MINUTES
Committee of the Whole
Monday, July 9, 2018 @ 5:30 p.m.
City 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
Councilmember Jeremy A. Garza
Councilmember Adam Hussain- arrived at 5:35 p.m.
Council Member Brian T. Jackson
Councilmember Peter Spadafore- excused
Councilmember Patricia Spitzley – arrived at 5:43 p.m.
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT
Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Samantha Harkins, Mayor's Executive Assistant
Eric Brewer, Council Internal Auditor
Lisa Hagen, Assistant City Attorney
Deb Parrish
Elaine Womboldt
Brian McGrain, Economic Development & Planning Director
Mary Reynolds
Chad Gamble, Parking Manager
Harold Leeman
Kris Klein
Dick Peffley, BWL General Manager
Heather Shawa, BWL Chief Financial Officer
Kathy Miles
Sarah Lehr, LSJ
Jason Peek
Bob Trezise, LEAP
Kris Klein, LEAP
Mr. Wallace

Tasha Cantry
Jonathan Gilmore
Walt Sorg

Minutes
MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE MINUTES FROM JUNE 25, 2018 AS PRESENTED. MOTION CARRIED 5-0.

Public Comment on Agenda Items
Ms. Parrish spoke on the parking systems.

Ms. Womboldt spoke on an interest with the parking presentation, and asked for consideration for senior citizens, and offering of vouchers for those that attend meetings at City Hall. Ms. Womboldt spoke in support of the action on the Lansing Housing Commission.

Ms. Reynolds asked for immediate action on the resolution for the Lansing Housing Commission.

Presentation
BWL- CIP for FY2019-2024 and Budget for FY2019
Ms. Shawa referenced the FY2019 Income Statement, Cash Flow and Capital Plan for LBWL. This reflected total operating revenue is at $366 million, and the revenue forecast is conservative. She noted that the operating expenses were at $313 million, leaving them and operating income just under $53 million. The total non-operational expenses came in at $32.6 million, so the budget total net income came in just over $20 million. Mr. Shawa noted that this does not include the 3 year rate increase which is planned to be effective 2/2019. There is a 3.25% projected return, but the forecast will get them to the projected return. Council President Wood asked if the 2% is across the board for each service; chilled water, electric, etc. and Ms. Shawa confirmed it is the total. Ms. Shawa then went through the slide on the consolidated cash flow the financial strategy for a 3-phase financing, with phase 1 just implemented. Phase 2 will be the issuance of market bonds in spring 2019. The rates for the bonds were for the first $100 million with a bridge loan, and when it went to market the initial will get paid back. The Board of Commissioners have approved a cash reserve policy at their May 22 meeting, which was the initial policy because they never did one and it was a best practice to have one; Council President Wood asked for a copy of the policy. The presentation moved into the capital budget of $76.4 million, with the expected plant coming in at $113 million, so a total of $189.5 million. Council President Wood referenced the handout and asked if the outage management system was the same one that was implemented in 2013, and it was confirmed by Ms. Shawa. Ms. Shawa concluded by stating that in FY202 there is a small expenditure plan adding additional security as they will be de-commissioning the Eckert Plant. Council Member Garza asked if they had plans for Eckert after it closes. Mr. Peffley stated they will cease generating power in 2020, then it will take 2 years to remove all the infrastructure, and they will issue a RFP for that. Council Member Jackson asked if the bonding for the new plant was 50 years, and was informed by Ms. Shawa it was 25-30 years. The rate strategy does include new bonding for the plant and there is a return on the equity on the forecast, based on the revenues. It is a standalone line item in the non-operating sheet. Council Member Spitzley asked for an update on the project in REO Town. Mr. Peffley provided details that the central sub-station was still on track to come on in the fall, and the exterior walls are completed, the “fake windows” are next and the equipment is on schedule.

Council Member Hussain stepped away from the meeting at 5:52 pm

Mr. Peffley continued that they are currently watching the delivery of the equipment due to the recent talks of tariff and what impact that will have. Council Member Spitzley then inquired into the progress on the tree trimming. Mr. Peffley stated they are in year 5 of the 5 year plan which puts them in Delta Township where they are 90%.

Council Member Hussain returned to the meeting at 5:54 p.m.

Council President Wood asked about a weekend water pipe break in Groesbeck and asked for an update. Mr. Peffley was not aware of one, but stated he would follow up and report back. She also asked him to report back on low water pressure on Tecumseh River Drive.

