current Internal Audit proposed budget includes 8 line items for a total requested amount of $194,900 that is a 7.9% or $14,200 increase from the prior year adopted budget of $180,700.

FY'19 Executive Budget Recommendation Book - Page 37					
Category	**FY 2017 Actual**	**FY 2018 Adopted Budget**	**FY 2018 Projected**	**FY 2019 Proposed**	**% Change Adopted FY19 Proposed**
Personnel	$145,268	$168,088	$173,841	$182,261	8.4%
Operating	$7,952	$12,612	$10,130	$12,639	0.2%
Total	**$153,220**	**$180,700**	**$183,971**	**$194,900**	**7.9%**

Internal Audit – Why Increase?

- The primary reason for the increase of from the prior year budget is from:
  - 12.00% or $10,234 increase for Salaries Line Item
    - Salary increase, as a result of following (Teamster Local 214).
  - 4.63% or $3,099 increase for Fringe Benefits Fixed Line Item
  - 5.46% or $840 increase for Fringe Benefits Variable Line Item
  - 5.33% or $346 increase for Information Technology Line Item
    - Result of increase funding overall for Information Technology Department.
  - 5.81% or $181 increase for Insurance & Bonds Line Item
    - Result of increase funding for Insurance and Bonds allocation.

Any Questions?



City Council

Description

As the City's legislative branch, the City Council is responsible for the adoption and amendment of ordinances in accordance with the City Charter and State law. The City Council is also vested with oversight and investigative powers and is charged with creating City policy through the adoption of resolutions. At Council Committee of the Whole and regularly scheduled Committee meetings, Council reviews proposals from the Administration and offers citizens an opportunity to make suggestions for the improvement of the City and City operations. The City Council, as required by Charter, adopts an annual City budget, designating appropriations and the amount to be raised by taxation for general purposes and payment of principal and interest on its indebtedness. The Council also works directly with other governmental, business, and community groups to resolve regional and neighborhood issues.

CITY COUNCIL

Department Appropriation	FY 2017 Actual	FY 2018 Adopted Budget	FY 2018 Projected	FY 2019 Proposed	% Change FY18 Adopted FY19 Proposed
Personnel	$ 465,998	$ 483,542	$ 487,770	$ 494,573	2.3%
Operating	173,023	214,458	178,301	219,427	2.3%
Total	$ 639,021	$ 698,000	$ 666,071	$ 714,000	2.3%

Budgetary Explanations

No significant operational changes are budgeted for FY 2019.

PERFORMANCE MEASUREMENTS

Council Members will develop protocols to respond in a timely manner to calls, emails and inquiries from constitutes.

Council Members will be prepared and attend the Council Committees they are assigned to.

Council Members will be prepared and attend outside Boards and Commissions they are assigned and prepare reports to be shared with fellow Council Members and the public.

Council Members will be prepared and attend Council Meetings.

Council will establish additional ways to share information facilitating additional transparency to City government.

Council will review during the budget process whether City Departments have met their Performance Budgeting and if not where they are lacking or have excelled.

Upon the adoption of ordinances Council will work with the various Departments to ensure a procedure is developed for the training and implementation of the ordinance.

INTERNAL AUDIT

Description

The Internal Auditor is established by City Charter to review the City's financial compliance in accordance with Council policy. The Internal Auditor works under the direction of the City Council in reviewing external audits of financial transactions and procedures. The Internal Auditor also performs routine audits of other City business. The Internal Auditor is appointed by and is responsible to the City Council. The mission of the Internal Auditor's office is to follow the City Charter, to improve the accountability for public funds and to improve operations of city government for the benefit of the citizens of the City of Lansing.

INTERNAL AUDIT

Department Appropriation	FY 2017 Actual	FY 2018 Adopted Budget	FY 2018 Projected	FY 2019 Proposed	% Change FY18 Adopted FY19 Proposed
Personnel	$ 145,268	$ 168,088	$ 173,841	$ 182,261	8.4%
Operating	7,952	12,612	10,130	12,639	0.2%
Total	$ 153,220	$ 180,700	$ 183,971	$ 194,900	7.9%

Budgetary Explanations

No significant operational changes are budgeted for FY 2019.

