



AGENDA
Committee of the Whole
Monday, February 25, 2019 @ 5:30 p.m.
City Council Chambers, City Hall 10th Floor
UPDATED 2/22/2019

Council Member Wood, Chairperson
Council Member Spadafore, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - February 11, 2019
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentation**
 - Lansing Housing Commission Final Report w/ Supplemental Information (June, 2018)
 - PLACE ON FILE – Lansing Housing Commission Final Report (June 2018)
6. **Discussion/Action:**
 - A.) RESOLUTION – ACT-4-2019; Sale of City Property; Townsend Ramp; 221 Townsend Street to the Michigan Senate
 - B.) RESOLUTION – Appointment; Joan Elizabeth Knapp; At-Large Member; Board of Review; Term to Expire June 30, 2020
 - C.) RESOLUTION – Appointment; Felicia B. Eshragh; At-Large Member; Board of Review; Term to Expire June 30, 2022
 - D.) PRESENTATION- Ten Year Recycling Agreement w/Emterra Environmental USA Corp.
 - E.) RESOLUTION – Fiscal Year 2018 Budget Carry Forwards
 - F.) General Fund Status Report; Fiscal Year 2019; Second Quarter
7. **Other**

DISCUSSION- Committee on Intergovernmental Relations' Resolution for Budget Transfer
RE: Climate Action Plan Program
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

5:30 P.M.

DATE Feb 25, 2019

Please print

NAME	ADDRESS	Purpose for Attending	Email Address	PHONE
Loretta Manaway	546 W. Armstrong Lansing	Self	SOS wdp@aol.com	517 6485730
TONG OLSEN	116930 Wood Road Lans. MI 48911	Granger Recycle Contract	tolson@granger.net	517-871-4720
Kerrin O'Brien	1320 Red Leaf Ln #732N E. Lansing MI 48823	Granger, Lansing Recycling	kobrien@mlmiganmrecycle.org	517-974-3672
Charles Hauser	16800 Wood Rd Lansing MI 48926	Granger/Recycle Contract	chauser@granger.net	517-371-9775
Felicia Eshragh	1418 W. Kalamazoo St. Lansing, MI 48915	Board of Review Appointment	felicia.eshragh@gmail.com	616.240.8286
Emily Freeman	1337 TURNER ST LANSING, MI 48906	recycling	freemane@ michigan.gov	517-256-9466
Doug Fleming	419 Cherry St Lansing 48933	Lansing Housing Council	DFleming@LHC.org	517-763-4327
Chris Hewitt	2327 Forest Ave Lansing, MI 48910	Recycling	hewittc08@gmail.com	989-751-4324
Randy Dykhuis	418 N. Sycamore Lansing	Climate Plan	randydykhuis.net	517-927-5121
Marshall Chbeaux				
Angelo Caramagno	1606 E Webster Flint, MI 48505	Emterra GM USA	Angelo.Caramagno@ emterrausa.com	810-396-1015
Paulina Leung	1122 Pioneer Burlington, ON #L7M1K4	VP Corp. strategy Emterra	paulina.leung@ emterra.ca	416-939-7916 905-336-9084

X1130

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MINUTES **Committee of the Whole** **Monday, February 11, 2019 @ 5:30 p.m.** **City Council Chambers**

CALL TO ORDER

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

PRESENT

Councilmember Kathie Dunbar- arrived at 5:38 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore- excused
Councilmember Patricia Spitzley
Councilmember Jody Washington- excused
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Samantha Harkins, Mayor Executive Assistant
Jim Smiertka, City Attorney
Eric Brewer, Council Internal Auditor
Scott Sanford, Code Compliance
Kathy Miles
Bettie Trice
Enrique Mendoza

Approval of Minutes

MOTION BY COUNCILMEMBER SPITZLEY TO APPROVE THE MINUTES OF FEBRUARY 4, 2019 AS PRESENTED. MOTION CARRIED 5-0.

Public Comment on Agenda Items

Ms. Miles spoke in support of the appointment of Bettie Trice.

Council President Wood amended the agenda to address the discussion/action items first.

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DISCUSSION/ACTION

RESOLUTION – Appointment of Bettie J. Trice; 4th Ward; Medical Marihuana Commission; Term to expire November 27, 2020

Ms. Trice provided historical and personal information on her residency in Lansing. She noted she was a retiree from the Secretary of the Senate, and had experience in the legislature on legislation, research and communicating with the public.

Council Member Spitzley asked if she had any involvement in the State legislation on medical marihuana. Ms. Trice acknowledged she did not.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF BETTIE J TRICE AS THE 4TH WARD MEMBER TO THE MEDICAL MARIHUANA COMMISSION. MOTION CARRIED 5-0.

RESOLUTION – Appointment of Enrique J. Mendoza; At-Large Member of the Board of Review; Term to expire June 30, 2020

Mr. Mendoza informed the Committee he had been a resident of Lansing for over 45 years, currently works part time for the City and is interested in serving on this Board because he wants to get hired full time in Code Enforcement, and therefore hoping that serving on this board will help him.

Council Member Spitzley asked what part time position in the City he current does. Mr. Mendoza stated he is with parking services.

The City Attorney was asked to review the Charter to confirm or deny that Mr. Mendoza can serve on that Board since his a City employee. Mr. Smiertka reviewed and made the determination he could serve, and he stated the only ineligibility is if the person is holding the office of a City Official, and elected official or their executive staff.

Council Member Garza asked Mr. Sanford about filling a code enforcement position.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF ENRIQUE MENDOZA AS THE AT-LARGE MEMBER TO THE BOARD OF REVIEW.

Council President Wood clarified for the Committee that the Board of Review makes property tax appeal decisions, and those decisions are final.

MOTION CARRIED 6-0.

PRESENTATION

2015 International Property Maintenance Code Adoption (Code Compliance)

Mr. Sanford, noted the changes between 2009 and this 2015 Code.

Section 102.3 references the existing building code, energy code and fire code as they apply to the State of Michigan

They have expanded the reference section.

In the 2009 Code they were only required to contact the owner, but the 2015 now allows them to also contact the authorized agent.

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The topic if infestation now includes premises, not just the inside of the structure, allowing them to inspect the entire property.

There is a new expansion in the Code to add fire protection on multi-tenant buildings. This includes signage, the clarification and exemption for smoke detectors, and details on the install near cooking elements, bathrooms, etc.

The Committee on Public Safety requested the change to remove the section on Occupancy since in the City, the zoning ordinance addresses occupancy, and having in both codes would cause a conflict.

What the 2015 code is doing is also carrying forward from the 2009 code the applicable sections on premise enforcement, such as vehicles, grass height and trash.

Lastly, the motor vehicle portion is not used because the City utilizes the State of Michigan Motor Vehicle Code.

Council Member Dunbar referred to the ordinance, page 7, line 15 and questioned if it should state "Code Office" not "Code Official". Council Member Spitzley referred to other sections in the ordinance where it speaks to "Code Official" and is consistent with the ordinance. Mr. Smiertka added that in the City code, it states there is an authorized City Official that can write the tickets. Council President Wood concluded by referencing the definitions in the 2015 Code itself. Adding that the documents; Ordinance and 2015 Code, should be used together.

Council Member Wood informed the public that the hearing would be set later in the evening at the Council Meeting for a hearing on February 25, 2019.

Council Member Garza asked for an update on hiring in Code Enforcement. Mr. Sanford confirmed they have four (4) premise inspectors and filling a vacant position. He then asked if they were for designated wards. Mr. Sanford admitted they are trying to fill all four (4) premise positions, but currently since there are 3 they have divided the City into thirds, running north and south. The details on the districts, the assigned offices can be found on the website.

Council Member Hussain asked for Code to provide a listing of officers and locations quarterly.

ADJOURN

The meeting was adjourned at 5:53 p.m.

Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council
Approved by the Committee on

Lansing Housing Commission

**Financial Report
with Supplemental Information
June 30, 2018**

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Independent Auditor's Report

To the Board of Commissioners
Lansing Housing Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Lansing Housing Commission (the "Commission") as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise Lansing Housing Commission's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Lansing Housing Commission as of June 30, 2018 and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, as of July 1, 2017, the Commission adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The Commission's net position has been restated as of July 1, 2017 as a result of this change in accounting principle. Our opinion is not modified with respect to this matter.

To the Board of Commissioners
Lansing Housing Commission

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Lansing Housing Commission's basic financial statements. The financial data schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The financial data schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2018 on our consideration of Lansing Housing Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lansing Housing Commission's internal control over financial reporting and compliance.

Plante & Moran, PLLC

December 17, 2018

**Lansing Housing Commission
Lansing, Michigan**

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

This management's discussion and analysis (MD&A) of Lansing Housing Commission (the "Commission") provides an overview of the Commission's financial performance during the fiscal year ended June 30, 2018. The operations of the Lansing Housing Commission are comprised of a Low Income Public Housing Program, a Housing Choice Voucher program, a Capital Fund Program, a Section 8 New Construction Program, and a Resident Opportunity and Supportive Services Program. The Low Income Public Housing Program is funded with tenant rental revenue, miscellaneous tenant charges, and Department of Housing and Urban Development (HUD) grants and subsidies. The remaining programs are funded entirely by federal grants. The Commission also maintains a central office cost center, various business activities, and component units. This MD&A covers only the Commission's primary government activities, including its blended component unit and the Lansing Housing Commission Non Profit Development Corporation (LHCNPDC), and do not analyze the financial position or current year activity of the discretely presented component unit - Oliver Gardens Limited Dividend Housing Association Limited Partnership (Oliver Gardens). Please read this summary along with the accompanying audited financial statements of the Commission for the fiscal year ended June 30, 2018. The audited financial statements of Oliver Gardens have been presented in the financial statements of the Commission.

Financial Highlights

- | | |
|---|---------------|
| 1. Total assets exceed total liabilities by | \$ 15,730,114 |
| 2. Unrestricted net position equals | 3,078,228 |
| 3. Total net position decreased by | 904,747 |

Required Financial Statements

The financial statements of the Commission have been prepared on the accrual basis of accounting following the business-type activities reporting requirements of the Governmental Accounting Standards Board (GASB) as a single enterprise fund. These statements are as follows:

- Statement of net position - Includes all of the Commission's assets and liabilities and provides information about the amounts and investments in assets and the obligations to commission creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Commission. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the Commission is improving or deteriorating.
- Statement of activities - Provides information as to the increase or decrease of current year revenue over expenses.
- Statement of cash flows - Provides information about the Commission's cash receipts and disbursements during the reporting period. The statement discloses net cash provided by or used in operating activities and noncapital financing activities from capital and related financing activities and from investing activities.

Financial Analysis

Statement of Net Position

	2017	2018	Change	Percent Change
Assets				
Current and restricted assets	\$ 5,211,347	\$ 5,259,522	\$ 48,175	1%
Capital assets	15,562,494	14,492,096	(1,070,398)	-7%
Noncurrent assets	1,048,761	1,092,791	44,030	4%
Total assets	21,822,602	20,844,409	(978,193)	-4%
Deferred Outflows of Resources	1,017,239	100,343	(916,896)	-90%
Total assets and deferred outflows of resources	22,839,841	20,944,752	(1,895,089)	-8%
Liabilities				
Current liabilities	630,636	893,195	262,559	42%
Long-term liabilities	5,439,234	4,153,621	(1,285,613)	-24%
Total liabilities	6,069,870	5,046,816	(1,023,054)	-17%
Deferred Inflows of Resources	135,110	167,822	32,712	24%
Net Position				
Net investment in capital assets	13,268,885	12,398,172	(870,713)	-7%
Restricted	1,041,802	283,714	(758,088)	-73%
Unrestricted	2,324,174	3,048,228	724,054	31%
Total net position	<u><u>\$ 16,634,861</u></u>	<u><u>\$ 15,730,114</u></u>	<u><u>\$ (904,747)</u></u>	-5%

As required by Governmental Accountings Standards Board (GASB), the Commission adopted GASB Statement No. 75. This standard required the inclusion of a liability for the Commission's estimated unfunded other postemployment benefit (OPEB) costs. Some of the changes in this net OPEB liability will be recognized immediately as part of the OPEB expense measurement, and part will be deferred and recognized over future years. The financial statements for the year ended June 30, 2017 have been restated in order to adopt GASB Statement No. 75. The effect of this new standard was an increase in net position to record the net OPEB liability at June 30, 2017.

As illustrated in the statement of net position, the overall net position of the Commission decreased by \$904,717, primarily as a result in a decrease in long-term liabilities net of decreases in capital assets. There were no large new capital asset projects in the current year and as a result net capital assets decreased by normal depreciation. The decrease in OPEB liabilities and net pension liability led to an overall decrease in noncurrent liabilities.

Financial Analysis (Continued)

Statement of Activities

	2017	2018	Change	Percent Change
Revenue				
Tenant rental revenue	\$ 1,655,669	\$ 1,621,451	\$ (34,218)	-2%
Federal grants	15,562,618	14,666,576	(896,042)	-6%
Other revenue	<u>1,619,345</u>	<u>1,396,575</u>	<u>(222,770)</u>	-14%
Total revenue	18,837,632	17,684,602	(1,153,030)	-6%
Expenses				
Administrative expenses	3,064,073	2,600,196	(463,877)	-15%
Tenant services	41,195	83,708	42,513	103%
Utilities	893,395	948,288	54,893	6%
Maintenance and operations	2,392,757	2,494,575	101,818	4%
Insurance and general expenses	450,813	388,174	(62,639)	-14%
Housing assistance payments	10,404,199	10,785,430	381,231	4%
Depreciation and amortization	1,273,346	1,205,171	(68,175)	-5%
Interest expense	88,882	83,017	(5,865)	-7%
Loss on sale of assets	<u>39,225</u>	<u>790</u>	<u>(38,435)</u>	-98%
Total expenses	<u>18,647,885</u>	<u>18,589,349</u>	<u>(58,536)</u>	0%
Change in Net Position	<u>\$ 189,747</u>	<u>\$ (904,747)</u>	<u>\$ (1,094,494)</u>	-577%

Revenue

In reviewing the statement of activities, you will find that 83 percent of the Commission's revenue is derived from grants from the Department of Housing and Urban Development, 9 percent of the Commission's revenue is from dwelling rent, and 8 percent is from investment income and other income.

Expenses

In reviewing the statement of activities, you will find that 58 percent of the Commission's expenses are for housing assistance payments, 14 percent for administrative, 5 percent are for utilities, 13 percent are for maintenance, 6 percent are for depreciation and amortization, and 2 percent are for tenant services, protective services, general expenses, and interest expense.

Change in Net Position

There was a significant decrease in overall revenue during fiscal year 2018. The Federal Grants decrease was due to two factors. First, there was a decrease in the funding for the Public Housing Capital Fund program as there were no major construction projects in progress during fiscal year 2018. Second, Housing and Urban Development changed their process to decrease the amount of cash reserves held by housing authorities. As part of this process, despite having a significant increase in the amount of housing assistance expenses, there was a decrease in the payments for these items since LHC has cash reserves which could be used to cover these costs rather than receiving grant funds. The Other Revenue decrease was due to a decrease in a state funded program. Finally, there was a significant decrease in administrative expenses. This is primarily due to a new accounting treatment for Other Postemployment Benefits which was implemented in 2017 which significantly increased expenses in 2017. The expenses in 2018 then decreased back to the expected level.

Financial Analysis (Continued)

Capital Assets

As of year end, the Commission had \$14,492,096 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions, and depreciation) of 7 percent from the end of last year.

	2017	2018	Change	Percent Change
Land	\$ 1,554,771	\$ 1,554,771	\$ -	0%
Buildings	49,742,492	51,223,127	1,480,635	3%
Furniture and equipment	1,353,588	1,313,200	(40,388)	-3%
Construction in progress	2,331,065	914,088	(1,416,977)	-61%
Accumulated depreciation	(39,419,422)	(40,513,090)	(1,093,668)	3%
Net capital assets	<u>\$ 15,562,494</u>	<u>\$ 14,492,096</u>	<u>\$ (1,070,398)</u>	-7%

The following reconciliation summarizes the change in capital assets:

Beginning balance - July 1, 2017	\$ 15,562,494
Additions:	
Construction in progress	135,564
Disposals net of depreciation	(791)
Depreciation expense	(1,205,171)
Ending balance - June 30, 2018	<u>\$ 14,492,096</u>

Debt Outstanding

As of the end of the fiscal year, the Commission had \$2,123,924 in debt outstanding compared to \$2,293,609 in the previous year. The net change in debt for the year was a decrease of \$169,685 of principal payments.

