



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

CALL TO ORDER

Council President Wood called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Kathie Dunbar- arrived at 5:40 p.m.
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
Jim Smiertka, City Attorney
Angie Bennett, Finance Director
Samantha Harkins, Mayors Executive Assistant
Eric Brewer, Council Internal Auditor
Lisa Hagen, Assistant City Attorney
Kathy Miles
Elaine Womboldt
Harold Leeman
Todd Heywood, City Pulse

Minutes

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

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM MAY 10, 2018 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment on Agenda Items

Ms. Miles asked for a consideration of cuts in the proposed budget and asked for additional staffing.

Ms. Womboldt provided her suggestions for the proposed budget including more enforcement officers and Police officers, with a focus on needs not on wants. She then asked for Council to consider taking the funds from the back income taxes and using towards the roads.

Discussion/Presentation

City Council & Internal Auditor

Mr. Brewer went through his presentation which highlighted the Council expenses and increases. This also included a breakdown on his position as Internal Auditor his budget which reflected technology, salary and fringe increases. Council Member Spadafore asked Mr. Brewer why his budget was seeing a 12% increase but the Council budget only reflected a 3% increase. Mr. Brewer explained that his research showed that his position follows the 214 Contract, and since there was an adjustment made in 2018 to meet up with that Contract, the FY19 budget will now have his salary in line with where it should have been and reasonable. Council Member Dunbar asked if that was because the adjustment was not done in 2018 like it was supposed to have been. Council President Wood explained that Council Staff follows the 214 Contract and at the time it was settled any salaries were not recognized until 1 and ½ years into the contract.

Budget Review; FY2019 Budget Policies; Budget Wrap Up

Council President Wood asked all Council Members if they had any allocations for the rest of Committee to consider on the budget which includes adjustments and then those can be detailed in the Budget Policies. Council Member Jackson asked how many of the proposed “contract” employees to full time, could stay contract to say money on the unfunded liability and without adding to the pension. Ms. Bennett stated that those going from “contract” to part time will have a minimal impact because their only benefit is dental, no health care. Those “contract” to part time are all in City TV. Regarding “contract” to full time, Ms. Bennett noted it would depend on the bargaining agreement to determine the impact on the legacy costs. There will be two (2) part time Premise Officers moving to full time and one (1) part time position in Treasury moving to a full time position. These positions will not have a defined benefit health care but a health savings plan and their pension has been modified. Ms. Bennett continued by noting that the Social Worker position in LPD is a new full time position along with a new administrative assistant position for Neighborhood Citizen Engagement. Council President Wood asked if the social worker position would be teamsters, and Ms. Bennett could not answer that at this time. Council Member Spitzley recalled a statement by the Police Chief that the position would be a sworn officer, and asked to Ms. Bennett to verify. Council Member Spitzley then voiced her concerns on the subsidy given to the Lansing City Market. Council President Wood asked the Administration what subsidy was paying for; marketing, the manager, or utilities, and what would happen if Council chose not to give \$80,000. Ms. Bennett answered the expense question by referring the Council to page 115 of the budget for the breakdown. It was noted the difference between the expenses and the revenue is \$80,700 and the City subsidy covers that difference. Council Member Spitzley noted one expense was building rental and asked if the building was rented by one use or if that one use was renting the whole building. Ms. Bennett stated there are more rental spots other than the restaurant. Council Member Spitzley concluded her statements by stating if the City Market is going to remain a bar and eating establishment she is in support of removing the \$80,000 subsidy from the LEPFA budget.

Council Member Washington also spoke in eliminating the City Market subsidy, and asked if there was even a manager at the facility.

Council Member Dunbar asked if there was any debt service on the building where the City Market is housed, and if there was a recent appraisal. Ms. Bennett confirmed there was not

any debt service and there was no recent appraisal. Council Member Dunbar concluded that in her opinion if it is not offering a City service, she would consider not subsidizing it.

Council President Wood asked how much of the square footage was rented, what they are paying per square foot, and what is the commercial market rental space similar to. Ms. Bennett was not able to provide that information, but could get the information from Mr. Keith with LEPFA. Council President Wood asked for her to also find out what the salary cost is and if they are not open during certain times where there is such a large utility charge. Council Member Spitzley added to the questions to be asked of Mr. Keith, when talking about the square footage being rented now, and the number of vendors in that square footage. In addition how many vendors are there currently.