PERFORMANCE MEASUREMENTS

Internal Audit shall be prepared and attend the Council Committees and/or other Committees assigned.

Internal Audit shall compile an analysis of the Financial Status Report annually.

Internal Audit shall compile an analysis on the City's Long Term Debt Outlook annually.

Internal Audit shall compile an analysis of Capital Improvement Plan annually.

Internal Audit shall provide monthly reports to Councilmember(s) on a year-to-date expenditures on all line items in the Council budget. This report shall provide monthly report detailing the expenditures of the individual officeholder account(s).

Internal Audit shall provide an annual budget proposal for City Council and Internal Audit for the upcoming year for review and submission to approval by City Council.

The Office of Internal Audit shall utilize different types of reviews that are less systematic in nature to gather, evaluate, and communicate information about the activity or process being examined.

The Office of Internal Audit shall utilize different types of audits that are more systematic in nature to gather, evaluate, and communicate information about the activity or process being examined.

PERFORMANCE INDICATORS

Attended Ways and Means Committee, Claim Review Committee, Committee of the Whole, and LEPFA board member meetings.

Compiled and submitted Financial Status Report on 2/9/2017 and on 2/28/2017.

Compiled and submitted Long Term Debt Outlook for FY2016 and on 4-4-2017.

Compiled and submitted analysis of Capital Projects Park Millage on 7-10-2017.

Complied and submitted analysis of Capital Projects Street Funds on 8-18-2017.

Complied and submitted City Council Tracking Workbooks on a monthly basis.

Compiled and submitted budget proposal for City Council and Internal Audit on 1-25-2017 and on 2-

Compiled and submitted Stadium Fund Report on 9-7-2017.

Complied and submitted Brownfield redevelopment Plans Submitted, Approved, and Contained with

Complied and submitted Analysis FHT Recommendation on 1-31-2018.

Provided other reports and analysis during current and prior fiscal year not listed above.

Account Code	Description	FY 2017 Actuals	FY 2018 Adopted Budget	FY 2018 Amended Budget	FY 2018 Year-End Projection	FY 2019 Proposed Budget
	CITY COUNCIL					
101.112101.702000.00000	SALARIES	275,411	285,934	296,934	297,885	294,800
101.112101.708000.00000	OVERTIME - SALARY	-	-	-	54	-
101.112101.712000.00000	LONGEVITY	-	-	-	-	400
101.112101.715300.00000	FRINGE BENEFITS - FIXED	126,718	128,062	128,062	128,062	129,872
101.112101.715400.00000	FRINGE BENEFITS - VARIABLE	55,454	64,546	64,546	56,720	64,501
101.112101.741000.00000	MISCELLANEOUS OPERATING	30,456	30,000	32,628	23,322	30,000
101.112101.741200.00000	PROMOTION	6,130	7,500	7,500	7,118	7,500
101.112101.741223.00000	COUNCILMEMBER WOOD	1,995	2,000	2,000	2,000	2,000
101.112101.741229.00000	COUNCILMEMBER DUNBAR	1,495	2,000	2,000	2,000	2,000
101.112101.741235.00000	COUNCILMEMBER YORKO	1,401	1,500	1,500	810	-
101.112101.741236.00000	COUNCILMEMBER HOUGHTON	1,002	1,500	1,500	1,130	-
101.112101.741237.00000	COUNCILMEMBER WASHINGTON	1,204	1,500	1,500	1,500	1,500
101.112101.741238.00000	COUNCILMEMBER BROWN-CLARKE	872	2,000	2,000	982	-
101.112101.741240.00000	COUNCILMEMBER SPITZLEY	1,146	2,000	2,000	2,000	2,000
101.112101.741241.00000	COUNCILMEMBER HUSSAIN	1,358	1,500	1,500	1,500	1,500
101.112101.741242.00000	COUNCILMEMBER SPADAFORE	-	-	-	-	2,000
101.112101.741243.00000	COUNCILMEMBER JACKSON	-	-	-	-	1,500
101.112101.741244.00000	COUNCILMEMBER GARZA	-	-	-	-	1,500
101.112101.741246.00000	MARTIN LUTHER KING JR DAY	-	1,000	1,000	1,000	1,000
101.112101.741247.00000	CESAR CHAVEZ EVENT	1,000	1,500	1,500	1,500	1,500
101.112101.741256.00000	BEA CRISTY AWARDS DINNER	-	-	-	-	500
101.112101.741289.00000	COMMUNITY FUNDING	3,800	7,000	10,200	5,563	7,000
101.112101.743050.00000	TEMPORARY HELP-CONTRACTUAL	8,415	5,000	-	5,049	5,000
101.112101.743720.00000	INFORMATION TECHNOLOGY ALLOC	59,320	74,903	74,903	74,903	78,905
101.112101.744110.00000	UTILITIES - CITY HALL	39,657	50,000	50,000	33,757	50,000
101.112101.744200.00000	TELEPHONE	14,219	13,500	13,500	9,853	13,500
101.112101.747000.00000	TRAINING	675	2,000	2,000	405	2,000
101.112101.748000.00000	INSURANCE & BONDS	5,788	8,055	8,055	8,055	8,522
101.112101.977000.00000	EQUIPMENT	1,505	5,000	5,000	903	5,000
	CITY COUNCIL Total	**$ 639,021**	**$ 698,000**	**$ 709,828**	**$ 666,071**	**$ 714,000**