	Long-term Debt	
	2017	2018
Note payable - Davenport	\$ 474,903	\$ 425,762
Note payable - PNC	1,818,706	1,698,162
Total long-term debt	<u>\$ 2,293,609</u>	<u>\$ 2,123,924</u>

Financial Analysis (Continued)

Economic Factors and Events Affecting Operations

Factors that may affect the financial position of the Commission in the subsequent fiscal year are as follows:

- Federal funding appropriations as budgeted by Congress for funding to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates and the need to contract more work because of employee hiring challenges
- Union contract negotiations
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and, therefore, the amount of rental income
- Inflationary pressure on utility rates, supplies, and other costs
- Pay down of underfunded pension and other postemployment benefit liabilities

In the current year and for future years, the financial position of the Commission is also impacted by the Commission's adoption of Governmental Accounting Standards Board (GASB) Statement No. 68 as of July 1, 2014, the objective of which is to improve accounting and financial reporting by state and local employers about financial support for pensions that is provided by other entities. The Commission participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS) that covers all employees of the Commission. The Commission's net pension liability for this plan is determined annually using a measure of the total pension liability and the pension net position at the end of each calendar year.

REAC

The Real Estate Assessment Center's (REAC) mission is to provide and promote accurate information in assessing the condition of HUD's housing portfolio. The Commission receives periodic physical inspections and an annual financial evaluation provided by REAC. This performance data provides an annual assessment of how each Public Housing Commission compares to its peers. The Commission underwent an inspection during the fiscal year ended June 30, 2018.

Conclusion

The Commission's management is committed to staying abreast of regulations and appropriations as well as maintaining an ongoing analysis of all budgets and expenses to ensure that the Commission continues to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

Contact

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Doug Fleming, Executive Director, Lansing Housing Commission, 419 Cherry, Lansing, MI 48933, or call (517) 372-7996.

Lansing Housing Commission

Statement of Net Position

June 30, 2018

	Primary Government (LHC)	Discrete Component Unit - Oliver Gardens December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 3,923,705	\$ 36,295
Cash and cash equivalents - Restricted (Note 3)	337,401	331,094
Receivables:		
Tenant receivables	31,002	-
Other receivables	275,922	4,154
Due from other governmental units - HUD	3,904	-
Allowance for doubtful accounts	(3,100)	-
Prepaid expenses and other assets	41,520	4,460
Tenant security deposits - Restricted (Note 3)	133,244	4,807
Investments (Note 3)	515,924	-
Total current assets	5,259,522	380,810
Noncurrent assets:		
Investment in partnership	992,691	-
Capital assets:		
Assets not subject to depreciation (Note 4)	2,468,859	685,162
Assets subject to depreciation - Net (Note 4)	12,023,237	1,793,707
Other receivables	100,000	-
Other assets	100	6,111
Total noncurrent assets	15,584,887	2,484,980
Total assets	20,844,409	2,865,790
Deferred Outflows of Resources - Pension (Note 6)	100,343	-

Lansing Housing Commission

Statement of Net Position (Continued)

June 30, 2018

	Primary Government (LHC)	Discrete Component Unit - Oliver Gardens December 31, 2017
Liabilities		
Current liabilities:		
Accounts payable - Operating	\$ 173,098	\$ 9,413
Security deposits liability	161,474	4,807
Accrued liabilities and other:		
Accrued salaries and wages	51,966	-
Accrued interest payable	-	152,380
Accrued PILOT	60,180	17,791
Compensated absences < one year	14,301	-
Other current liabilities	-	428,019
Current portion of long-term debt (Note 5)	432,176	31,344
Total current liabilities	893,195	643,754
Noncurrent liabilities:		
Compensated absences	81,030	-
Accrued partnership management fees	-	100,000
Net pension liability (Note 6)	455,678	-
Net OPEB liability (Note 7)	1,871,478	-
Notes payable - Net of current portion (Note 5)	1,691,748	2,494,920
Other noncurrent liabilities	53,687	405,767
Total noncurrent liabilities	4,153,621	3,000,687
Deferred Inflows of Resources - Pension (Note 6)	167,822	-
Net Position		
Net investment in capital assets	12,368,172	(47,395)
Restricted	283,714	-
Unrestricted	3,078,228	(731,256)
Total net position	\$ 15,730,114	\$ (778,651)

Lansing Housing Commission

Statement of Activities

Year Ended June 30, 2018

	Primary Government (LHC)	Discrete Component Unit - Oliver Gardens Year Ended December 31, 2017
Operating Revenue		
Tenant revenue - Net	\$ 1,621,451	\$ 264,850
HUD operating revenue	14,545,696	-
Other grant revenue	1,070,450	-
Other operating revenue	318,065	-
Total operating revenue	17,555,662	264,850
Operating Expenses		
Administrative	2,600,196	23,713
Tenant services	83,708	-
Utilities	948,001	73,673
Maintenance	2,494,862	25,855
Insurance	286,184	14,581
Other general expenses	101,990	43,712
Housing assistance payments	10,785,430	-
Depreciation and amortization	1,205,171	141,787
Total operating expenses	18,505,542	323,321
Operating Loss	(949,880)	(58,471)
Nonoperating Revenue (Expense)		
Investment income	8,060	15,476
Interest expense (Note 5)	(83,017)	(91,793)
Loss on sale of assets	(790)	-
Total nonoperating expense	(75,747)	(76,317)
Loss - Before capital contributions	(1,025,627)	(134,788)
Capital Contributions - Capital grants - HUD	120,880	-
Change in Net Position	(904,747)	(134,788)
Net Position - Beginning of year, as adjusted (Note 2)	16,634,861	(643,863)
Net Position - End of year	\$ 15,730,114	\$ (778,651)

Lansing Housing Commission

Statement of Cash Flows

Year Ended June 30, 2018

	Primary Government
Cash Flows from Operating Activities	
Cash received from HUD operating subsidies and grants	\$ 14,546,084
Cash received from tenants	1,614,748
Other receipts	1,242,178
Cash payments for housing assistance	(10,785,430)
Cash payments for administrative expenses	(2,600,196)
Cash payments for other operating expenses	(3,948,632)
Net cash and cash equivalents provided by operating activities	68,752
Cash Flows from Capital and Related Financing Activities	
Receipt of capital grants	120,880
Proceeds from sale of capital assets	112,294
Purchase of capital assets	(135,564)
Principal and interest paid on capital debt	(252,702)
Net cash and cash equivalents used in capital and related financing activities	(155,092)
Cash Flows from Investing Activities	
Interest received on investments	8,060
Purchases of investment securities	(3,780)
Net cash and cash equivalents provided by investing activities	4,280
Net Decrease in Cash and Cash Equivalents	(82,060)
Cash and Cash Equivalents - Beginning of year	4,476,410
Cash and Cash Equivalents - End of year	\$ 4,394,350
Classification of Cash and Cash Equivalents	
Cash and cash equivalents	\$ 3,923,705
Restricted cash and cash equivalents	337,401
Tenant security deposits	133,244
Total cash and cash equivalents	\$ 4,394,350
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (949,880)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	1,205,171
Bad debts	46,702
Deferred outflows and inflows	949,608
Changes in assets and liabilities:	
Receivables	(63,017)
Prepaid and other assets	(266,463)
Accounts payable	30,791
Accrued and other liabilities	(885,583)
Security and other trust deposits	1,423
Net cash and cash equivalents provided by operating activities	\$ 68,752

June 30, 2018**Note 1 - Nature of Business****Organization and Program Descriptions**

Lansing Housing Commission (LHC or the "Commission") is a Michigan public body corporation operating as a public housing authority under the Michigan Housing Facilities Act, MCL 125.65 to provide decent, safe, and adequate housing for low-income program participants. The Commission owns and provides subsidy and operation support for housing units located throughout the Lansing area. LHC's assets, deferred outflows, liabilities, deferred inflows, net position, and changes in net position are included in its primary government fund and include all AMPs, COCC, business activities, and programs of the Commission. The Commission receives and administers funds from the U.S. Department of Housing and Urban Development (HUD) and has signed an annual contributions contract (ACC) under the provisions of the ACC and all applicable provisions of the United States Housing Act of 1937 (42 U.S.C 1437 Section 1.1). The ACC allows the Commission to obtain financial support from HUD and provide low-income housing throughout Lansing. The Commission administers the following significant programs:

Low-rent Public Housing

The Commission owns, operates, and maintains 833 units of public housing in four properties throughout the city of Lansing. The Low Rent Housing Assistance Program is designed to provide subsidized housing to low-income individuals who pay monthly rent in accordance with prescribed rent formulas based on family income limits. Revenue consists primarily of this rental income, other tenant fees collected, and an operating subsidy from HUD.

Housing Choice Voucher Program (HCVP)

Section 8 of the Housing and Community Development Act of 1974 provides Housing Assistance Payments on behalf of lower-income families to participating housing owners. Under the program, the landlord-tenant relationship is between a housing owner and a family, rather than the Commission and a family as in the Public Housing program. HUD contracts with the Commission to enter into contracts with owners to either make assistance payments or to pay the difference between the approved contract rent and the actual rent paid by the lower-income families. Housing assistance payments made to landlords and some participants are funded through annual contributions contracts, as well as the administrative cost of managing the program up to a per unit limit established in the contracts. The Commission administered an average of 1,673 tenant-based vouchers monthly for the year ended June 30, 2018.

Capital Fund Program (CFP)

Funds from the Capital Fund Program provided by HUD are used to maintain and improve the Public Housing portfolio. Substantially all additions to land, structures, and equipment for these properties are accomplished by using capital grant funds.

Continuum of Care Program (Shelter Plus Care and Permanent Supportive Housing)

This program provides rental assistance to homeless individuals and families with disabilities. The Commission is a subrecipient of the funding from the City of Lansing, Michigan.

Recovery Agreement and Action Plan

On September 25, 2014, the Commission was designated as a troubled agency by HUD based on a failing Public Housing Assessment System audited financial score. When a public housing agency is determined to be substandard, it is asked to provide an assessment of its deficiencies from its own self-diagnosis and identify solutions to recover its performance for long-term sustainability. The Commission has completed its Public Housing Agency Recovery and Sustainability Assessment and, on January 6, 2016, entered into a recovery agreement and action plan with HUD. The Commission began submitting monthly progress reports to the local HUD Field Office commencing on March 1, 2016 and every month thereafter. The monthly reports will continue until the recovery agreement is terminated. These financial statements have not been modified for this status.

June 30, 2018**Note 1 - Nature of Business (Continued)*****Reporting Entity***

The nucleus of the financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, is the primary government. A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluation of how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criteria of financial accountability is the appointment of a voting majority plus the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity.

The five-member board of commissioners of LHC is appointed to five-year terms by the mayor of the City of Lansing, Michigan, but the Commission's board independently oversees the Commission's operation and designates its management. The City of Lansing, Michigan is not financially accountable for the Commission, as it cannot impose its will on the Commission, and there is no potential for the Commission to provide financial benefits to, or impose financial burdens on, the City of Lansing, Michigan. Accordingly, the Commission is not a component unit of the financial reporting entity of the City of Lansing, Michigan.

GASB Statement Nos. 14, 39, 61, and 80 define a primary government and those organizations that should be reported as component units. The following organizations have been determined under this guidance to be component units of the Commission.

Blended Component Units

One component unit, despite being legally separate, is so integrated with the primary government that it is in substance part of the primary government. The Commission has included as a blended component unit in business activities the operations of Lansing Housing Commission Non Profit Development Corporation (LHCNPDC), a nonprofit organization. LHCNPDC has a 99 percent ownership interest in Oliver Gardens, LLC. The Commission has financial accountability for the nonprofit and controls its board of directors and management. As of June 30, 2018, LHCNPDC had assets of \$843,732, liabilities of \$879,491, and net deficit position of \$(35,759). The total revenue and change in net position was \$13,321 for the year ended June 30, 2018.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the Commission's legally separate component unit, Oliver Gardens Limited Dividend Housing Association Limited Partnership (Oliver Gardens), which meets the criteria for discrete component presentation. The separate column presentation clearly distinguishes the component unit balances and transactions from that of the primary government. The balances are presented as of December 31, 2017. A complete financial report can be obtained at its administrative offices at 419 Cherry St., Lansing, MI 48933.

The Commission has a 1 percent managing member ownership interest in Oliver Gardens, LLC, which has a 0.01 percent general partner ownership interest in Oliver Gardens. Oliver Gardens is a residential apartment complex in Lansing, Michigan consisting of 30 low-income housing units. The Commission does have financial accountability for Oliver Gardens, but it does not have majority ownership of the entity.

Oliver Gardens follows all applicable Financial Accounting Standards Board (FASB) standards. Since it does not follow governmental accounting for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discrete component unit financial statements in order for them to conform to the presentation of the primary government.

June 30, 2018**Note 2 - Significant Accounting Policies*****Basis of Accounting***

The basic financial statements of the Commission have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). The Commission follows the business-type activities reporting requirements of GASB Statement No. 34, which provides a comprehensive one-line look at the Commission's financial activities. The Commission reports all of its operations as a single business activity in a single enterprise fund. The enterprise fund is a proprietary fund, which distinguishes operating revenue and expenses from nonoperating items. The operating revenue of the Commission consists primarily of rental charges to tenants, operating grants from HUD, and other operating revenue that offsets operating expenses. Operating expenses include the cost of administrative, tenant services, utilities, maintenance, protective services, general operations, depreciation, and housing assistance payments.

As a proprietary fund, revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Commission's financial activities operate in a manner similar to private business enterprises and are financed through fees and charges assessed primarily to the users of the services. For financial reporting purposes, the Commission considers its grants associated with operations as operating revenue because these funds more closely represent revenue generated from operating activities, rather than nonoperating activities. Grants associated with capital acquisition and improvements are considered capital contributions and are presented after nonoperating activity as capital contributions on the accompanying statement of activities.

Budgets

The Commission is required by its HUD annual contributions contracts to adopt annual budgets for the Low Rent Public Housing Program and the Housing Choice Vouchers Program. Annual budgets are not required for the Capital Fund Program, as those budgets are approved for the length of any given project. Annual, project, and grant length budgets require grantor approval.

Appropriations are authorized at the function level. Management may transfer budget authorization between functions. All appropriations that are not used lapse at year end. Budgeted amounts are as originally adopted or as amended by the board.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an original maturity of three months or less.

Investments

Short-term investments consisted of certificates of deposit at June 30, 2018. Investments are reported at fair value or estimated value.

Current Receivables and Recognition of Bad Debts

Current receivables consist of revenue that is earned at year end, but not yet received. Tenant accounts generally are collectible as long as the tenant is occupying the unit; however, the Commission has established an allowance of \$3,100 as potentially uncollectible as of June 30, 2018. Tenant bad debt for the year ended June 30, 2018 was \$46,702.

Prepaid Expenses

Prepaid items consist of certain payments to vendors that reflect costs applicable to future fiscal years.

June 30, 2018

Note 2 - Significant Accounting Policies (Continued)***Investment in Partnership***

The amount of this investment includes amounts invested in and due from the Commission's discretely presented component unit, Oliver Gardens. Of the amount due, \$405,767 is for developer fees earned that are payable from limited partner contributions or upon the availability of cash flow generated at the operating partnership level. Additionally, \$300,113 is a note receivable dated December 31, 2007. The loan bears interest at 1 percent, compounded annually. The total amount of accrued interest at June 30, 2018 is \$37,752. No principal or interest is due until the loan matures on January 1, 2048. The note is secured by land and substantially all the real property owned by Oliver Gardens LDHA LP. The note receivable is reported at its original issue amount less principal repaid. Interest is recognized according to the terms of the specific note. An allowance for loan loss is determined based on a specific assessment of the note that is delinquent or determined to be doubtful to be collected. A note is considered delinquent if the repayment terms are not met. All amounts deemed to be uncollectible are charged against the allowance for loan losses in the period that determination is made. As of June 30, 2018, no amounts have been deemed to be uncollectible.

Capital Assets

Purchased assets and self-constructed assets and certain improvements are recorded as assets at cost in accordance with the Commission's capitalization policy. Costs equal or above the capitalization threshold of \$2,500 that materially add to the productive capacity and extend the life of an asset longer than one year are capitalized, while maintenance and repair costs are expensed as incurred. Property and equipment are depreciated using the straight-line method over the following useful lives:

	Years
Buildings	40
Building Improvements	7-40
Furniture and fixtures, equipment, and machinery	3-10

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for the impairment of capital assets. If an indicator of impairment is identified and the decline in service utility was unexpected and significant, an impairment loss is calculated in consideration of whether the capital asset will continue to be used by the Commission. An impairment loss is generally measured by identifying the historical cost of the service utility of the capital asset that cannot be used due to the impairment event or circumstance. Impaired capital assets that will no longer be used by the Commission are reported at the lower of carrying value or fair value, or written off entirely. During 2018, no impairments were recorded.