<u>City of Lansing Parking Services Presentation</u>
Mr. Gamble distributed the power point presentation and gave an overview of the slides. The overview covered the current assets, map location and photos of the current equipment. It was noted in the presentation that the budget proposed for the projects totaled $10,679,095 with the front load in the first 3 years of the 5 year program. The presentation went on to outline the new equipment, construction time line for Lot 21 and Lot 37 which are being completely reconstructed. Mr. Gamble noted that Lot 8 on Michigan Avenue will also be addressed and was designed and addresses concerns of the neighborhood and businesses. Council President Wood asked why the parking rates proposed in the FY19 Budget are different for different locations. Mr. Gamble admitted that when they looked rates there was no rhyme or reason; and provided the example of the price break of $35-$40 to park on the roof of a structure, so they did a rate study to determine rates within one structure that was fair with another location of like size. He also added that the City rates have not improved in 5 years, so they also did rate adjustments per inflation. Council Member Wood asked for a copy of the parking study he stated they performed. Council President Wood then asked how many ramps are leased, how many permits and how many have free access. Mr. Gamble provided details that all facilities are open to permits and most in downtown are currently on a waiting list. There are only three (3) with a current available capacity prior to the construction, and those were Townsend Ramp, S. Capital and Lot 49a. Council President Wood asked why Townsend was not full, and Mr. Gamble stated that there are 1,270 parking spaces in it and there are still 360 available. He then detailed the lots that have agreements with outside entities. Those were nine (9) parking partners ranging from 150 permits with LCC to lots for other contractors and offices in the downtown area. Council President Wood asked Mr. Gamble to follow up on the questions sent to him by the Internal Auditor. Council Member Spitzley asked why the rates on the parking meters increased. Mr. Gamble stated the rates did not change, the only rate changes were in the ramps, and those were evaluated in location and user perspective. They believe that 4 ramps are past 40 years old, and replacement cost of each is $18-$25 million each. Their strategy is to make sure they are making smart decisions now to place the City in a good condition. Council Member Spitzley asked if they were using increased rates to update and repair the parking structures and to put money in the reserve for future needs, and Mr. Gamble confirmed that was the plan, noting again they haven't changed the rates in 3-5 years, and in his opinion they should be raised annually for the cost of living and become a self-sufficient fund. Council Member Spitzley referenced the presentation and slide on new parking machines, and asked if there would be new rates to pay for those. Mr. Gamble stated there was no plan to increase the rates to pay for them because they have already been included in the overall revenue projections. His opinion again was that every year the City should look to analyze for costs, and general needs. Council Member Hussain asked Mr. Gamble what their anticipated cost savings would be, and Mr. Gamble noted that with the new technology to facilitate them, they will reduce overall costs. Mr. Gamble was not able to stay longer, so Council President Wood asked Council Members to forward any additional questions to the Mr. Gamble and asked him again to follow up on the items that were still needed from the Internal Auditor request. The topic will again be on the

August 6, 2018 Committee of the Whole agenda. Council Member Dunbar supported the rate increase. Council Member Garza asked if the department will be installing a mobile parking passport, and if there will be discounts offered to frequent users of the parking system. Mr. Gamble stated they would installing a mobile app, and they currently have a VIP program and he will send that information to everyone. Council Member Jackson asked if during the study that was mentioned earlier if they looked at other municipalities, and who was involved. Mr. Gamble stated that regarding Lot 8 (located in the block behind The Green Door) there were multiple meetings with the businesses and neighbors. Council Member Washington stated she too was involved in all those meetings. Mr. McGrain apologized for any information that was lacking and would provide any additional information they are looking for. Council President Wood referenced the Internal Auditor report that needed answers still and again asked for the study that was done. She then asked if with the new meters and technology if there would be a reduction in staff, and Mr. McGrain confirmed he did not see a change in employees, and if so they could be deployed to other positions.

Discussion/Action

DISCUSSION/RESOLUTION – FY19 Budget Adjustments; Parking Fees

Discussion and action for this item was moved to the August 6th meeting.

RESOLUTION – Appointment of J. Peek; 2nd Ward Member; Medical Marihuana Commission; Term to expire December 11, 2019

Council President Wood asked Mr. Peek for his resume, at which Mr. Peek apologized for not providing it and offered to send it. Mr. Peek then briefly outlined his 11 years of residency in the City of Lansing, membership with the UAW 602, and his vision to be on this specific Commission so he could address concerns with the economic opportunities. Council President Wood referenced the application noting this Commission was not one of his choices, and asked why. Mr. Peek stated the on-line application drop down box did not have the option and was also interested in the Mayor's Diversity Board. Council Member Hussain asked Mr. Peek if he wished to wait for another Board appointment off his list. Mr. Peek informed the Committee he has already take the role on the Mayor's Diversity Board and would still like to be placed on this Commission. Council Member Washington asked if he had spoken to Council Member Garza yet since he will be representing the 2nd Ward on the Commission, at which he confirmed he had not. She then asked if Mr. Peek understood that the Commission is not to assist the owners of establishments, and he noted that he wanted to be on the Commission for the economics to the community. Council Member Spitzley asked if he could be fair in his role with the licensing, and Mr. Peek stated he hoped for open and fair dialogue. Council Member Garza asked Mr. Peek if he had any stake in the medical marihuana field or funds tied up in it, and Mr. Peek confirmed he did not on both counts. Mr. Peek was encouraged to attend the Ward meetings and neighborhood meetings. Council President Wood then went over the role of a Commission Member for Mr. Peek which she noted is to look at the decision the Clerk makes and if it is appropriate or not. Their role is also to look at the application that was denied by the Clerk, and whether it met the criteria of why it was denied. Council Member Dunbar added that Mr. Peek acknowledged the explanation. Council Member Jackson spoke in support of the appointment. Council President Wood assured Mr. Peek that the questions he was being asked were typical of all the appointments to this Commission which began in 2017 prior to three (3) of the Council Members being elected. Kathie –this board is about following the criteria, and the criteria has been determined to failed, and denied and appealed. The board has the role to follow those guidelines to hear the appeal.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION FOR THE APPOINTMENTOF JASON PEEK TO THE MEDICAL MARIHUANA COMMISSION. MOTION CARRIED 7-0.