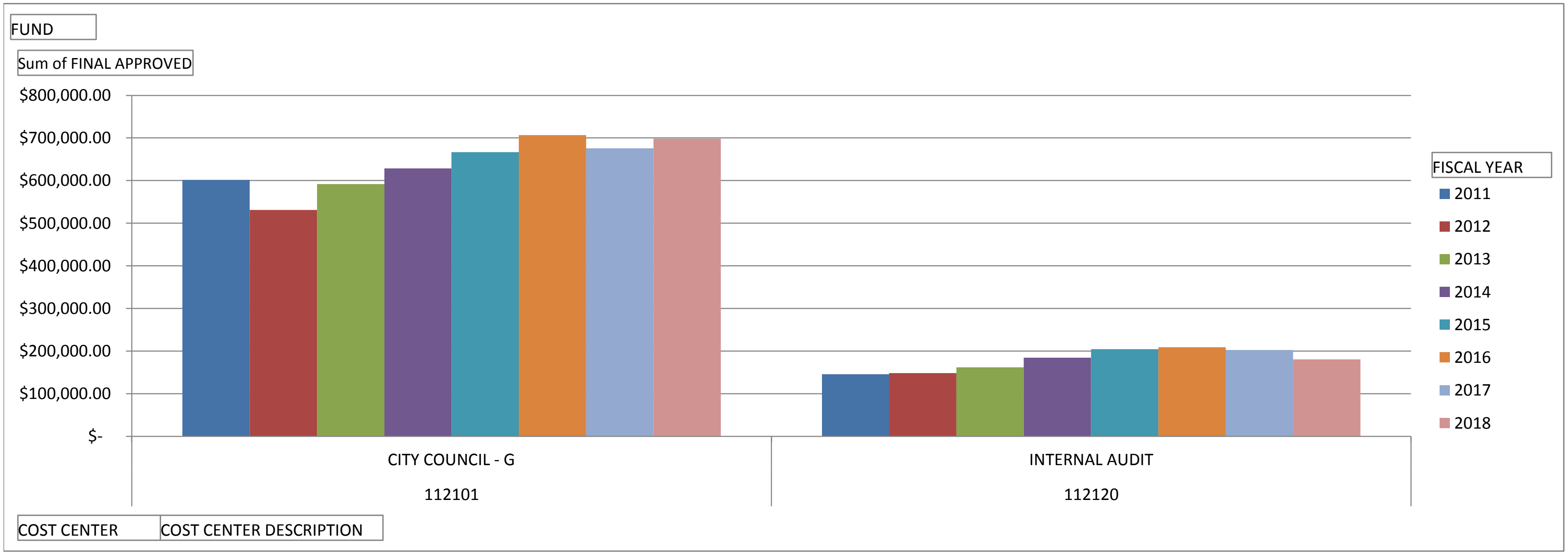
Account Code	Description	FY 2017 Actuals	FY 2018 Adopted Budget	FY 2018 Amended Budget	FY 2018 Year-End Projection	FY 2019 Proposed Budget
	INTERNAL AUDIT					
101.112120.702000.00000	SALARIES	54,683	85,306	88,806	92,111	95,540
101.112120.707000.00000	TEMPORARY HELP	9,292	500	-	-	500
101.112120.715300.00000	FRINGE BENEFITS - FIXED	71,901	66,889	66,889	66,889	69,988
101.112120.715400.00000	FRINGE BENEFITS - VARIABLE	9,392	15,393	15,393	14,841	16,233
101.112120.741000.00000	MISCELLANEOUS OPERATING	-	1,500	1,500	-	1,500
101.112120.743720.00000	INFORMATION TECHNOLOGY ALLOC	5,142	6,494	6,494	6,494	6,840
101.112120.744200.00000	TELEPHONE	644	1,500	1,500	518	1,000
101.112120.748000.00000	INSURANCE & BONDS	2,166	3,118	3,118	3,118	3,299
	INTERNAL AUDIT Total	**$ 153,220**	**$ 180,700**	**$ 183,700**	**$ 183,971**	**$ 194,900**
	54A DISTRICT COURT					
	Court Operations					
760.132201.702000.00000	SALARIES	2,007,286	2,238,593	2,238,593	2,218,500	2,230,820
760.132201.707000.00000	TEMPORARY HELP	87,639	55,000	55,000	79,000	55,000
760.132201.708000.00000	OVERTIME - SALARY	188	5,000	5,000	1,606	2,500
760.132201.712000.00000	LONGEVITY	36,500	36,000	36,000	33,500	33,500