Restricted Cash

Restricted cash represents amounts held in escrow accounts in the name of the entity for insurance and PILOT expenses, FSS escrows, Section 8 funds, tenant deposits, and replacement reserves. Restrictions for use in operations and approval are governed by HUD, lender requirements, or other outside parties.

Other Noncurrent Assets

Other assets of the component unit include \$22,917 of costs related to obtaining tax credits, net of accumulated amortization of \$16,806. These costs have been capitalized and are being amortized over 15 years using the straight-line method. Amortization expense for the year ended June 30, 2018 was \$1,527.

June 30, 2018**Note 2 - Significant Accounting Policies (Continued)*****Compensated Absences***

The Commission allows employees to accumulate earned but unused sick and vacation pay benefits. The Commission accrues a liability for benefits attributable to services already rendered by the Commission's employees. Employees are entitled to a specific amount of leave per month capped at 480 hours total. Upon separation from employment, employees with 20 years of service hired before December 31, 2009 are entitled to receive pay for 50 percent of their accrued unused sick time, and employees with 25 years of service hired on or after January 1, 2010 are entitled to receive pay for 25 percent of their accrued unused sick time. The liability for accrued and unused leave was \$95,331 at June 30, 2018, of which \$14,301 is current and \$81,030 is noncurrent.

Net Position

Net position is composed of three categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The Commission's positive value of unrestricted net position in the primary government may be used to meet ongoing obligations. When an expense is incurred for a purpose for which both restricted and unrestricted net assets are available, the Commission's policy is to first apply restricted resources. Each component of net assets is reported separately on the statement of net position.

i. Net investment in capital assets - This category consists of capital assets (including restricted capital assets), net of accumulated depreciation and reduced by any outstanding balances of mortgages, notes, or other borrowings that are attributable to the acquisition, construction, and improvements of those assets.

ii. Restricted - This category equals the restricted cash of the Commission and consists of net position restricted in its use by (1) external groups such as grantors, creditors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.

iii. Unrestricted - This category includes all of the remaining net position that does not meet the definition of the other two categories. Net assets of the Commission are classified based on the presence or absence of donor-imposed restrictions.

Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released to unrestricted net assets.

Revenue Recognition

The Commission receives funds from certain federal and other agencies under various grant programs. Receivables are recorded based upon amounts expended for the various programs for which funds have not been received to the extent grant limits have not been exceeded.

The Commission leases properties to tenants under various rental arrangements. Payments from tenants are recognized as revenue in the period during which the associated use of premises occurred.

Operating Revenue and Expenses

The Commission's operating revenue includes HUD and state/local in support of housing units and programs, as well as other amounts received from tenants for rent and other charges for services provided. Operating expenses are costs incurred during the operation of its primary housing activities. Such revenue and expenses are reported when earned or incurred, respectively.

The Commission also received a ROSS (Resident Opportunities & Self Sufficiency) Grant from HUD in fiscal year 2018 to cover the costs of the service coordinator.

June 30, 2018**Note 2 - Significant Accounting Policies (Continued)*****Capital Grants***

The Commission records grants received for capital outlay as contributions of capital gains.

Nonoperating Revenue and Expenses

Nonoperating revenue and expenses are derived from transactions other than those associated with the Commission's primary housing operations and are reported as incurred, including investment activity.

Pension

The Commission offers a defined benefit pension plan to its employees. The Commission records a net pension asset or liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The Commission provides retiree healthcare benefits to eligible employees and their spouses. The Commission records a net other postemployment benefit cost (OPEB) asset or liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

As of July 1, 2017, the Commission adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which replaces GASB Statement No. 45. As a result, the proprietary fund now includes a liability for the Commission's estimated unfunded other postemployment benefit (OPEB) costs. Some of the changes in this net OPEB liability will be recognized immediately as part of the OPEB expense measurement, and part will be deferred and recognized over future years. Refer to the other postemployment benefit plan disclosure (see Note 7) for further details.

June 30, 2018

Note 2 - Significant Accounting Policies (Continued)

The financial statements for the year ended June 30, 2017 have been restated in order to adopt GASB Statement No. 75. The effect of this new standard was an increase in net position to record the net OPEB liability at June 30, 2017. Additionally, the net OPEB obligation previously recorded in the proprietary fund in accordance with GASB Statement No. 45 has been eliminated, and the overall result was an increase in net position as of the beginning of the current fiscal year.

	Primary Government (LHC)
Net position - Beginning of year, as previously reported	\$ 16,592,680
Adjustment for GASB Statement No. 75 - To record the net OPEB liability	89,920
Adjustment for GASB Statement No. 75 - To eliminate the net OPEB obligation	(47,739)
Net position - Beginning of year, as restated	<u>\$ 16,634,861</u>

The impact on the prior year changes in net position could not be determined.

Upcoming Accounting Pronouncement

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Commission's financial statements for the year ending June 30, 2021.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including December 17, 2018, which is the date the financial statements were available to be issued.

Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	Primary Government (LHC)	Component Unit
Cash and cash equivalents - Unrestricted	\$ 3,923,705	\$ 36,295
Cash and cash equivalents - Restricted	337,401	331,094
Tenant security deposits - Restricted	133,244	4,807
Investments - certificates of deposit	515,924	-
Total deposits and investments	<u>\$ 4,910,274</u>	<u>\$ 372,196</u>

June 30, 2018

Note 3 - Deposits and Investments (Continued)

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Commission has designated two banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority, as listed above. The Commission's deposits and investments are in accordance with statutory authority.

The Commission's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. At year end, the Commission had \$0 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission does not have a policy for custodial credit risk. At year end, \$265,924 of investment securities was uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Commission's name.

June 30, 2018

Note 4 - Capital Assets

Capital asset activity of the Commission's governmental activities was as follows:

Primary Government

	Balance July 1, 2017	Reclassifications	Additions	Reductions	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 1,554,771	\$ -	\$ -	\$ -	\$ 1,554,771
Construction in progress	2,331,065	(1,552,541)	135,564	-	914,088
Total nondepreciable assets	3,885,836	(1,552,541)	135,564	-	2,468,859
Capital assets being depreciated:					
Buildings and improvements	49,742,492	1,514,238	-	(33,603)	51,223,127
Machinery and equipment	1,353,588	38,303	-	(78,691)	1,313,200
Total depreciable capital assets	51,096,080	1,552,541	-	(112,294)	52,536,327
Accumulated depreciation	39,419,422	-	(111,503)	1,205,171	40,513,090
Net capital assets being depreciated	11,676,658	1,552,541	111,503	(1,317,465)	12,023,237
Net capital assets	<u>\$ 15,562,494</u>	<u>\$ -</u>	<u>\$ 247,067</u>	<u>\$ (1,317,465)</u>	<u>\$ 14,492,096</u>

Component Unit

	Balance July 1, 2017	Additions	Disposals	Balance June 30, 2018
Capital assets not being depreciated - Land	\$ 685,162	\$ -	\$ -	\$ 685,162
Capital assets being depreciated:				
Buildings and improvements	3,318,485	-	-	3,318,485
Furniture and equipment	188,459	-	-	188,459
Subtotal	3,506,944	-	-	3,506,944
Accumulated depreciation	1,572,977	140,260	-	1,713,237
Net capital assets being depreciated	1,933,967	(140,260)	-	1,793,707
Net capital assets	<u>\$ 2,619,129</u>	<u>\$ (140,260)</u>	<u>\$ -</u>	<u>\$ 2,478,869</u>

Construction in Progress

Capital improvements made for LHC's low-rent housing units are financed by grant funds provided by HUD under capital grants. Capital grants are awarded annually based on a five-year comprehensive modernization plan submitted by the Commission. Related construction in progress are costs incurred for the modernization of low-rent units. When modernization projects are completed, HUD issues a modernization cost certificate for each grant, closing out the grant for that year, and at which time construction in progress for that grant is placed in service and transferred to the buildings or improvements categories.

June 30, 2018

Note 5 - Long-term Debt

Primary Government

Lansing Housing Commission's debt is composed of a promissory note payable to Davenport University and a lease with PNC for the Energy Performance Contract.

Davenport University

The Commission purchased an office building and land from Davenport University (the "Lender") in 2012 for \$950,000 with a \$700,000 promissory note payable to the Lender. The note bears an annual interest rate of 2.4 percent, which is subject to adjustment concurrently with changes in the Lender's cost of funds. Equal monthly payments of \$5,000 are due beginning on July 28, 2012. The outstanding principal and interest balance will be due when the note matures on June 28, 2022.

PNC

Energy Conservation Measures (ECMs), as defined in the Commission's Energy Performance Contract (EPC) dated December 11, 2013, are financed by PNC, as stipulated in the Master Equipment Lease-Purchase Agreement in the principal amount of \$2,051,375. This obligation was issued pursuant to the provisions of Act 18, *Public Acts of Michigan 1933 (Ex. Sess)*, as amended, and Chapter 260 of the *Code of Ordinances of the City of Lansing*. HUD's Public Housing EPC program is an innovative financing technique that uses cost savings from reduced energy consumption to repay the cost of installing ECMs. The project is financed with a tax-exempt lease for a term of 15 years at a fixed interest rate of 3.91 percent. PNC as the lender has a security interest in the ECMs.

Component Unit

Oliver Gardens has the following loans outstanding as of December 31, 2017 that are secured by land and substantially all real property owned by Oliver Gardens:

Mortgage dated October 17, 2006 held by Michigan State Housing Development Authority (MSHDA) in the amount of \$1,775,482. The mortgage bears interest at a rate of 5.5 percent. However, an amount equal to 0.5 percent of interest is deferred until the mortgage principal balance is paid in full. Monthly payments of principal and interest are required in the amount of \$8,961. Financing fees of \$45,415 were incurred in connection with obtaining loans to rehabilitate the property. These costs are being amortized over the term of the related debt and are reported net of debt on the statement of net position. As of December 31, 2017, total accumulated amortization related to these costs was \$13,622. Amortization expense was \$1,527 for the year ended December 31, 2017 and has been included as a component of interest expense on statement of activities	\$ 1,506,131
HOME loan dated June 1, 2006 in the amount of \$170,000. The loan is held by the City of Lansing, Michigan under the HOME Investments Partnership Program and bears interest at a rate of 0.5 percent, compounded annually. Principal and interest are due on the loan when it matures on December 31, 2041	170,000
Community Development Block Grant (CDBG) loan dated May 31, 2006 in the amount of \$550,000. The loan is held by the City of Lansing, Michigan under the CDBG Program and bears interest at a rate of 0.5 percent, compounded annually, on \$150,000 of the loan. Principal and interest are due on the loan when it matures on May 31, 2046	550,000
Lansing Housing Commission (LHC) note dated December 31, 2007 in the amount of \$300,133. The loan is held by LHC and bears an interest rate of 0.5 percent. Principal and interest are due on the loan when it matures on January 1, 2048	300,133
Total	2,526,264
Less current portion	31,344
Long-term portion	\$ 2,494,920

June 30, 2018

Note 5 - Long-term Debt (Continued)

Primary Government

Future minimum principal and interest payments on the LHC promissory note with Davenport University to maturity for the years ending June 30 are as follows:

Years Ending	Principal	Interest	Total
2019	\$ 301,000	\$ 4,000	\$ 305,000
2020	58,000	2,000	60,000
2021	59,000	1,000	60,000
2022	7,762	585	8,347
Total	\$ 425,762	\$ 7,585	\$ 433,347

Future minimum principal and interest payments on LHC's lease with PNC to maturity for the years ending June 30 are as follows:

Years Ending	Amount	Interest
2019	\$ 131,176	\$ 67,000
2020	138,000	62,000
2021	144,000	56,000
2022	150,000	50,000
2023	156,000	44,000
2024-2028	882,000	115,000
2029	96,986	1,000
Total	\$ 1,698,162	\$ 395,000

Component Unit

Future minimum principal and interest payments on long-term debt to maturity for the years ending December 31 for the discretely presented component unit are as follows:

Years Ending	Amount	Interest
2018	\$ 31,344	\$ 76,189
2019	32,953	74,579
2020	34,638	72,894
2021	36,411	71,121
2022	38,273	69,259
2023-2027	222,822	314,838
2028-2032	285,960	251,700
2033-2037	366,990	170,670
2038-2042	640,979	66,681
2043-2047	535,761	333,992
2048	300,133	-
Total payments	\$ 2,526,264	\$ 1,501,923

June 30, 2018

Note 5 - Long-term Debt (Continued)

Changes in long-term debt for the year ended June 30, 2018 (or December 31, 2017 for the discretely presented component unit) are presented below:

	Balance - Beginning of Year	Additions	Deletions	Balance - End of Year	Due in One Year
Primary government:					
Davenport	\$ 474,903	\$ -	\$ (49,141)	\$ 425,762	\$ 300,777
PNC	1,818,706	-	(120,544)	1,698,162	131,399
Total	<u>\$ 2,293,609</u>	<u>\$ -</u>	<u>\$ (169,685)</u>	<u>\$ 2,123,924</u>	<u>\$ 432,176</u>
Component unit:					
MSHDA	1,567,741	-	(29,817)	1,537,924	31,344
City of Lansing, Michigan	720,000	-	-	720,000	-
LHC	300,133	-	-	300,133	-
Total	<u>\$ 2,587,874</u>	<u>\$ -</u>	<u>\$ (29,817)</u>	<u>\$ 2,558,057</u>	<u>\$ 31,344</u>

Interest expense for the year ended June 30, 2018 was \$83,017 for the primary government and interest expense for the year ended December 31, 2017 was \$90,495 for the discrete component unit, excluding \$1,298 of amortization expense of financing fees, which has been reported as a component of interest expense on the statement of activities.

Note 6 - Agent Defined Benefit Pension Plan Description

Plan Description

Lansing Housing Commission participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS) that covers all employees of the Commission. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established, and amends the benefit provisions of the participants in MERS.

The MERS plan covers employees in the general open division; employees hired after May 1, 2012; and exempt employees hired before May 1, 2012.

Retirement benefits for employees in the open general division are calculated as 2.25 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 15 years of service. Early retirement age with reduced benefits is 50 with 25 years of service. The vesting period is eight years. Employees are eligible for nonduty disability benefits after eight years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits equal 80 times the employee's final full-year salary. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

June 30, 2018

Note 6 - Agent Defined Benefit Pension Plan Description (Continued)

Retirement benefits for employees hired after May 1, 2012 are calculated as 1.70 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60. Early retirement age with reduced benefits is at 50 with 25 years of service or 55 with 15 years of service. The vesting period is eight years. Employees are eligible for nonduty disability benefits after eight years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits for a surviving spouse equal 80 percent of the deceased member's accrued retirement allowance, computed in the same manner as a service retirement allowance, based on service and final average compensation at the time of death. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for exempt employees hired before May 1, 2012 are calculated as 2.25 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 15 years of service. Early retirement age with reduced benefits is 50 with 25 years of service. The vesting period is eight years. Employees are eligible for nonduty disability benefits after eight years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits equal 80 times the employee's final full-year salary. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are 3 percent, noncompounding.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the board of commissioners, generally after negotiations of these terms with the affected unions. Benefit terms may be subject to binding arbitration in certain circumstances.

Employees Covered by Benefit Terms

At the December 31, 2017 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	38
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	27
Total employees covered by MERS	78

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The Commission hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2018, the average employee contribution rate was 5.0 percent of annual pay for all divisions, and the Commission's average contribution rate was 23.54 percent in the open general division and 1.30 percent under the new hires division of annual payroll.

June 30, 2018

Note 6 - Agent Defined Benefit Pension Plan Description (Continued)

Net Pension Liability

The Commission has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2018 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2017 measurement date. The December 31, 2017 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2016	\$ 8,886,861	\$ 7,523,808	\$ 1,363,053
Service cost	91,117	-	91,117
Interest	687,782	-	687,782
Differences between expected and actual experience	88,563	-	88,563
Contributions - Employer	-	685,378	(685,378)
Contributions - Employee	-	70,951	(70,951)
Net investment income	-	1,035,066	(1,035,066)
Benefit payments, including refunds	(661,395)	(661,395)	-
Administrative expenses	-	(16,381)	16,381
Miscellaneous other charges	(4,268)	(4,445)	177
Net changes	201,799	1,109,174	(907,375)
Balance at December 31, 2017	\$ 9,088,660	\$ 8,632,982	\$ 455,678

The plan's fiduciary net position represents 95.0 percent of the total pension liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the Commission recognized pension expense of \$204,916. At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 12,060	\$ -
Net difference between projected and actual earnings on pension plan investments	-	167,822
Employer contributions to the plan subsequent to the measurement date	88,283	-
Total	\$ 100,343	\$ 167,822

June 30, 2018

Note 6 - Agent Defined Benefit Pension Plan Description (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date \$(88,283), which will impact the net pension liability in fiscal year 2019, rather than pension expense.