DISCUSSION/RESOLUTION – Corridor Façade Grant Area Implementation & Requirements
Mr. Klein went through his updates to the program since the last Committee meeting discussion and suggestions. Those included details on the marketing plan which includes social media, press releases via the Mayor's office, and mailings to the corridors effected. Mr. Klein proposed $1,500 of the budget to be used for marketing and marketing materials. Regarding a question at the last meeting about properties just on the outside of the boundaries, he stated the initial intent for program was to serve corridors outside of the downtown area and those are displayed in the packet of information. Regarding a question earlier on accountability, Mr. Klein confirmed there is no claw back provision in the program, but it can be addressed in maintenance and non-performance within the program, because no funds are awarded until the project is complete. Council Member Jackson asked if Mr. Klein had researched interpretative services for the program and multiple languages for the application. Mr. Klein confirmed they can make the marketing post cards bi-lingual and can have different language links on the website. Council Member Dunbar asked if the awards are given on a first come first serve basis, and Mr. Klein assured them that all applications will be vetted the same, with a rolling open application, however the hard deadline for the application is February 2019. It will be a first come first serve but all are assessed on basic principles. Kathie – if apply can be approved and finished reimbursed this year. Council Member Dunbar then asked if someone puts in an application and the funds run out, do they go to the top of the list in the next fiscal year. Mr. Klein acknowledged that as a consideration, and they can start the basic process, but the onsite visits, and consults would be withheld until funding is available. Council President Wood informed Mr. Klein and the Committee that per the Budget Resolution and Policies, a resolution will be created and acted upon at the next meeting incorporating the details presented on the program with the addition of allotting $1,500 for marketing.

Council Member Garza stepped away from the meeting at 6:56 p.m.

Council President Wood then asked Ms. Harkins if the Administration agreed to the $1,500 out of the funding for the marketing, and Ms. Harkins could not confirm it was ever discussed, and Mr. Trezise also stated it was not discussed.

RESOLUTION – No Confidence in the current Composition of the Lansing Housing Commission Board of Commissioners
Council Member Garza returned to the meeting at 6:59 p.m.

Council Member Hussain reminded the Committee that at the last meeting they discus
Adam- at last meeting it was discussed language not being strong enough.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE NO CONFIDENCE IN THE CURRENT COMPOSITION OF THE LANSING HOUSING COMMISSION BOARD OF COMMISSIONERS.

Council Member Dunbar asked Ms. Harkins if the Administration had met with members of the LHC Commission or their staff, and if it was productive. Ms. Harkins confirmed Mr. McGrain met with Mr. Martell Armstrong and they have a follow up meeting on July 10th. Ms. Harkins went on to inform the Committee that Code Enforcement has been actively inspecting all the facilities. Council President Wood acknowledged the work the Administration had performed so far working with LHC, but reminded them and the Committee that it has been years where the City does not see progress on things that should have already been done. Since Council speaks through their Resolutions, she noted this is the opportunity to address the concerns and will not preclude anything the Administration is doing or take away from that. Council

Member Hussain agreed with Council President Wood, and also voiced his own concerns on the number of issues that have not been taken care of. Council Member Washington also spoke in support of the resolution. Council Member Dunbar pointed out that some issues were under the previous management, and stated her belief that the Council approves the Commission, at which Council President Wood corrected her statement by noting Council does not appoint the Lansing Housing Commission members, the Mayor solely makes those appointments. Council Member Spitzley added to the conversation with her statement that a Council resolution will speak to the constituents and Councils responsibility to be responsible for addressing the issues, and therefore the LHC Board of Commissioners is the leadership of the Lansing Housing Commission and they need to be responsible. Council Member Jackson asked if the Lansing Housing Commission could come to a future Committee meeting.

MOTION CARRIED 5-2.

OTHER

RESOLUTION- Singh Pub and Grill

Council Member Wood distributed an amended resolution from the last meeting based on a language change request from the State Liquor Control Commission.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION.
MOTION CARRIED 7-0.

ADJOURN

The meeting was adjourned 7:21p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on July 23, 2018