760.132201.715300.00000	FRINGE BENEFITS - FIXED	2,046,540	2,087,215	2,087,215	2,087,215	2,047,089
760.132201.715400.00000	FRINGE BENEFITS - VARIABLE	697,838	792,497	792,497	775,440	817,808
760.132201.741000.00000	MISCELLANEOUS OPERATING	144,170	150,000	150,000	147,858	150,000
760.132201.741882.00000	WITNESS/JURY FEES	15,934	20,000	20,000	16,200	20,000
760.132201.741883.00000	LIBRARY	7,920	10,000	10,000	9,567	10,000
760.132201.742000.00000	SUPPLIES	134,625	140,000	140,000	126,514	140,000
760.132201.743000.00000	CONTRACTUAL SERVICES	154,180	150,000	150,000	120,117	150,000
760.132201.743720.00000	INFORMATION TECHNOLOGY ALLOC	313,673	396,070	396,070	396,070	417,231
760.132201.744110.00000	UTILITIES - CITY HALL	95,606	100,000	100,000	98,000	100,000
760.132201.744200.00000	TELEPHONE	18,784	25,000	25,000	20,440	20,000
760.132201.746000.00000	REPAIR & MAINTENANCE	1,195	5,000	5,000	2,590	2,500
760.132201.748000.00000	INSURANCE & BONDS	42,461	43,575	43,575	43,574	46,102
760.132201.977000.00000	EQUIPMENT	-	12,000	12,000	12,000	12,000
760.132202.743000.00000	CONTRACTUAL SERVICES	45,258	55,000	55,000	50,533	71,700
	Court Operations Total	**$ 5,849,797**	**$ 6,320,950**	**$ 6,320,950**	**$ 6,238,724**	**$ 6,326,250**