Years Ending June 30	Amount
2019	\$ 17,991
2020	39,134
2021	(126,908)
2022	(85,979)

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases of 3.75 percent (in the long term, plus a merit and longevity increase ranging from 0 to 11 percent); and an investment rate of return (net of pension plan investment expenses) of 7.75 percent.

Mortality rates were a blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables, all with a 50 percent male and 50 percent female blend. For disabled retirees, the RP-2014 Disabled Retiree Mortality Table with a 50 percent male and 50 percent female blend is used to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period from January 1, 2009 through December 31, 2013.

Discount Rate

The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Investment Rate of Return

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

June 30, 2018

Note 6 - Agent Defined Benefit Pension Plan Description (Continued)

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2017, the measurement date, for each major asset class, are summarized in the following tables:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global equity	55.50 %	6.86 %
Global fixed income	18.50	1.76
Real estate	13.50	7.72
Diversifying strategies	12.50	5.50

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Commission, calculated using the discount rate of 8.00 percent, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00 percent) or 1 percentage point higher (9.00 percent) than the current rate:

	1 Percent Decrease (7.00%)	Current Discount Rate (8.00%)	1 Percent Increase (9.00%)
Net pension liability of the Commission	\$ 1,388,896	\$ 455,678	\$ (335,941)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 7 - Other Postemployment Benefit Plan

Plan Description

The Commission provides retiree healthcare benefits to eligible employees and their spouses. This is a single-employer defined benefit plan administered by the Commission and is provided under a separate collective bargaining agreement on health care. The plan does not issue a publicly available financial report.

June 30, 2018

Note 7 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

The plan provides comprehensive medical and life insurance for retirees. For those retirees hired prior to May 1, 2012, a spouse may be covered in retirement. Benefits are provided through a third-party insurer. For retiree medical insurance benefits, the Commission pays 90.0 percent of the silver plan offered by the third-party insurer of nonunion employees hired January 1, 2012 or later and 92.5 percent of this same plan for union employees or employees hired December 31, 2011 or earlier. The Commission pays for all medical insurance benefits provided to employees who retired prior to June 30, 1998. Retirees pay 100 percent of premiums for the life insurance program.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	July 1, 2017
Inactive plan members or beneficiaries currently receiving benefits	15
Active plan members	26
Total employees covered by the plan	41

Contributions

The contribution requirements of plan members and the Commission are established and may be amended through commission ordinances. For the period ended on July 1, 2017 (measurement date), total commission premiums plus implicit costs for the retiree medical program were \$64,552.

Net OPEB Liability

The Commission reports OPEB expense based on funding requirements, as directed by GASB Statement No. 45. Beginning this year, the Commission has adopted GASB Statement No. 75, which requires the measurement of OPEB expense as it is earned, rather than as it is funded.

Changes in the net OPEB liability during the measurement year were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2017	\$ 1,823,739	\$ -	\$ 1,823,739
Service cost	53,470	-	53,470
Interest	59,951	-	59,951
Contributions	-	65,682	(65,682)
Benefit payments	(65,682)	(65,682)	-
Balance at June 30, 2018	\$ 1,871,478	\$ -	\$ 1,871,478

The plan's fiduciary net position represents 0.00 percent of the total OPEB liability.

June 30, 2018

Note 7 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017. The valuation used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 % as of July 1, 2017 and for future periods
Healthcare cost trend rate	5.00 % annually as of July 1, 2017 and for future periods
Salary increases	3.00 % annually as of July 1, 2017 and for future periods
Investment rate of return	6.50 % net of OPEB plan investment expense, including inflation
Mortality	represented by the RP-2000 employee mortality table projected generationally with scale BB and a base year 2009 for males and females

The actuarial assumptions in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2015 through July 1, 2017.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.25 percent, depending on the plan option. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that commission contributions will be made at statutorily required rates.

Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate, which was 3.13 percent. The source of that bond rate was S&P Municipal Bond 20-year high grade index - SAPIHG.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	30.00 %	10.00 %
International equity pools	25.00	11.50
Fixed-income pools	40.00	5.00
Alternatives	5.00	6.50
Real estate	-	6.25
Total	100.00 %	

June 30, 2018

Note 7 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Commission, calculated using the discount rate of 3.25 percent, depending on the plan option. The following also reflects what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.25 percent) or 1 percentage point higher (4.25 percent) than the current rate:

	1 Percent Decrease (2.25%)	Current Discount Rate (3.25%)	1 Percent Increase (4.25%)
Net OPEB liability of the Commission	\$ 2,217,390	\$ 1,871,478	\$ 1,600,331

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend

The following presents the net OPEB liability of the Commission, calculated using the healthcare cost trend rate of 5.00 percent, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (4.00 percent) or 1 percentage point higher (6.00 percent) than the current rate:

	1 Percent Decrease (4.00%)	Current Discount Rate (5.00%)	1 Percent Increase (6.00%)
Net OPEB liability of the Commission	\$ 1,543,833	\$ 1,871,478	\$ 2,301,370

Note 8 - Commitments and Contingencies

The Commission receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Commission. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Commission at June 30, 2018.

The collective bargaining five-year agreement between the Housing Commission Employees' and Chapter of Local 1390.11 and Michigan Council #25, AFSCME, AFL-CIO covering approximately 60 percent of the Commission's labor force will be in place from July 1, 2014 through December 31, 2018.

Note 9 - Risk Management

The Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Commission has purchased commercial insurance for all risk of loss, included workers' compensation, employee health, and accident insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 10 - Concentrations

The Commission operates in a heavily regulated environment. The operations of the Commission are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an Act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

June 30, 2018

Note 10 - Concentrations (Continued)

For the year ended June 30, 2018, approximately 83 percent of the operating revenue reflected in the primary government basic financial statements is from HUD.

Required Supplemental Information

Lansing Housing Commission

Required Supplemental Information Schedule of Changes in the Commission's Net Pension Liability and Related Ratios

	Last Four Fiscal Years			
	2018	2017	2016	2015
Total Pension Liability				
Service cost	\$ 91,117	\$ 126,678	\$ 114,272	\$ 114,461
Interest	687,782	714,076	698,614	684,653
Changes in assumptions	-	(349,397)	405,966	-
Differences between expected and actual experience	88,563	(140,946)	(123,435)	-
Benefit payments, including refunds	(661,395)	(651,805)	(635,102)	(624,495)
Other	(4,268)	(521)	-	-
Net Change in Total Pension Liability	201,799	(301,915)	460,315	174,619
Total Pension Liability - Beginning of year	8,886,861	9,188,776	8,728,461	8,553,842
Total Pension Liability - End of year	\$ 9,088,660	\$ 8,886,861	\$ 9,188,776	\$ 8,728,461
Plan Fiduciary Net Position				
Contributions - Employer	\$ 685,378	\$ 693,689	\$ 158,735	\$ 215,191
Contributions - Member	70,951	67,424	55,586	37,167
Net investment income (loss)	1,035,066	743,039	(104,348)	446,261
Administrative expenses	(16,381)	(14,686)	(15,480)	(16,314)
Benefit payments, including refunds	(661,395)	(651,805)	(635,102)	(624,495)
Other	(4,445)	(521)	-	-
Net Change in Plan Fiduciary Net Position	1,109,174	837,140	(540,609)	57,810
Plan Fiduciary Net Position - Beginning of year	7,523,808	6,686,668	7,227,277	7,169,467
Plan Fiduciary Net Position - End of year	\$ 8,632,982	\$ 7,523,808	\$ 6,686,668	\$ 7,227,277
Commission's Net Pension Liability - Ending	\$ 455,678	\$ 1,363,053	\$ 2,502,108	\$ 1,501,184
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.99 %	84.66 %	72.77 %	82.80 %
Covered Employee Payroll	\$ 1,304,971	\$ 1,333,333	\$ 1,235,367	\$ 1,164,556
Commission's Net Pension Liability as a Percentage of Covered Employee Payroll	34.92 %	102.23 %	202.54 %	128.91 %

Lansing Housing Commission

Required Supplemental Information Schedule of Commission Contributions

	Last Four Plan Years Year Ended December 31			
	2017	2016	2015	2014
Actuarially determined contribution	\$ 133,299	\$ 122,057	\$ 103,079	\$ 213,163
Contributions in relation to the actuarially determined contribution	685,378	693,689	158,735	215,191
Contribution excess	<u>\$ (552,079)</u>	<u>\$ (571,632)</u>	<u>\$ (55,656)</u>	<u>\$ (2,028)</u>
Covered employee payroll	\$ 1,304,971	\$ 1,333,333	\$ 1,235,367	\$ 1,164,556
Contributions as a percentage of covered employee payroll	52.52 %	52.03 %	12.85 %	18.48 %

Lansing Housing Commission

Required Supplemental Information Schedule of Changes in the Commission's OPEB Liability and Related Ratios

	Last Two Fiscal Years	
	2018	2017
Total OPEB Liability		
Service cost	\$ 53,470	\$ 50,924
Interest	59,951	58,429
Benefit payments, including refunds	<u>(65,682)</u>	<u>(64,552)</u>
Net Change in Total OPEB Liability	47,739	44,801
Total OPEB Liability - Beginning of year	<u>1,823,739</u>	<u>1,778,938</u>
Total OPEB Liability - End of year	<u>\$ 1,871,478</u>	<u>\$ 1,823,739</u>
Covered Payroll	\$ 2,381,121	\$ 2,311,768
Total OPEB Liability as a Percentage of Covered Payroll	78.60 %	78.89 %

Lansing Housing Commission

Required Supplemental Information Schedule of OPEB Contributions

		Last Two Plan Years	
		Years Ended June 30	
		2017	2016
Actuarially determined contribution		\$ 148,959	\$ 143,977
Contributions in relation to the actuarially determined contribution		65,682	64,552
Contribution Deficiency		\$ 83,277	\$ 79,425
Covered Employee Payroll		\$ 2,381,121	\$ 2,311,768
Contributions as a Percentage of Covered Employee Payroll		2.76 %	2.79 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal cost method
Asset valuation method	Market value
Inflation	2.75 percent per annum
Healthcare cost trend rates	6.00 percent for medical and 5.50 percent for dental for fiscal year 2013 and 5.00 percent for medical and dental beginning in fiscal year 2014 and onward
Salary increase	3.00 percent per annum
Investment rate of return	6.50 percent, net of OPEB plan investment expense, including inflation
Retirement age	60
Mortality	RP-2000 Employee Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Other information	None

June 30, 2018

Pension Information

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll, open
Remaining amortization period	23 years
Asset valuation method	10-year smoothed
Inflation	3.0 to 4.0 percent
Salary increase	4.5 percent, with merit and longevity increases ranging from 0 to 13 percent
Investment rate of return	8.0 percent
Retirement age	60
Mortality	50 percent male to 50 percent female blend of the 1994 Group Annuity Mortality Table
Other information	None

Benefit Changes

There were no changes of benefit terms in 2017.

Changes in Assumptions

There were no changes of benefit assumptions in 2017.

Changes in Size or Composition of the Covered Population

There were no significant changes in size or composition of the covered population in 2017.

Other Supplemental Information

Lansing Housing Commission

Financial Data Schedules Year Ended June 30, 2018

		Public Housing Project Total	14.CFP Capital Fund	14.871 Housing Choice Vouchers	14.896 Supportive Housing Program	State/Local	Business Activities	Central Office Cost Center	Subtotal	Eliminations	Total	6.1 Component Units - Discretely Presented
	Balance Sheet Assets											
111.00	Cash - Unrestricted	\$ 2,084,960	\$ -	\$ 517,083	\$ -	\$ 116,320	\$ -	\$ 1,073,944	\$ 3,792,307	\$ -	\$ 3,792,307	\$ 36,295
113.00	Cash - Other restricted	-	-	337,401	-	-	-	-	337,401	-	337,401	331,094
114.00	Cash - Tenant security deposits	133,244	-	-	-	-	-	-	133,244	-	133,244	4,807
115.00	Cash - Restricted for payment of current liabilities	131,399	-	-	-	-	-	-	131,399	-	131,399	-
100.00	Total Cash	2,349,603	-	854,484	-	116,320	-	1,073,944	4,394,351	-	4,394,351	372,196
122.00	Total accounts receivable - HUD other projects	3,904	-	-	-	-	-	-	3,904	-	3,904	-
124.00	Accounts receivable - Other government	3,139	-	-	-	-	-	-	3,139	-	3,139	-
125.00	Total accounts receivable - Miscellaneous	-	-	10,643	-	214,979	-	46,172	271,794	-	271,794	1,799
126.00	Accounts receivable - Tenants - Dwelling rents	31,002	-	-	-	-	-	-	31,002	-	31,002	2,354
126.10	Allowance for doubtful accounts - Dwelling rents	(3,100)	-	-	-	-	-	-	(3,100)	-	(3,100)	-
128.00	Accounts and notes receivable fraud recovery	809	-	-	-	-	-	-	809	-	809	-
129.00	Accrued interest receivable	180	-	-	-	-	-	-	180	-	180	-
120.00	Total Receivables - Net Of Allowances For Doubtful Accounts	35,934	-	10,643	-	214,979	-	46,172	307,728	-	307,728	4,153
131.00	Investments - Unrestricted	515,924	-	-	-	-	-	-	515,924	-	515,924	-
142.00	Prepaid expenses and other assets	36,071	-	3,134	-	-	-	2,315	41,520	-	41,520	4,460
144.00	Interprogram - Due from	-	-	-	-	-	-	879,491	879,491	(879,491)	-	-
150.00	Total Current Assets	2,937,532	-	868,261	-	331,299	-	2,001,922	6,139,014	(879,491)	5,259,523	380,809
161.00	Land	1,364,771	-	-	-	-	-	190,000	1,554,771	-	1,554,771	685,162
162.00	Buildings	50,485,156	-	-	-	-	-	737,971	51,223,127	-	51,223,127	3,318,485
163.00	Furniture - Equipment and machinery - Dwellings	904,741	-	-	-	-	-	-	904,741	-	904,741	-
164.00	Furniture - Equipment and machinery - Administration	16,576	-	27,596	-	-	-	364,287	408,459	-	408,459	175,949
166.00	Accumulated depreciation	(39,508,547)	-	(27,596)	-	-	-	(976,948)	(40,513,091)	-	(40,513,091)	(1,713,237)
167.00	Construction in progress	914,087	-	-	-	-	-	-	914,087	-	914,087	12,510
160.00	Total Fixed Assets - Net Of Accumulated Depreciation	14,176,784	-	-	-	-	-	315,310	14,492,094	-	14,492,094	2,478,869
171.00	Total notes - Loans - And mortgages receivable - Noncurrent	-	-	-	-	-	743,632	249,059	992,691	-	992,691	-
174.00	Total other assets	-	-	-	-	-	100,100	-	100,100	-	100,100	6,111
180.00	Total Noncurrent Assets	14,176,784	-	-	-	-	843,732	564,369	15,584,885	-	15,584,885	2,484,980
190.00	Total Assets	17,114,316	-	868,261	-	331,299	843,732	2,566,291	21,723,899	(879,491)	20,844,408	2,865,789
200.00	Deferred outflow of resources	69,596	-	18,311	-	-	-	12,436	100,343	-	100,343	-
290.00	Total Assets and Deferred Outflow of Resources	17,183,912	-	886,572	-	331,299	843,732	2,578,727	21,824,242	(879,491)	20,944,751	2,865,789