Council Member Hussain referenced the 4.6% increase in revenues which has addressed roads, sidewalks, premise inspectors, however he questioned the Sister Cities program, Common Ground, asking the Administration what the economic impact is. He continued by asking what incentives were being reached by Sister Cities.

Council Member Dunbar went back to the City Market discussion, and asked the Administration if they were considering bringing it back to a market. Ms. Harkins stated to the Committee that the Administration is evolving into a new direction that she could not speak about. Council Member Washington added to the conversation that maybe the City should consider taking it to the voters to sell. She suggested taking the \$80,000 subsidy from the City Market, the \$20,000 subsidy from Sister Cities and creating the total \$100,000 for a new corridor code enforcement officer. Council Member Washington also suggested an idea of hiring another planner for the Economic Development and Planning office and no longer supporting the Faith Based Initiatives budget either.

Council Member Jackson spoke in support of the proposed funds of \$400,000 for the roads but asked his fellow Council Members to think about finding other sources for more improvements.

Council Member Dunbar asked if there was a thought for the Assessor to be full time, at which Ms. Bennett stated there was no consideration in the upcoming budget.

Council Member Spitzley acknowledged the Administration for the additions to the proposed budget, but had a concern with how the City was going to fund some of the new positions in City TV, the Mayor's office and Code.

Council President Wood asked Mr. Smiertka if the International Property Maintenance Code the City currently adopted is reflective of commercial property and if a Code Officer can enforce it. Mr. Smiertka answered the question by stating that it covers it by terms, residential and commercial. The City adopted the code by Ordinance and in adoption in the ordinance itself there are provisions that were stricken or modified. The application of the code to residential and commercial was retained, therefore the code applies to residential and commercial. When the City adopted it, it was placed in the housing code section of the Code of Ordinances. That does not affect the ordinance itself, but it created a culture in the past that code compliance enforcement was limited to housing, and building safety was the prime enforcement of the commercial side. In conclusion, he confirmed it does cover both, but in the matter of how the authority to enforce is up to the City. For violations, he added, they are civil infractions and the ordinance has to give the authority to the official to write tickets.

Council President Wood suggested to the Committee the idea of reducing all miscellaneous accounts in all departments by 2.1%, which would give \$50,000. Then increase revenues in

the Code office by \$50,000 for another office. If that was not an option, they could just reduce all miscellaneous accounts by 4.2% for another code officer. This proposed officer would address the signs and corridors.

Council President Wood then asked Mr. Brewer for an updated on the Common Ground expenses and revenue, at which Mr. Brewer was not able to provide any details at this time and wouldn't have his report ready by May 21st.

Council Member Spadafore supported the miscellaneous suggestion, but asked instead of the funds could be taken from the Fund Balance. Council President Wood agreed the Fund Balance is on target, but this proposed budget does not reflect putting any funds into it this year.

Council President Wood if there was an anticipation of State dollar for the next year for the roads, and if so if the City could consider bonding instead of utilizing the proposed \$400,000 in the budget for the roads. Ms. Bennet answered that bonding would tie up the funds for future years, and there will be bonding soon for the CSO project. To bond for additional dollars will strain the funds. The CSO does not receive funds from the State the sanitary portion is the sewer fund and rates. The City bonding is \$1.5 million, and closer to \$1.8-2 million with fees. Council President Wood inquired into what the debt service would be for bonding for \$5 million for 5 years or 10 years. Ms. Bennett was not able to answer at this time. Council Member Spitzley asked if the City was under a consent order with the DEQ, and Ms. Bennett noted it was not the official term but a violation under sewer separation. She was then asked to provide a copy of the agreement.

Council Member Spadafore stated his agreement with the addition of more Code Enforcement Officers, but was concerned with completely pulling a subsidy and how they would replace those funds to support the location. Council President Wood suggested they might have to change their revenues to maintain it, and his suggestion to be added as part of the Budget Policies.

Council President Wood asked that the questions from this meeting be answered by Wednesday, May 16, 2018. Council Members were also asked to provide any budget suggestions and budget policy changes to Council staff by Wednesday, May 16th so they can create the draft document. Council President Wood noted to the Committee that at the meeting on May 21st. they will approve the budget and the policies for passage the same night at Council.

Other

Council Members Reports on Boards/Commissions

No discussion at this meeting.

ADJOURN

The meeting was adjourned at 6:40 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on May 21, 2018