FINAL APPROVED BUDGET PRIOR YEAR(S) COMPARISON FOR COST CENTER(S)

FUND	GENERAL FUND
DEPARTMENT	COUNCIL & INTERNAL AUDIT

FUND	101

Sum of FINAL APPROVED		FISCAL YEAR								
COST CENTER	COST CENTER DESCRIPTION	2011	2012	2013	2014	2015	2016	2017	2018	2019 REQUEST
112101	CITY COUNCIL - G	$ 601,683.00	$ 531,380.00	$ 592,050.00	$ 628,900.00	$ 666,400.00	$ 706,400.00	$ 675,800.00	$ 698,000.00	$ 714,000.00
112120	INTERNAL AUDIT	$ 145,710.00	$ 148,335.00	$ 161,692.00	$ 184,460.00	$ 204,650.00	$ 209,200.00	$ 202,200.00	$ 180,700.00	$ 194,900.00
Grand Total		$ 747,393.00	$ 679,715.00	$ 753,742.00	$ 813,360.00	$ 871,050.00	$ 915,600.00	$ 878,000.00	$ 878,700.00	**$ 908,900.00**

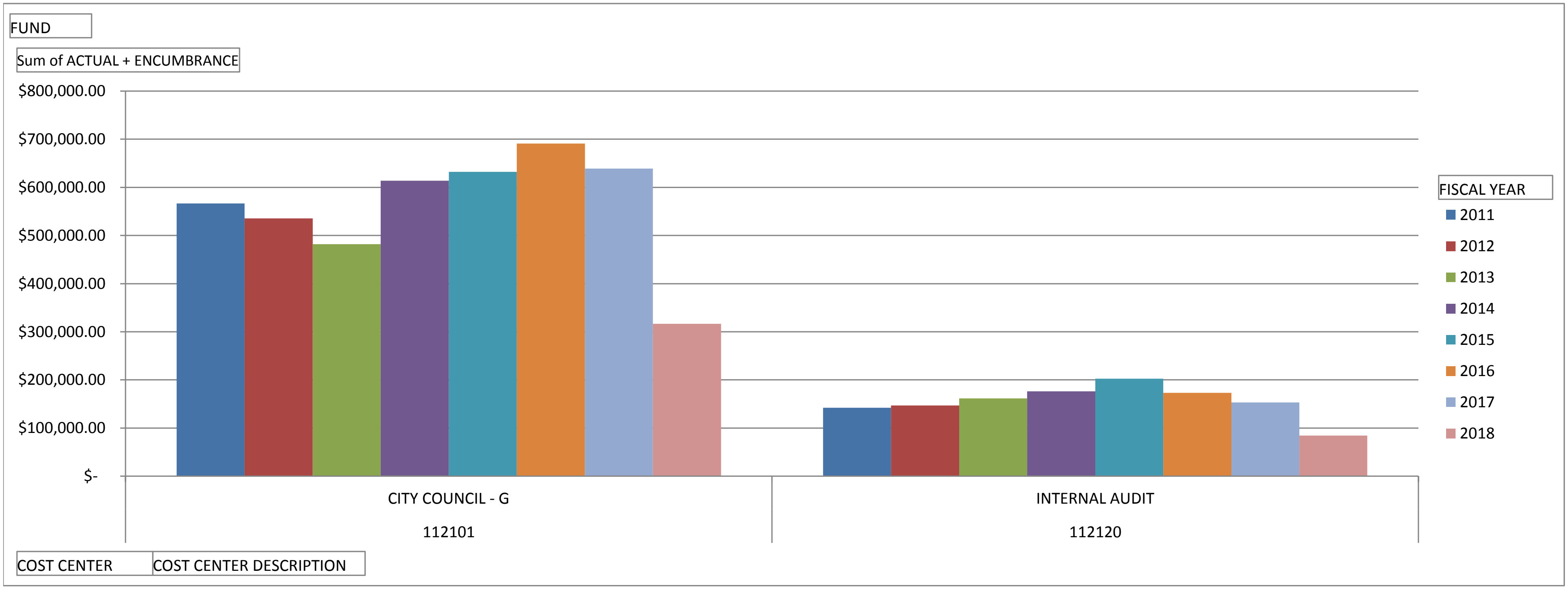


ACTUAL + ENCUMBRANCE PRIOR YEAR(S) COMPARISON FOR COST CENTER(S) (FY2018 as of 12-31-2017)