Lansing Housing Commission

Financial Data Schedules Year Ended June 30, 2018

		Public Housing Project Total	14.CFP Capital Fund	14.871 Housing Choice Vouchers	14.896 Supportive Housing Program	State/Local	Business Activities	Central Office Cost Center	Subtotal	Eliminations	Total	6.1 Component Units - Discretely Presented
	Liabilities											
312.00	Accounts payable <= 90 Days	\$ 8,953	\$ -	\$ 56	\$ -	\$ -	\$ -	\$ 87	\$ 9,096	\$ -	\$ 9,096	\$ 5,288
321.00	Accrued wage/payroll taxes payable	26,919	-	13,549	-	-	-	11,498	51,966	-	51,966	69,648
322.00	Accrued compensated absences - Current portion	7,803	-	3,469	-	-	-	3,029	14,301	-	14,301	-
325.00	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	152,380
333.00	Accounts payable - Other government	60,180	-	-	-	-	-	-	60,180	-	60,180	17,791
341.00	Tenant security deposits	133,244	-	-	-	-	-	-	133,244	-	133,244	4,807
342.00	Total deferred revenue	27,120	-	-	-	-	-	1,110	28,230	-	28,230	157
343.00	Total current portion of LTD-capital projects/mortgage revenue bonds	131,399	-	-	-	-	-	300,777	432,176	-	432,176	31,344
345.00	Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	119,057
346.00	Accrued liabilities - Other	139,898	-	6,887	-	-	-	17,216	164,001	-	164,001	65,520
347.00	Interprogram - Due to	-	-	-	-	-	879,491	-	879,491	(879,491)	-	-
348.00	Loan liability - Current	-	-	-	-	-	-	-	-	-	-	177,762
310.00	Total Current Liabilities	535,516	-	23,961	-	-	879,491	333,717	1,772,685	(879,491)	893,194	643,754
351.00	Total LTD - Net of current - Capital projects/mortgage revenue bonds	1,566,763	-	-	-	-	-	124,985	1,691,748	-	1,691,748	2,494,920
353.00	Noncurrent liabilities - Other	-	-	53,687	-	-	-	-	53,687	-	53,687	505,767
354.00	Accrued compensated absences - Noncurrent	44,210	-	19,658	-	-	-	17,162	81,030	-	81,030	-
357.00	Accrued pension and OPEB liabilities	1,439,069	-	639,677	-	-	-	248,410	2,327,156	-	2,327,156	-
350.00	Total Noncurrent Liabilities	3,050,042	-	713,022	-	-	-	390,557	4,153,621	-	4,153,621	3,000,687
300.00	Total Liabilities	3,585,558	-	736,983	-	-	879,491	724,274	5,926,306	(879,491)	5,046,815	3,644,441
400.00	Deferred inflow of resources	116,398	-	30,625	-	-	-	20,799	167,822	-	167,822	-
	Equity											
508.40	Invested in capital assets - Net of related debt	12,478,622	-	-	-	-	-	(110,452)	12,368,170	-	12,368,170	(47,395)
511.40	Restricted net assets	-	-	283,714	-	-	-	-	283,714	-	283,714	-
512.40	Unrestricted net assets	1,003,334	-	(164,750)	-	331,299	(35,759)	1,944,106	3,078,230	-	3,078,230	(731,257)
513.00	Total Equity/Net Assets	13,481,956	-	118,964	-	331,299	(35,759)	1,833,654	15,730,114	-	15,730,114	(778,652)
600.00	Total Liabilities and Equity/Net Assets	17,183,912	-	886,572	-	331,299	843,732	2,578,727	21,824,242	(879,491)	20,944,751	2,865,789

Lansing Housing Commission

Financial Data Schedules Year Ended June 30, 2018

		Public Housing Project Total	14.CFP Capital Fund	14.871 Housing Choice Vouchers	14.896 Supportive Housing Program	State/Local	Business Activities	Central Office Cost Center	Subtotal	Eliminations	Total	6.1 Component Units - Discretely Presented
	Income Statement Revenue											
70300	Net tenant rental revenue	\$ 1,499,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,499,488	\$ -	\$ 1,499,488	\$ 86,355
70400	Tenant revenue - Other	121,962	-	-	-	-	-	-	121,962	-	121,962	25
70500	Total Tenant Revenue	1,621,450	-	-	-	-	-	-	1,621,450	-	1,621,450	86,380
70600	Total HUD PHA operating grants	3,725,837	622,395	10,162,964	34,500	-	-	-	14,545,696	-	14,545,696	178,470
70610	Capital grants	-	120,880	-	-	-	-	-	120,880	-	120,880	-
70710	Management fee	-	-	-	-	-	-	807,316	807,316	(807,316)	-	-
70720	Asset management fee	-	-	-	-	-	-	99,960	99,960	(99,960)	-	-
70730	Bookkeeping fee	-	-	-	-	-	-	72,240	72,240	(72,240)	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	979,516	979,516	(979,516)	-	-
70800	Other government grants	-	-	-	-	1,070,450	-	-	1,070,450	-	1,070,450	-
71100	Total investment income - Unrestricted	4,560	-	183	-	-	3,321	-	8,064	-	8,064	15,476
71400	Total revenue fraud recovery	-	-	20,986	-	-	-	-	20,986	-	20,986	-
71500	Other revenue	217,501	-	282	-	-	10,000	69,296	297,079	-	297,079	-
71600	Gain or loss on sale of fixed assets	(790)	-	-	-	-	-	-	(790)	-	(790)	-
70000	Total Revenue	5,568,558	743,275	10,184,415	34,500	1,070,450	13,321	1,048,812	18,663,331	(979,516)	17,683,815	280,326
	Expenses											
91100	Administrative salaries	281,990	-	234,729	25,188	57,595	-	293,887	893,389	-	893,389	6,632
91200	Auditing fees	20,000	-	25,000	-	-	-	5,000	50,000	-	50,000	9,200
91300	Management fee	482,506	140,837	183,973	-	-	-	-	807,316	(807,316)	-	30,850
91310	Bookkeeping fee	72,240	-	-	-	-	-	-	72,240	(72,240)	-	-
91400	Advertising and marketing	-	-	-	-	-	-	1,272	1,272	-	1,272	-
91500	Employee benefit contributions - Administrative	283,713	-	104,977	9,312	34,972	-	159,259	592,233	-	592,233	-
91600	Office expenses	182,010	-	160,623	-	119,294	-	103,712	565,639	-	565,639	3,271
91700	Legal expense	95,310	-	-	-	-	-	1,793	97,103	-	97,103	-
91800	Travel	1,457	-	-	-	-	-	9,485	10,942	-	10,942	-
91900	Other	-	-	-	-	-	-	-	-	-	-	-
91000	Total Administrative	1,419,226	140,837	709,302	34,500	211,861	-	574,408	3,090,134	(879,556)	2,210,578	49,953
92000	Asset management fee	99,960	-	-	-	-	-	-	99,960	(99,960)	-	-
92400	Tenant services - Other	83,708	-	-	-	-	-	-	83,708	-	83,708	-
92500	Total Tenant Services	183,668	-	-	-	-	-	-	83,708	-	83,708	-
93100	Water	180,816	-	-	-	-	-	788	181,604	-	181,604	12,233
93200	Electricity	220,694	-	-	-	-	-	9,750	230,444	-	230,444	37,129
93300	Gas	224,865	-	90	-	-	-	2,200	227,155	-	227,155	11,816
93600	Sewer	281,633	-	-	-	-	-	1,128	282,761	-	282,761	12,495
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-
93000	Total Utilities	908,008	-	90	-	-	-	13,866	921,964	-	921,964	73,673

Lansing Housing Commission

Financial Data Schedules Year Ended June 30, 2018

		Public Housing Project Total	14.CFP Capital Fund	14.871 Housing Choice Vouchers	14.896 Supportive Housing Program	State/Local	Business Activities	Central Office Cost Center	Subtotal	Eliminations	Total	6.1 Component Units - Discretely Presented
94100	Ordinary maintenance and operations - Labor	\$ 370,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 370,120	\$ -	\$ 370,120	\$ 2,007
94200	Ordinary maintenance and operations - Materials and other	241,962	-	-	-	-	-	115	242,077	-	242,077	301
94300	Total ordinary maintenance and operations - Contract costs	1,895,113	-	31,363	-	-	-	57,812	1,984,288	-	1,984,288	23,228
94500	Employee benefit contributions - Ordinary maintenance	236,608	-	-	-	-	-	-	236,608	-	236,608	-
94000	Total Maintenance	2,743,803	-	31,363	-	-	-	57,927	2,833,093	-	2,833,093	25,536
95200	Protective services - Other contract costs	11,734	-	209	-	-	-	617	12,560	-	12,560	-
96110	Property insurance	147,456	-	-	-	-	-	1,930	149,386	-	149,386	12,452
96120	Liability insurance	58,510	-	13,110	-	-	-	-	71,620	-	71,620	1,425
96130	Workmens compensation	9,532	-	15,174	-	-	-	1,295	26,001	-	26,001	-
96140	All other insurance	14,895	-	-	-	-	-	24,282	39,177	-	39,177	704
96100	Total Insurance Premiums	230,393	-	28,284	-	-	-	27,507	286,184	-	286,184	14,581
96210	Compensated absences	32,662	-	20,715	-	-	-	11,489	64,866	-	64,866	-
96300	Payments in lieu of taxes	55,288	-	-	-	-	-	-	55,288	-	55,288	17,792
96400	Bad debt - Tenant rents	46,702	-	-	-	-	-	-	46,702	-	46,702	-
96000	Total Other General Expenses	134,652	-	20,715	-	-	-	11,489	166,856	-	166,856	17,792
96710	Interest of mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-	91,793
96720	Interest on notes payable (short and long term)	72,158	-	-	-	-	-	10,859	83,017	-	83,017	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-	1,527
96700	Total Interest Expense And Amortization Cost	72,158	-	-	-	-	-	10,859	83,017	-	83,017	93,320
96900	Total Operating Expenses	5,703,642	140,837	789,963	34,500	211,861	-	696,673	7,577,476	(979,516)	6,597,960	274,855
97000	Excess revenue over operating expenses	(135,084)	602,438	9,394,452	-	858,589	13,321	352,139	11,085,855	-	11,085,855	5,471
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-
97300	Total housing assistance payments	-	-	10,011,955	-	773,475	-	-	10,785,430	-	10,785,430	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	1,093,645	-	-	-	-	-	111,527	1,205,172	-	1,205,172	140,260
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-
98000	Total Other Nonoperating Expenses	1,093,645	-	10,011,955	-	773,475	-	111,527	11,990,602	-	11,990,602	140,260
90000	Total Expenses	6,797,287	140,837	10,801,918	34,500	985,336	-	808,200	19,568,078	(979,516)	18,588,562	415,115
10010	Operating transfers in	481,558	-	-	-	-	-	-	481,558	-	481,558	-
10020	Operating transfers out	-	(481,558)	-	-	-	-	-	(481,558)	-	(481,558)	-
10100	Total Other Financing Sources (Uses)	481,558	(481,558)	-	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	(747,171)	120,880	(617,503)	-	85,114	13,321	240,612	(904,747)	-	(904,747)	(134,789)
11020	Required annual debt principal payments	131,399	-	-	-	-	-	47,976	179,375	-	179,375	28,367
11030	Beginning equity	14,082,936	-	723,923	-	246,185	(49,080)	1,588,716	16,592,680	-	16,592,680	(643,863)
11040	Prior period adjustments - Equity transfers - And correction of errors	25,311	-	12,544	-	-	-	4,326	42,181	-	42,181	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	9,996	-	21,936	-	-	-	-	31,932	-	31,932	360
11210	Number of unit months leased	9,632	-	20,075	-	-	-	-	29,707	-	29,707	360
11270	Excess Cash	-	-	-	-	-	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	-	120,880	-	-	-	-	-	120,880	-	120,880	-
11630	Furniture and Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture and Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-
11650	Leashold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-	-

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

Planning Board Act-4-2019, 221 Townsend, Sale of Townsend Ramp

WHEREAS, the City of Lansing proposes to sell the Townsend Parking Ramp to the Michigan Senate for \$18,000,000.00; and

WHEREAS, Robert J. Vertalka, MAI, SRA, JD, on November 21, 2018, appraised the value of the property at \$17,840,000 (Seventeen Million Eight Hundred Forty Thousand Dollars); and

WHEREAS, the Real Estate Purchase Agreement between the City of Lansing and the Michigan Senate was placed on file with the City Clerk on December 21, 2018, and is presented for approval; and

WHEREAS, on January 22, 2019, the Planning Board conducted an Act 33 Review of the proposed sale of property pursuant to Section 208.08 of the Code of Ordinances; and

WHEREAS, the Planning Board reviewed the location, character, and extent of the Act-4-19 proposal in accordance with its Act 33 Review procedures, and found that:

- the parking structure was constructed primarily to accommodate the occupants of the Capitol View building,
- if the ramp is sold, there would be up to 228 parking spaces reserved for City employees pursuant to a parking agreement, 50 parking spaces reserved for the public, and ample public parking opportunities at other nearby City locations,
- City ownership of the ramp is not required for the provision of employee and public parking,
- the change in ownership will have no effect on the location, character, and extent of the site; and

WHEREAS, at the Special Meeting held open to the public on January 22, 2019, the Board voted unanimously (7-0) to recommend approval of Act 4-19, the sale of the Townsend Parking Ramp to the Michigan Senate; and

WHEREAS, the Lansing City Council held a duly noticed public hearing on this matter at its meeting on February 11, 2019; and

WHEREAS, the Committee of the Whole has reviewed the report and recommendation of the Planning Board, as well as the Purchase Agreement, and concurs therewith;

NOW, THEREFORE BE IT RESOLVED, that the Lansing City Council hereby approves the Real Estate Purchase Agreement for the Townsend Parking Ramp property, dated December 19, 2018.

BE IT FURTHER RESOLVED, that the Lansing City Council finds that ownership of the Townsend Parking Ramp Property is not necessary for public purposes.

BE IT FURTHER RESOLVED, that the Lansing City Council hereby authorizes the sale of the Townsend Parking Ramp Property, located at 221 Townsend Street, Lansing, Michigan, and legally described as

Lots 7, 8, 9, and 10, ALSO that part of Lot 11 described as beginning at a point on the East line of Lot 11 a distance of 104.04 feet Southerly from the Northeast corner of Lot 12; thence Southerly along the East line of Lot 11 to the Southeast corner of Lot 11; thence Westerly along the South line of Lot 11 to the Southwest corner of Lot 11; thence Northerly along the West line of Lot 11 to a point on the West line of Lot 11 a distance of 104.33 feet Southerly from the Northwest corner of Lot 12; thence Easterly to the point of beginning of Block 116, of the Original Plat of the City of Lansing, according to the recorded Plat as thereof recorded in Liber 2 of Plats, Page 36, Ingham County Records.

Subject to easements, encumbrances, and restrictions of record.

to the Michigan Senate, for the sum of \$18,000,000.

BE IT FINALLY RESOLVED, that the Mayor, on behalf of the City, is hereby authorized to sign and execute all documents necessary to effectuate the aforementioned transaction, subject to their prior approval as to content and form by the City Attorney.

An Act 33 Review is a planning level review of the location, character and extent of public improvements and City property transactions. Act 33 Reviews are conducted by the City of Lansing pursuant to the provisions of the Michigan Planning Enabling Act (P.A. 33 of 2008) and Section 208 of the Lansing Code of Ordinances.

APPLICANT AND PROPOSAL:	The City of Lansing proposes to sell the Townsend Parking Ramp to the State Senate.
LOCATION:	The site is located in the 200 block of Townsend, east side, at the NE corner of Townsend and Washtenaw Streets.
EXISTING LAND USE & ZONING:	Use: Parking. Zoning: "G-1" Business District
PROPERTY SIZE AND SHAPE:	The property consists of two parcels forming a rectangular, 289.6' X 164.4, approx.. 47,610 s.f. site, containing 1250± parking spaces.
SURROUNDING LAND USE & ZONING	Downtown government and office uses, generally "G-1" zoning.

AGENCY REFERRALS

Board of Water & Light:	No response received.
Development Office:	No comment.
LEAP/EDC:	No comment.
Parking Services Office:	We moved 176 city employees from N Cap to Townsend. We also had 52 city employees already at Townsend. Total city employees at Townsend: 228.
Parks and Recreation:	No comment.
Public Service Department:	The sale of this facility would not impact the operations of the Public Service Department.

BACKGROUND AND ANALYSIS

The City proposes the sale of the Townsend Parking Ramp to the Michigan Senate (see attached). The ramp was built in 2004 to accommodate the Capitol View building, a 160,000 square foot Class A office building located across the street from the State Capitol, which was built at the same time. The Senate offices now occupy the Capitol View building, and the Senate proposes to purchase the adjacent parking structure.

Like most of downtown, the property is zoned G-1 Business District. The ramp holds approximately 1250 parking spaces on nine levels (eight stories). City employees occupy 228 spaces in the ramp.

After the proposed sale, a maximum of 228 covered spaces will be reserved for City employees (in a 5-year, renewable parking agreement), and 50 spaces for public parking (in a 20-year parking agreement).

The property will remain exempt from property taxes after the sale.

STAFF RECOMMENDATION

Staff recommends approval of the following finding and recommendation

Finding:

- The parking structure was constructed primarily to accommodate the occupants of the Capitol View building.
- City ownership of the ramp is not required for the provision of employee and public parking.
- If the ramp is sold, there would be 50 parking spaces reserved for the public, and ample public parking opportunities for at other locations.
- The change in ownership will have no effect on the location, character, and extent of the site.

Recommendation: Approval as proposed.