FUND	GENERAL FUND
DEPARTMENT	COUNCIL & INTERNAL AUDIT

FUND	101

Sum of ACTUAL + ENCUMBRANCE		FISCAL YEAR							
COST CENTER	COST CENTER DESCRIPTION	2011	2012	2013	2014	2015	2016	2017	2018
112101	CITY COUNCIL - G	$ 566,377.84	$ 535,459.65	$ 481,826.02	$ 613,971.38	$ 631,897.29	$ 690,723.38	$ 639,021.45	$ 316,565.58
112120	INTERNAL AUDIT	$ 142,341.01	$ 146,946.14	$ 161,524.17	$ 175,995.20	$ 202,335.59	$ 173,010.33	$ 153,219.84	$ 84,149.37
Grand Total		$ 708,718.85	$ 682,405.79	$ 643,350.19	$ 789,966.58	$ 834,232.88	$ 863,733.71	$ 792,241.29	$ 400,714.95



FY 2019 DRAFT Budget Policies
(as adopted in Res. 2017-131 FY18 Budget -5/15/2017)

In accordance with the State Uniform Budget and Accounting Act (Public Act 2 of 1968), the City of Lansing's annual appropriations, as set forth in the annual budget resolution, shall be made in accordance with Generally Accepted Accounting Principles (GAAP) and shall apply to all funds except internal service funds, debt service funds, permanent funds, and trust and agency funds.

The City's fiscal year is July 1 through June 30. In accordance with the City Charter, on or before the fourth Monday in March, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. No later than the third Monday in May, the Council adopts the budget and sets the property tax rates for the ensuing fiscal year.

Appropriations are set forth in the annual budget resolution. Authority to transfer between appropriations is dictated by City Charter; however, additional administrative budget transfer authority is granted for the following instances. The Administration is requested to submit to Council quarterly reports of such transfers.

<u>Wastewater Funds</u> – the transfer residual State Revolving Fund (SRF) loan and/or bond proceeds between projects and project segments.

<u>Flood Control</u> – the transfer of funds for flood control and/or storm sewer purposes to address flooding or unanticipated storm sewer maintenance needs.

<u>Major and Local Street (Act 51) Funding</u> – Transfer authority is not limited by departmental allocation, and administrative authority is included for appropriation of MDOT special authorization funding.

<u>Parking System</u> – the transfer of capital project accounts from operating accounts is permitted to meet bid or unforeseen capital needs.

<u>Debt Service Funds</u> – the transfer of residual balances between general obligation bond debt service accounts.

<u>Vacancy Factor/funded and unfilled Positions -</u> The budget includes an attrition vacancy allowance of $500,000. The Administration is requested to provide Council on July 1, 2018 and every month, thereafter, a list of vacant positions by department. The Administration is also requested to provide, on a quarterly basis, a detailed list by

Department of all positions by title, FTE, wages and fringes, and impact on programs and/or services which are included within this allowance. The personnel wages and fringes associated with all positions identified above as of July 1, 2018 and any such position vacated, thereafter, shall be placed in a budget control account, and will require City Council approval for expenditure.

In addition, administrative authority is granted for the transfer of wage and fringe benefit reserves to departmental budgets upon settlement of a collective bargaining agreement.

Carryforwards

Authority is granted to reappropriate available capital project balances as of June 30, 2018 into the FY 2019 budget. All non-capital balances require City Council approval to carryforward, except for encumbered (purchase order) obligations less than $5,000 and not more than 8 months old.