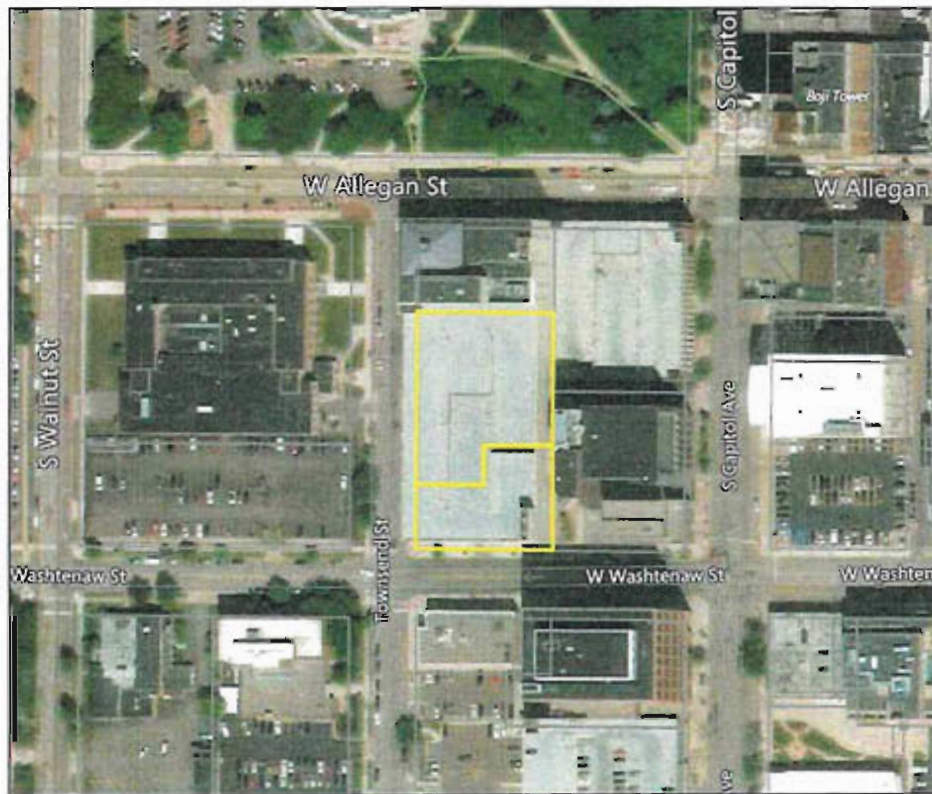
Image/Sketch for Parcel: 33-01-01-16-327-013



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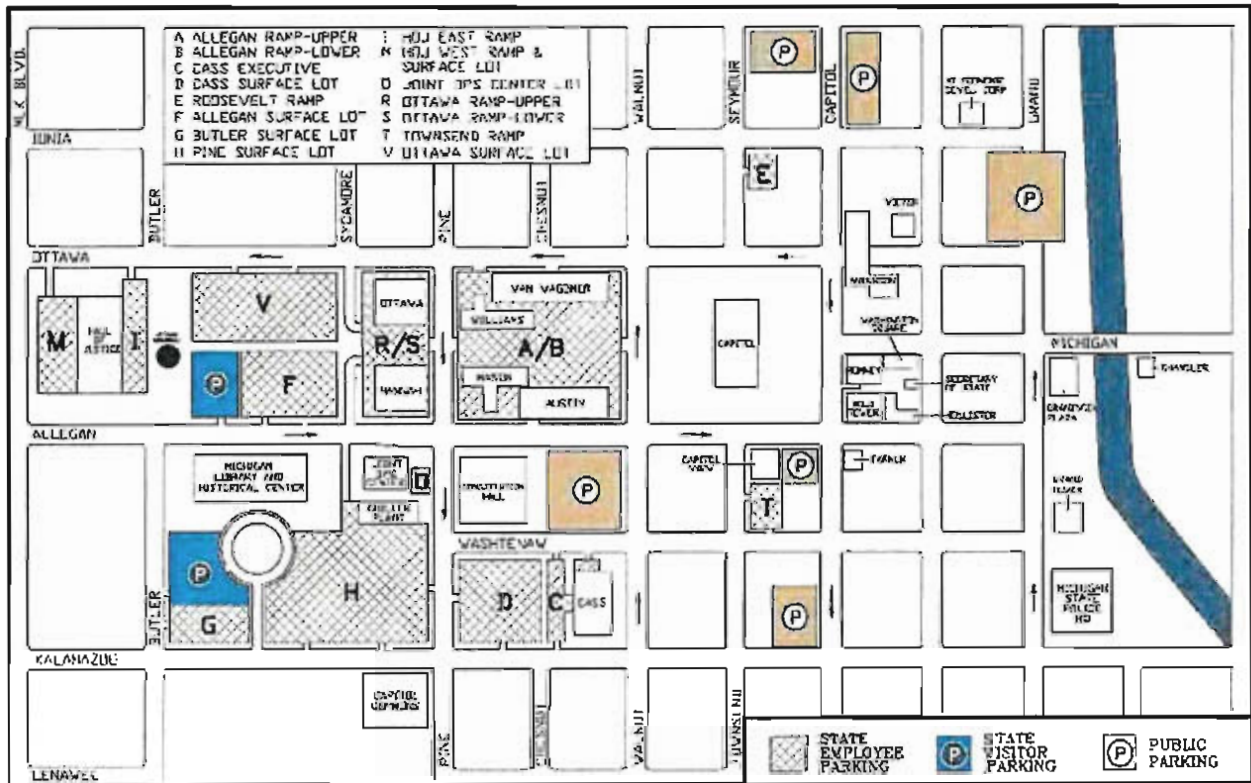
Ingham County GIS Snip
221 Townsend Street
Lansing, Michigan



NEIGHBORHOOD DESCRIPTION (continued)

Within the Capitol Complex itself, the following map designates state and public parking. The subject is designated as "T".

CAPITOL COMPLEX

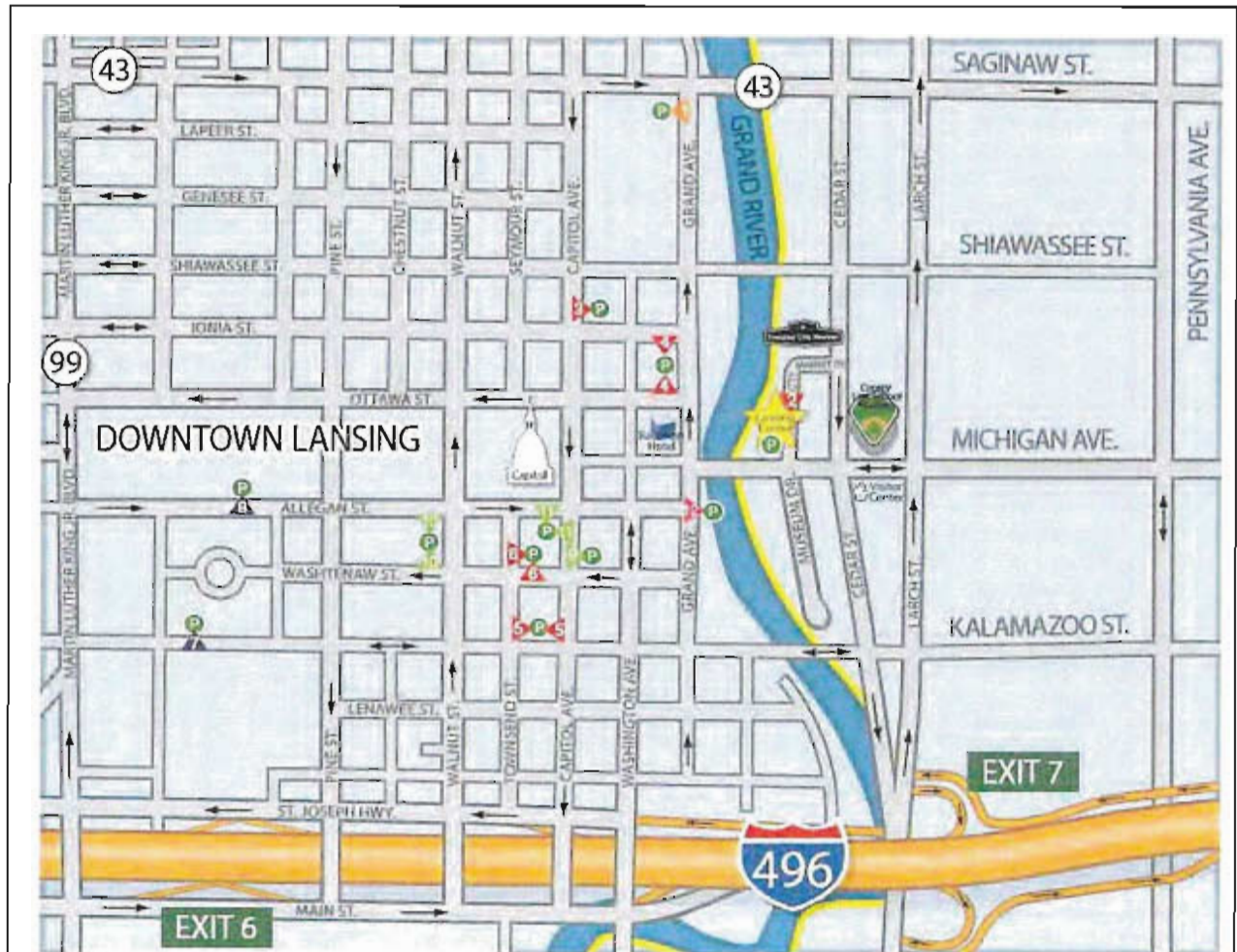


West of the subject, along Allegan Street is Constitution Hall and the State Library and Historical Center. To the northwest is the Hall of Justice, the Vietnam Veterans Memorial and state office buildings. To the north of the subject is the Capitol and to the east and northeast is Lansing's City Hall, the Romney Building, Boji Tower and the Farnum Building. Approximately five blocks northeast of the subject, along Museum Drive, is the Impression 5 Science Center, Riverwalk Theater, R.E. Olds Transportation Museum and the Lansing River Trail. The Lansing River Trail is a 20-mile paved path from Old Town to Waverly Road.

The immediate neighborhood of the subject is bordered by the Grand River to the east, Ottawa Street to the north, Martin Luther King Jr. Boulevard to the west and Kalamazoo Street to the south. It is known as the Capitol Complex. The area is made up of state office buildings, bank buildings, general office buildings and supporting restaurant, business and residents. Highway access is approximately $\frac{3}{4}$ of a mile south of the subject. These streets and highways provide easy access throughout the city and region.

NEIGHBORHOOD DESCRIPTION (continued)

In addition to the city owned parking is the following map of other downtown parking ramps and surface parking lots.

**DOWNTOWN LANSING PARKING MAP**

Current as of August, 2016.

Lansing Community College Parking Facilities (517) 462-1799

Lansing Community College's Gannon Ramp – SW corner of Saginaw St. & Grand Ave.
Open 24 hours. Fees charged: Ramp is free and open to the public only on weekends.

City Parking Facilities (517) 462-4240**Lansing Center Parking**

Open 24 hours. Fees charged: 8 am - 11 pm (M-Fri) overnight & events.
Cost: \$7 per entry, per space. Cash, Check, Visa, MC, Discover, AmEx.

North Capitol Ramp – Capitol Ave. between Shiawassee St. & Ionia St. (entrance from Capitol Ave.).

Open 6 am - 10 pm (M-Fri). Fees charged: 8 am - 10 pm (M-Fri).

Cost: \$1 per 15 min, \$10 daily max. Cash, Visa, MC, Discover, AmEx.

North Grand Parking Ramp – Grand Ave. between Ionia St. & Ottawa St.

Open 24 hours. Fees charged: 8 am - 10 pm (M-Fri). Free parking on the weekends.

Cost: (M-Fri) \$1 per 15 min, \$10 daily max.; (Sat-Sun) \$7 flat fee. Cash, Visa, MC, Discover, AmEx.

South Capitol Ramp – Kalamazoo St. between Townsend St. & Capitol Ave.

Open 24 hours. Fees charged: 8 am - 10 pm (M-Fri). Free parking on the weekends.

Cost: \$1 per 15 min, \$10 daily max. Cash, Visa, MC, Discover, AmEx.

Townsend Parking Ramp – Townsend St. between Washington St. & Allegan St.

Open 24 hours. Fees charged: 8 am - 10 pm (M-Fri). Free parking on the weekends.

Cost: \$1 per 15 min, \$10 daily max. Cash, Visa, MC, Discover, AmEx.

State of Michigan, Department of Management & Budget Facilities (517) 373-1030

Michigan Museum & Historical Center – Kalamazoo St. between Fuller St. & Pine St.
Open 24 hours. Fees charged: 24 hours (M-Fri), free on weekends & federal holidays.
Cost: \$1 per hour, \$7 daily max. Visa, MC, Discover, Cash+Pay Inside.

William Veterans Memorial Lot – Allegan St. between M.E. Riva St. & Pine St.

Open 24 hours. Fees charged: 24 hours (M-Fri), free on weekends & federal holidays.

Cost: \$1 per hour, \$8 daily max. Visa, MC, Discover, Cash+Pay Inside (Herman Building).

Cities Parking Company (517) 462-3669

Capitol & Washinaw Lot – 228 S. Capitol Ave., NE corner of Capitol Ave. & Washinaw St.

Open 24 hours. Fees charged: 24/7.

Cost: \$1.25 per 15 min, \$10.00 daily max. Visa, MC, Discover, AmEx.

Guardian Hall Lot – 425 W. Allegan, between Allegan St. & Washinaw St., west of Walnut St.

Open 24 hours. Fees charged: when attendant is present during business hours.

Cost: \$1.25 per 15 min, \$10.00 daily max. Cash, Check, Visa, MC, Discover, AmEx.

Piazza Ramp – 205 W. Allegan, SW corner of Allegan St. & Capitol Ave.

Open 24 hours. Fees charged: 24/7.

Cost: \$1.25 per 15 min, \$10 daily max. Cash, Check, Visa, MC, Discover, AmEx.

South Grand Ramp (517) 782-7300

Grand Avenue Parking – Grand Ave. at Allegan St.

Open 24 hours. Fees charged: 24/7.

Cost: \$1 per 15 min, \$10 daily max. Credit only: Visa, MC, AmEx.



Search Address or Parcel



W Ottawa St

State Capitol

W Allegan St

W Washtenaw St

W Kalamazoo St

W Michigan Ave

S Capitol Ave

Washington Sq S

La

Region S q S

Legend

Lansing Tax Parcels



Lansing Zoning

Lansing.GIS.ZoningDistrict_Dissolve

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ROW

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-300ft



City of Lansing

OFFICE OF THE CITY ATTORNEY

James D. Smiertka, City Attorney

TO: Chris Swope, City Clerk

FROM: Lisa K. Hagen, Assistant City Attorney

DATE: December 21, 2018

SUBJECT: Statement of necessity relating to sale of Townsend Ramp

STATEMENT PURSUANT TO LANSING CITY CHARTER PROVISION 8-403.3:

The City of Lansing and the Michigan Senate have entered into a Real Estate Purchase Agreement for sale of real property, commonly known as the Townsend Parking Ramp. This parking ramp is unnecessary for City operations. The sale of this structure is economically beneficial, will maintain parking available to the public, will serve a public purpose, and has been determined by the administration to be in the best interest of the City of Lansing.

RECEIVED
2010 DEC 21 AM 9:50
LANSING CITY CLERK

RECEIVED

2018 DEC 20 AM 9:10

REAL ESTATE PURCHASE AGREEMENT

This **Real Estate Purchase Agreement** (this "Agreement") is entered into effective December 19, 2018 (the "Effective Date"), by and between the **City of Lansing**, a Michigan municipal corporation, with offices located at 124 W. Michigan Avenue, Lansing, Michigan 48933 ("Seller"), and the **Michigan Senate**, established and existing pursuant to Article IV, Section 2 of the Constitution of the State of Michigan of 1963, with offices located at 201 Townsend Street, Suite 2500, Lansing, Michigan 48933 ("Purchaser"). Seller and Purchaser are sometimes collectively referred to as the "Parties" and individually as a "Party."

RECITALS

A. Seller is or will be the owner of certain real property, commonly known as the Townsend Parking Ramp, located in the City of Lansing, County of Ingham, State of Michigan, and legally described on the attached **Exhibit A** to this Agreement (the "Property").

B. Pursuant to Public Act 92 of 2001 (the "Act"), the Property is designated for use as a parking structure and is further subject to certain restrictions as stated in that certain quitclaim deed recorded at Liber 2936, Page 759, with the Ingham County Register of Deeds.

C. In accordance with the Act, Seller has reserved not fewer than 400 parking spaces for the benefit of Purchaser's employees for which there is an outstanding balance for parking fees currently owed to Seller from Purchaser.

D. Purchaser desires to purchase the Property from Seller, and Seller desires to sell the Property to Purchaser, subject to the terms and conditions of this Agreement, including but not limited to the resolution of the outstanding balance for parking fees.

E. The Parties acknowledge that this Agreement is made in full satisfaction of Seller's obligation to reserve not fewer than 400 parking spaces for the benefit of Purchaser's employees under the Act.

AGREEMENT

Now, therefore, the Parties mutually agree as follows:

1. Purchase and Sale. Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller's right, title, and interest in and to the Property, subject to the terms and conditions of this Agreement.

2. Purchase Price. The purchase price for the Property shall be Eighteen Million Dollars (\$18,000,000) (the "Purchase Price"), payable as follows:

A. Deposit. Within five business days after the Effective Date, Purchaser shall deposit in escrow with an escrow agent mutually agreed to by the Parties ("Escrow Agent") an earnest money deposit in the amount of One Million Dollars (\$1,000,000) (the "Deposit"), which sum shall be held by Escrow Agent in an interest-bearing account. The Deposit shall be applied against the Purchase Price at the Closing; however, if the transaction contemplated by this Agreement is not consummated, Escrow Agent shall return the Deposit, together with any interest earned, to Purchaser.

B. Closing. Purchaser shall pay Seller the balance of the Purchase Price, as may be adjusted as provided herein, by cashier's check or wire transfer at the Closing.

3. Outstanding Parking Fees. The Parties mutually agree to the following provisions in order to fully and finally satisfy the outstanding balance for certain parking fees owed to Seller from Purchaser.

A. Parking Payment. Within five business days after Seller obtains any necessary approvals under Paragraph 6, Purchaser shall pay Seller the sum of One Million Dollars (\$1,000,000) in full satisfaction of the outstanding parking fees relating to the not fewer than 400 parking spaces reserved for Purchaser's employees in the Property (the "Parking Payment"). The Parties mutually acknowledge and agree that the Parking Payment fully and finally satisfies all outstanding obligations related to such parking for the time period from September 1, 2015, until and including the date of Closing.

B. Failure to Proceed to Closing; Treatment of Parking Payment. If the transaction contemplated by this Agreement does not proceed to Closing, the Parking Payment shall fully and finally satisfy the outstanding obligation of Purchaser related to such parking for the time period from September 1, 2015, until and including December 31, 2018.

C. Failure to Proceed to Closing; Parking Agreement. If the transaction contemplated by this Agreement does not proceed to Closing, the Parties shall, in good faith, negotiate the terms of a new parking agreement effective January 1, 2019, whereby Seller shall reserve for Purchaser not fewer than 400 parking spaces in the Property for use by Purchaser's employees at a rate to be negotiated by the Parties, taking into account the number and location of reserved parking spaces, the duration of the agreement, and any other relevant factors. While negotiations remain ongoing, Seller shall allow continued, uninterrupted parking access to the Property for Purchaser's employees and continue to reserve not fewer than 400 parking spaces for such purposes. If the Parties agree to a new parking agreement, Purchaser shall promptly pay Seller the negotiated rate for all reserved parking spaces for the period commencing January 1, 2019, until the date of the new parking agreement, and thereafter as provided in the new parking agreement.

D. Failure to Proceed to Closing; Notice to Vacate. If the transaction contemplated by this Agreement does not proceed to Closing and the Parties are unable to agree to a new parking agreement under subparagraph C, Seller shall give Purchaser and Purchaser's employees not less than 60 days' notice to vacate the not fewer than 400 reserved parking spaces in the Property, and Purchaser shall pay Seller the prevailing market rate currently established for the Property for the reserved spaces for the period from January 1, 2019, until the date the subject parking spaces are vacated by Purchaser's employees.

E. Survival. All of the provisions of this Paragraph 3 shall survive whether or not the transaction contemplated by this Agreement proceeds to Closing and whether or not the Agreement is sooner terminated by either Party.

4. Title Insurance. Within 15 days after the Effective Date, Seller, at its expense, shall furnish to Purchaser a commitment (the "Commitment") for an ALTA fee owner's policy of title insurance (the "Title Policy") to be issued at the Closing by a title company mutually agreed to by the Parties. After receiving the Commitment, Purchaser shall have 10 business days to make any objections to the state and quality of title as evidenced by the Commitment. Upon receiving notice of any objections from Purchaser, Seller shall cure the objections to Purchaser's reasonable satisfaction, at Seller's expense, or notify Purchaser that Seller is unable or unwilling to cure the objection. If Seller fails to cure any objection prior

to the Closing, Purchaser may either (a) proceed to the Closing, in which case Purchaser shall be deemed to have waived the objection, or (b) terminate this Agreement without penalty, in which case Purchaser shall be entitled to the return of the Deposit. In the event any previously undisclosed exception to title is discovered at or prior to the Closing, Purchaser shall have the same rights to object to the exception, and Seller shall have 10 days to cure the objection to Purchaser's reasonable satisfaction. Notwithstanding anything to the contrary, Seller shall discharge or remove of record all monetary liens disclosed in the Commitment. Purchaser need not agree to accept, as a cure to any objection, the title company's agreement to insure over any objection made by Purchaser.

5. Inspection and Survey. Any time prior to the Closing, Purchaser may access the Property for purposes of conducting an inspection and survey of the Property, or any part of the Property. Any inspection or survey shall be at Purchaser's expense.

6. Seller Approvals. Purchaser acknowledges that the sale of the Property is contingent on the affirmative vote of two-thirds of the members of the Lansing City Council (the "City Council"). Seller makes no representation that the City Council members will approve this Agreement.

7. Delivery of Deed. At the Closing, Seller shall deliver to Purchaser a covenant deed, in substantially the form attached as **Exhibit B** to this Agreement (the "Covenant Deed"), conveying to Purchaser marketable, fee simple title to the Property, subject to any exceptions and reservations expressly provided for in the Covenant Deed.

8. Parking Agreement. Within 10 days of the Effective Date, the Parties shall negotiate, in good faith, the terms of an agreement under which Purchaser agrees to provide a total of not more than 228 covered parking spaces for Seller's employees on floors six through eight of the Property at a rate of \$110 per space (to be adjusted annually by the Detroit consumer price index), for an initial term of five years, which term may be renewed, at Seller's option, for four additional five-year terms (the "Parking Agreement"). The Closing of the transaction contemplated by this Agreement shall be contingent on the Parties' entering into the Parking Agreement, which, when finalized, shall be attached as **Exhibit C** hereto and made a part hereof.

9. Conditions Precedent to Closing. Each Party's obligation to proceed to the Closing shall be conditioned on the satisfaction or written waiver, by the applicable Party, of each of the following conditions precedent:

A. Purchaser shall be satisfied with the title conditions of Paragraph 4 and with the inspection and survey, if any, obtained under Paragraph 5.

B. All of Seller's representations and warranties shall be true and correct as of the Effective Date and on the date of the Closing.

C. Prior to the Closing, Seller shall have caused the title company to deliver to Purchaser, at Seller's expense, an update of the Commitment, which shall confirm the resolution of any objections to the state and quality of title raised (but not waived) by Purchaser pursuant to Paragraph 4 and otherwise reaffirm the title company's commitment to issue the Title Policy.

D. Seller shall certify to Purchaser that no material adverse change has occurred in the condition of the Property.

E. No action or proceeding to restrain, prohibit, or declare illegal the transaction contemplated by this Agreement shall be pending or threatened. No order restraining or prohibiting the transaction contemplated by this Agreement shall be issued by any public authority, governmental agency, or court. No attachment, garnishment, levy, or lien shall be filed or in effect regarding the transaction contemplated by this Agreement.

F. The Parties shall execute the Parking Agreement.

G. Purchaser shall agree, by restriction stated on the Covenant Deed, to allocate a total of 50 parking spaces in the Property for a period of 20 years for the benefit of the public. Purchaser, in its discretion, may charge a reasonable market rate for use of parking spaces allocated for the public.

H. Purchaser shall remit to Seller the Parking Payment.

I. Seller shall obtain any approval required by the Lansing Building Authority, the Tax Increment Financing Authority, and any other municipal or governmental authority or agency to release their respective interests in and to the Property and to extinguish any encumbrances affecting the Property.

J. The City Council will have issued its approval to consummate the transaction contemplated by this Agreement.

10. Taxes and Assessments. The Parties acknowledge that the Property, under Seller's ownership, has not been subject to taxation and shall not be subject to taxation under Purchaser's ownership. In the event any taxes or assessments have been or will be levied against the Property, Seller shall pay all taxes and assessments attributable to the Property that are due and payable as of the Closing, and Purchaser shall pay all taxes and assessments attributable to the Property after the date of the Closing.

11. Representations and Warranties.

A. Seller represents and warrants to Purchaser as follows:

(i) The execution, delivery, and performance of this Agreement do not violate any contractual or other obligations of Seller.

(ii) Except as otherwise stated in this Agreement and pending approval of City Council, Seller is duly and validly authorized to execute this Agreement with full power to enter into and perform under this Agreement, and each individual executing and delivering this Agreement on behalf of Seller has authority to do so.

(iii) Seller has not received any notice and does not have any actual knowledge of any alleged violation of any federal, state, or local law affecting the Property.

(iv) Except as listed in **Exhibit D** to this Agreement, there are no leases or other contracts affecting the Property.

(v) To Seller's knowledge, the Property has not been used for disposing, refining, generating, manufacturing, producing, storing, handling, treating, transferring, releasing,

processing, or transporting any hazardous waste or hazardous substance, as those terms are defined in applicable state and federal law.

B. The representations and warranties of Paragraph 11(A) shall survive the Closing for a period of one year.

C. Purchaser represents and warrants to Seller that Purchaser is duly and validly authorized to execute this Agreement with full power to enter into and perform under this Agreement, and each individual executing and delivering this Agreement on behalf of Purchaser has authority to do so, but no such individual shall be personally liable hereunder.

12. Closing. The closing of the transaction contemplated by this Agreement (the "Closing") shall take place at the offices of Escrow Agent at the date and time agreed to by the Parties after all conditions precedent to the Closing have been satisfied or waived in writing; provided, however, that the Closing shall take place no later than February 15, 2019. Prior to or at the Closing, the following documents shall be executed by the appropriate Party and delivered to Escrow Agent:

- A. the Covenant Deed;
- B. a property transfer affidavit;
- C. Michigan real estate transfer tax valuation affidavit;
- D. a recertification of warranties by Seller;
- E. a resolution by City Council evidencing Seller's authority to enter into this Agreement and of the authority of Seller's named representative to execute all documents reasonably necessary to consummate the transaction contemplated by this Agreement;
- F. a closing statement mutually agreed to by the Parties;
- G. the Parking Agreement; and
- H. any other documents reasonably required by Escrow Agent or necessary to consummate the transaction contemplated by this Agreement.

All documents to be signed by both Parties shall be signed in counterparts and deposited with Escrow Agent. No documents shall be dated, and Escrow Agent shall date the documents as of the date of the Closing. Possession of the Property shall be delivered to Purchaser at the Closing.

13. Adjustments to Purchase Price. The Purchase Price shall be adjusted at the Closing in accordance with the allocation of closing costs to each Party, as provided in **Exhibit E** to this Agreement. Seller shall pay all applicable transfer taxes, if any, arising from the transaction contemplated by this Agreement.

14. Default by Seller. In the event of a default by Seller, Purchaser, as its sole and exclusive remedy, may terminate this Agreement without penalty, in which case Purchaser shall be entitled to the return of the Deposit, and Seller shall retain the Parking Payment in accordance with Paragraph 3(B).

15. Default by Purchaser. In the event of a default by Purchaser, Seller, as its sole and exclusive remedy, may elect to terminate this Agreement without penalty.

16. Broker. The Parties each represent and warrant to the other that no broker has been engaged in connection with the transaction contemplated by this Agreement. The Parties shall each indemnify the other against any costs, claims, or expenses, including reasonable attorney's fees, arising out of a breach of the foregoing representation by the indemnifying party. The indemnification provision of this Paragraph 16 shall survive the Closing or termination of this Agreement.

17. Notice. Any notice required or permitted under this Agreement shall be in writing and deemed to have been served and given when (a) delivered in person to the Party to whom the notice is given; (b) sent via U.S. mail, postage prepaid, by registered or certified mail, return receipt requested; or (c) deposited with a nationally recognized overnight courier service. Notices shall be addressed to the Parties at their respective addresses as follows:

If to Seller:	City of Lansing Attn: Mayor Andy Schor 124 West Michigan Avenue Lansing, Michigan 48933
With a copy to:	City Attorney James D. Smiertka 124 West Michigan Avenue Lansing, Michigan 48933
If to Purchaser:	Michigan Senate Attn: Jordan C. Hankwitz 201 Townsend Street, Suite 2500 Lansing, Michigan 48933
With a copy to:	Scott Hughes, General Counsel Capitol Building 100 N. Capitol Avenue, S-106 Lansing, Michigan 48933

18. Publicity. Prior to the Closing, unless disclosure of information is required by law, any news releases or other media releases to the public of information with respect to the sale and purchase of the Property or any matters set forth in this Agreement shall be mutually agreed upon by the Parties before being released.

19. Further Assurances. Each Party shall do and perform, or cause to be done and performed, such further acts and things (including the execution and delivery of such other agreements) as the other Party may reasonably request in order to carry out the intent of the Parties and accomplish the purposes of this Agreement and the consummation of the transaction contemplated by this Agreement. The provisions of this Paragraph shall survive the Closing.

20. Entire Agreement; Amendment. This Agreement embodies the entire agreement of the Parties concerning the subject matter of this Agreement. No amendment of this Agreement shall be binding on either Party unless set forth in a written agreement executed by both Parties.

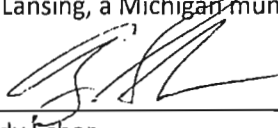
21. Governing Law. Michigan law governs this Agreement.
22. Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and assigns.
23. Construction. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties. This Agreement shall be interpreted in light of the probable intent of the Parties.
24. Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile transmission, and a facsimile of this Agreement or of a signature of a Party will be effective as an original.
25. Recitals. The Parties mutually acknowledge and agree that the recitals to this Agreement are true and correct and are incorporated herein by reference.

[Signatures on following page]

The Parties have executed this Agreement as of the Effective Date.

SELLER

City of Lansing, a Michigan municipal corporation

By: 

Andy Schor
Mayor

PURCHASER

Michigan Senate, established and existing pursuant
to Article IV, Section 2 of the Constitution of the
State of Michigan of 1963

By: _____

Arlan B. Meekhof
Senate Majority Leader

By: _____

Jordan C. Hankwitz
Director, Senate Business Office

The Parties have executed this Agreement as of the Effective Date.

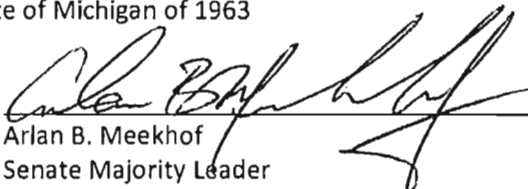
SELLER

City of Lansing, a Michigan municipal corporation

By: _____
Andy Schor
Mayor

PURCHASER

Michigan Senate, established and existing pursuant
to Article IV, Section 2 of the Constitution of the
State of Michigan of 1963

By:  _____
Arlan B. Meekhof
Senate Majority Leader

By: _____
Jordan C. Hankwitz
Director, Senate Business Office

The Parties have executed this Agreement as of the Effective Date.

SELLER

City of Lansing, a Michigan municipal corporation

By: _____
Andy Schor
Mayor

PURCHASER

Michigan Senate, established and existing pursuant
to Article IV, Section 2 of the Constitution of the
State of Michigan of 1963

By: _____
Arlan B. Meekhof
Senate Majority Leader

By:  _____
Jordan C. Hankwitz
Director, Senate Business Office

EXHIBIT A TO REAL ESTATE PURCHASE AGREEMENT
Legal Description

Lots 7, 8, 9, and 10, ALSO that part of Lot 11 described as beginning at a point on the East line of Lot 11 a distance of 104.04 feet Southerly from the Northeast corner of Lot 12; thence Southerly along the East line of Lot 11 to the Southeast corner of Lot 11; thence Westerly along the South line of Lot 11 to the Southwest corner of Lot 11; thence Northerly along the West line of Lot 11 to a point on the West line of Lot 11 a distance of 104.33 feet Southerly from the Northwest corner of Lot 12; thence Easterly to the point of beginning of Block 116, of the Original Plat of the City of Lansing, according to the recorded Plat as thereof recorded in Liber 2 of Plats, Page 36, Ingham County Records.