- Human Services and Community Supported Agencies Funding
  The plan for funding Agencies submitted to Council designate particular Agencies. If any agency does not apply for or use their funding, all funds will remain in their respective account(s) for additional appropriation and approval by Council for Human Services and Community Supported Agencies use pursuant to the Charter transfer authority. The Administration/Human Relations Community Services Department is requested to submit to Council a quarterly report on the status of the Human Services and Community Supported Agencies' funding. This report should include the accounting level detail appropriation; amount spent, balance, and a notation as to whether the balance of funds is expected to be spent by the end of the Fiscal Year; if not, why.

General Fund Reserve Policy

The City's General Fund reserves consist of the General Fund fund balance and the Budget Stabilization Fund. Use of and contributions to the Budget Stabilization Fund are dictated by Ordinance section 218.05.

The targeted unrestricted balance for the combination of the General Fund fund balance and the Budget Stabilization Fund is a minimum of 12% of General Fund expenditures and a maximum of 15% of General Fund expenditures. If events necessitate that the combined balances drop below 12% of General Fund expenditures, annual appropriations of a minimum of $500,000 will be made until the 12% target is reached. In the event that combined reserves are projected to exceed 15% of General Fund revenues, the excess amount will be used to supplement retiree healthcare prefunding.

Debt Management

Appropriations are made to adequately fund annual debt service obligations. Adherence will be made to required debt service reserves, where applicable, as well as to the provision of annual disclosures as required by outstanding bond obligations.

Investment Policy

Management of cash investments is governed by the City's investment policy and in accordance to State statute, with the objective being the maximization of return on the City's governmental funds through pooling of funds where appropriate and permitted, monitoring of interest rates and fee structures. Investments of the Employee Retirement System, the Police and Fire Retirement System, and the VEBA, are governed those respective boards and dictated by their respective investment policies.

Strategic Planning and Budget Development

In working toward the goal of the incorporation of strategic planning into the budget process, this next year, Administration is encouraged to work towards developing a multi-year budgeting process. This process should align the City's master plan, strategic goals, and performance metrics to short-term and long-term budget priority-setting by Council in accordance with Financial Health Team recommendations.

Civil Actions, Claims, and Damages

Whenever a claim is made or any civil action is commenced against the Mayor, a City Council member, a non-bargaining unit employee, or a Lansing retirement board trustee (collectively in this provision "the Employee") for damages caused by an act or acts of the Employee within the scope of his or her authority and while in the course of his or her employment with the City or his or her duties on behalf of the retirement board, the City will pay for, engage, or furnish the services of an attorney to advise the Employee as to the claim and to appear for and represent the Employees in the action. If the City Attorney does not provide the attorney services, the attorney selection shall be made by the City Attorney in the manner the City Charter requires. The City may compromise, settle, and pay a claim before or after the commencement of any civil action. Whenever any judgment for damages caused by the act or acts of the Employee covered under this provision is awarded against the Employee as the result of a civil action, the City will indemnify the Employee or will pay, settle, or compromise the judgment. The City's obligations under this provision, however, is contingent upon the Employee giving prompt notice of the commencement of the action and upon the Employee cooperating in the preparation, defense, and settlement of the action. The term "scope of authority" under this provision does not include any act or acts of Employee (i) fraud, (ii) dishonesty, (iii) willful, intentional, or deliberate violation of the law or breach of fiduciary duty, (iv) criminal act, or (v) traffic violation; nor does this provision abrogate or diminish governmental immunity.

Grants

The Administration shall present to Council every application for any grant and, upon notification of the award of a grant, shall submit the grant to Council for acceptance. Administrative authority is given to create the necessary accounts and transfers in accordance with the requirements of the grantor. Any grant that can be applied for administratively should be submitted for Council review within 10 days of the application.

Transparency and Accountability in Government

Council will review, and when necessary, pass policies, procedures and ordinances to achieve improved transparency and accountability with respect to economic incentives, outsourcing of service and contracting within City government.

Corridor Façade Grants

The Committee of the Whole will generate a resolution of guidelines with LEAP describing the area and requirements for the implementation of the Corridor Façade Grants by August 1, 2017.