Subject to easements, encumbrances, and restrictions of record.

EXHIBIT B TO REAL ESTATE PURCHASE AGREEMENT
Form of Covenant Deed

COVENANT DEED

On _____, City of Lansing, a Michigan municipal corporation, whose address is 124 W. Michigan Avenue, Lansing, Michigan 48933 (Grantor), conveys to the Michigan Senate, established and existing pursuant to Article IV, Section 2 of the Constitution of the State of Michigan of 1963, with offices located at 201 Townsend Street, Suite 2500, Lansing, Michigan 48933 (Grantee), the real property commonly known as 221 Townsend Street, in the City of Lansing, Ingham County, Michigan, and described on Exhibit A (the Premises) together with all tenements, hereditaments, and appurtenances and subject to agreements, easements, restrictions of record, including, but not limited to, the following:

*

This deed is given for good and valuable consideration (a transfer valuation affidavit is filed with this deed).

Grantor hereby covenants to and with Grantee, its successors and assigns, that Grantor has not done or suffered to be done anything whereby the granted Premises are, or may be in any manner, encumbered or changed, except as herein recited; and Grantor covenants to and with Grantee that Grantor will warrant and defend the granted Premises unto Grantee, its successors and assigns, against the lawful claims and demands of all persons claiming by, from or under Grantor, but against no other claims or persons.

This conveyance is exempt from real estate transfer taxes pursuant to MCL 207.505(h)(i) and MCL 207.526(h), because the Grantor is a municipality of the State of Michigan.

City of Lansing

Dated: _____

By: _____
Andy Schor
Its: Mayor

STATE OF MICHIGAN)
INGHAM COUNTY)

Acknowledged before me in _____ County, Michigan, on _____,
by _____, of City of Lansing, a Michigan municipal corporation, on behalf of the
corporation.

/s/ _____
Print Name: _____

Notary public, State of Michigan, County of _____.

My commission expires _____.

Acting in the County of _____.

When recorded, return to: Grantee	Send subsequent tax bills to: Grantee	Drafted by: City of Lansing 124 W. Michigan Ave., 5 th Floor Lansing, MI 48933
--------------------------------------	--	--

Exhibit A to Covenant Deed
Legal Description

Lots 7, 8, 9, and 10, ALSO that part of Lot 11 described as beginning at a point on the East line of Lot 11 a distance of 104.04 feet Southerly from the Northeast corner of Lot 12; thence Southerly along the East line of Lot 11 to the Southeast corner of Lot 11; thence Westerly along the South line of Lot 11 to the Southwest corner of Lot 11; thence Northerly along the West line of Lot 11 to a point on the West line of Lot 11 a distance of 104.33 feet Southerly from the Northwest corner of Lot 12; thence Easterly to the point of beginning of Block 116, of the Original Plat of the City of Lansing, according to the recorded Plat as thereof recorded in Liber 2 of Plats, Page 36, Ingham County Records.

Subject to easements, encumbrances, and restrictions of record.

EXHIBIT C TO REAL ESTATE PURCHASE AGREEMENT
Parking Agreement

EXHIBIT D TO REAL ESTATE PURCHASE AGREEMENT

Leases and Contracts Affecting the Property

EASEMENTS OF RECORD

- 1) **EASEMENT AGREEMENT dated August 19, 2005 between ACCIDENT FUND INSURANCE COMPANY OF AMERICA, INC., and LANSING BUILDING AUTHORITY. See attached.**
- 2) **EASEMENT AGREEMENT dated April 15, 2004 between BOJI GROUP OF LANSING, LLC and LANSING BUILDING AUTHORITY. See attached.**

CONTRACTS

- 1) **DOWNTOWN RESIDENTIAL PARKING PROGRAM administered by the CITY OF LANSING PARKING SERVICES OFFICE. See attached. (Currently 1 Resident)**
- 2) **PARKING PERMIT APPLICATION for resident, Malavika Padmanabhan-Kabana. See attached. (See #1)**
- 3) **PARKING AGREEMENT dated May 1, 2015 between DYKEMA GOSSETT PLLC and the CITY OF LANSING PARKING SERVICES OFFICE. See attached.**
- 4) **AMENDMENT TO REAL ESTATE PURCHASE AND DEVELOPMENT AGREEMENT dated May 22, 2013 to the Real Estate Purchase and Development Agreement dated July 25, 2003 between TOWER RAMP DEVELOPMENT COMPANY, LLC, BOJI GROUP OF LANSING, LLC, BOJI GROUP, LLC the CITY OF LANSING, and the LANSING BUILDING AUTHORITY. See attached.**

EXHIBIT E TO REAL ESTATE PURCHASE AGREEMENT
Allocation of Closing Costs

1. Escrow Agent Fee: Shared equally by the Parties
2. Title Insurance: Responsibility of Seller (See Paragraph 4)
3. Real Estate Taxes and Assessments: Responsibility of Seller for all assessments, if any, prior to and including Closing; responsibility of Purchaser for all assessments, if any, after Closing (See Paragraph 10)
4. Recording Fees: Responsibility of Purchaser
5. Real Estate Transfer Taxes (if any): Responsibility of Seller (See Paragraph 13)

An Agreement

between

MICHIGAN SENATE, as Lessor

and the

CITY OF LANSING, a Michigan Municipal Corporation, as Lessee

An Agreement ("Agreement") made and entered into this ____ day of _____, 2019, by and between the **Michigan Senate**, with offices located at 201 Townsend Street, Suite 2500, Lansing, Michigan 48933, as Lessor, and the **City of Lansing**, whose address is Lansing City Hall, 124 W. Michigan Avenue, Lansing, Michigan 48933, as Lessee.

ARTICLE I

GRANT, USE, TERM & CONDITION

1.1 - Lessor, for the consideration hereinafter described, covenants and agrees to rent to the Lessee the following described premises for the use described below:

Subject to Lessee's adjustments as provided in Section 1.2, up to Two Hundred Twenty-Eight (228) unassigned, covered parking spaces on floors six through eight (as depicted on the attached Exhibit A) in the parking ramp located at 221 Townsend Street, in the City of Lansing, County of Ingham, State of Michigan, and commonly referred to as the Townsend Parking Ramp ("Leased Premises"). The Leased Premises shall be available for the parking of motor vehicles for the Lessee's permitted employees and agents, twenty-four (24) hours a day, seven (7) days a week, and shall include the non-exclusive use of the parking deck common areas including improvements, ramps, stairwells, and the southeast elevator, unless otherwise agreed upon by both parties in writing.

1.2 – The Lessee agrees to pay to the Lessor a base monthly rate of One Hundred Ten Dollars (\$110) per parking space, for a total base annual rent of Three Hundred Thousand Nine Hundred Sixty Dollars (\$300,960), to be paid in monthly installments of Twenty-Five Thousand Eighty Dollars (\$25,080), beginning _____ 1, 2019, and on the first day of each consecutive month thereafter during the term and any renewal of this Agreement. Rent payments received after the 30th day of the month will be assessed a late fee equal to 5% of the monthly payment. The rental rate shall be adjusted annually in accordance with the Detroit consumer price index beginning _____ 1, 2020, and on _____ 1 of each consecutive year during the term or any renewal of this Agreement. The Lessee, at its option, may annually adjust the number of spaces reserved for its use by providing written notice to the Lessor at least 60 days in advance of the annual rate adjustment described in the preceding sentence. If the Lessee fails to provide timely notice to adjust the number of reserved spaces in any year, then the Lessee shall be deemed to have elected to reserve the same number of spaces as the previous year, with the monthly rate per space to be adjusted as described above.

1.3 – The term of this Agreement shall be for an initial term of five years beginning _____ 1, 2019, and ending _____ [30/31], 2024, which term shall be automatically renewed for four additional five-year terms, unless the Lessee provides written

notice to the Lessor at least 60 days prior to the end of the then-current term. The rate for any renewal term shall be adjusted as provided in section 1.2 of this Agreement.

1.4 – The Lessor shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 et seq., the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 et seq., and other applicable federal, state, and local fair employment practices and equal opportunity laws. The Lessor shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to a decision to hire or the tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Lessor agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

1.5 – The Lessor shall, at its expense, during the term and any renewal of this Agreement, insure the Leased Premises with general liability insurance, naming the Lessee as an additional insured, which protects against claims, demands, actions, suits, causes of action, judgments, settlements, and recoveries for bodily injury or property damage arising out of a condition of the Leased Premises, except to the extent resulting from the sole negligence of the Lessee or its employees or agents. The Lessor agrees to maintain minimum policy limits in the amount of Five Hundred Thousand Dollars (\$500,000) per occurrence for property damage and One Million Dollars (\$1,000,000) per occurrence for bodily injury, with an aggregate limit of Two Million Dollars (\$2,000,000). The Lessor shall provide to the Lessee a certificate of insurance, naming the Lessee as an additional insured, within 30 days following execution of this Agreement. The policy of insurance shall provide that it may not be modified, cancelled, or allowed to expire except upon 30 days' written notice given to the Lessee. However, in lieu of obtaining the above-described insurance from a third-party, the Lessor may self-insure against such risks, provided that the Lessee's interests are protected to the same extent as if insurance had been obtained from third-party. If the Lessor elects to self-insure against such risks, it shall provide written notice to the Lessee, and Lessee may request reasonable documentation that its interests are adequately protected as described in this section.

ARTICLE II CANCELLATION

2.1 – The Lessee may cancel this Agreement at any time by providing written notice to the Lessor at least 90 days prior to the effective date of cancellation.

2.2 – The Lessee may void this Agreement if the Lessor or any contractor, subcontractor, manufacturer, or supplier of the Lessor appears in the register compiled by the Michigan Department of Labor under the Contracts with Employers Engaging in Unfair Practices Act, MCL 423.321 et seq.

ARTICLE III SERVICES BY LESSOR AND LESSEE

3.1 – The Lessor shall, at its expense, be responsible for the following:

Security. The Lessor shall provide and maintain personnel and related facilities suitable, in the Lessor's reasonable discretion, for the proper care, security, and management of the entire

parking facility, including the Leased Premises. Entry by the Lessee and its permitted employees and agents shall be by parking card access or other reasonable means mutually agreed to by the parties.

Electrical. The Lessor shall pay all utility charges applicable to the Leased Premises.

Real Estate Taxes. The Lessor shall pay all applicable real estate taxes and special assessments, if any, relating to the Leased Premises.

Illuminated Parking. Parking areas in the Leased Premises shall be properly paved, striped, and illuminated and maintained in compliance with applicable municipal code requirements. Illumination of the parking areas shall be not less than two foot-candles with uniformity not greater than 4 to 1 measured on the parking surface. The Lessor shall replace all parts and equipment necessary to provide and maintain exterior illumination required under this section, including but not limited to tubes, bulbs, starters, and fuses.

3.2 – The Lessee shall not be required to furnish any services for purposes of parking under this Agreement.

ARTICLE IV OBLIGATION TO MAINTAIN AND REPAIR

4.1 – The Lessor shall, at its expense, maintain the Leased Premises and keep the same in good repair, free from dangerous or defective conditions. The Lessor may enter upon the Leased Premises at any time for the purpose of inspection and to make necessary repairs and replacements.

4.2 – The Lessee shall reimburse the Lessor for any repairs to the Leased Premises from damage that exceeds normal wear and tear to be expected from the lawful and proper use of the Leased Premises and the sole cause of which was the intentional or negligent acts or omissions of the Lessee's employees or agents. Except as provided in this section, the Lessee shall not be responsible for any repair or maintenance of the Leased Premises.

4.3 – The Lessee shall notify the Lessor of the need for any repairs or replacements to the Leased Premises. The Lessor shall provide to the Lessee a list of phone numbers for emergency and maintenance services. If the Lessee is unable to contact the Lessor or its authorized agent for repairs to the Leased Premises within a reasonable length of time, and in order to maintain the Leased Premises in a suitable condition for use by the Lessee under this Agreement, in such circumstances the Lessee may reasonably contract for such repairs, which will be paid for by the Lessor or deducted from the rental installments remaining to be paid by the Lessee.

ARTICLE V MISCELLANEOUS

5.1 – The Lessee may not assign, sublet, or otherwise transfer or convey its interest, or any portion of its interest, in the Leased Premises to any third party without the prior written consent of the Lessor. Any attempted transfer in violation of this section shall be void. This section shall not prohibit Lessee from providing parking privileges to Lessee's employees, guests, and agents.

5.2 – Any notice required or permitted under this Agreement shall be in writing and deemed to have been served and given when (a) delivered in person to the party to whom the notice is given; (b) sent via U.S. mail, postage prepaid, by registered or certified mail, return receipt requested; or (c) deposited with a nationally recognized overnight courier service. Notices shall be addressed to the parties at their respective addresses as follows:

If to the Lessor: Michigan Senate
Attn: Jordan C. Hankwitz
201 Townsend Street, Suite 2500
Lansing, Michigan 48933

With a copy to: Scott Hughes, General Counsel
S-106 Capitol Building
100 N. Capitol Avenue
Lansing, Michigan 48933

If to the Lessee: City of Lansing
Attn: Mayor Andy Schor
124 West Michigan Avenue
Lansing, Michigan 48933

With a copy to: City Attorney James D. Smiertka
124 West Michigan Avenue
Lansing, Michigan 48933

5.3 – This Agreement embodies the entire agreement of the parties concerning the subject matter of this Agreement. No amendment of this Agreement shall be binding on either party unless set forth in a written agreement executed by both parties.

5.4 – Michigan law governs this Agreement.

5.5 – This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

5.6 – This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed and delivered by facsimile transmission, and a facsimile of this Agreement or of a signature of a party will be effective as an original.

5.7 - The person signing this Agreement on behalf of each party acknowledges and certifies that he/she does so with the requisite authority to act on behalf of and bind the party.

In witness whereof, the parties execute this Agreement to be effective on the date first stated above.

Witness:

Michigan Senate, Lessor

Name: _____

Jordan C. Hankwitz
Director, Senate Business Office

Witness:

City of Lansing, Lessee

Name: _____

Name: _____
Title: _____

EXHIBIT A TO AGREEMENT
Depiction of Leased Premises

From: gruhndC flyfsoxvfrp
Sent: Wxhvgd | /#heuxdu | #5 /#534<# :46#5P
To: Soxp p hu#P dub|q
Subject: R qdqh#Erup #/xep lwd#Dssdfdwlrq#ru#Dssrlwp hq#wr#Erdug#ru#Frpp lwlrq

Application for Appointment to Board or Commission

Thank you for your interest in serving on a Lansing Board, Commission or Committee.

Certain boards, commissions or committees require appointees to be a registered elector in the City of Lansing (Charter Section 2-102) and be a resident of Lansing for one year prior to taking office (Charter Section 2-102).

Appointees to every board, commission or committee must not be in default to the City at the time of taking office (Charter Section 2-103.2) and not have been convicted, within 20 years of taking office, of a violation of the election laws of the City of Lansing, State of Michigan, or the United States; a violation of public trust; or any felony (Charter Section 2-103.1).

(Section Break)

Date	2/12/2019
First Name	Joan
Middle	Elizabeth
Last Name	Knapp
Other name(s) by which you have been known, including maiden names	Pitcher, Crofoot, Goheen
Date of Birth	██████
Address	515 Dunlap Street
City	Lansing
State	MI
Zip Code	48910
Email	jknapp@msu.edu

Gender	Female
Ward	2
Precinct	11
Best phone number to contact you	██████████
Last 4 digits of social security number	████
In what year did you move to Lansing?	approx 1998
Additional information regarding experience and credentials	<i>Field not completed.</i>
Occupational Background	25 years as assistant manager in MSU Food Service, 4 years as assistant manager at McDonalds Restaurants, 13 years waitress experience
Educational Background	Bachelor Of Science degree at Michigan State University
Please attach a resume if available	<i>Field not completed.</i>
First choice for board to serve on	Review Board
Second choice of a board to serve on	<i>Field not completed.</i>
Third choice of a board to serve on	<i>Field not completed.</i>
Fourth choice of a board to serve on	<i>Field not completed.</i>
Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission	A friend, Diane Sanborn, called me and told me there was a need to fill a position on the Property Tax Board of Review and thought I would enjoy it and do a good job. After listening to her explain the basics of the position, and with me being retired and having the time available in March, I would like the challenge. I am fair, honest, reliable and patient.

Qualifications and Eligibility – At this time, if you do not meet one or more of the qualifications or eligibility requirements listed at the top, please state here the requirement to be met and explain how you will be qualified or eligible before you would be sworn in to an appointed office

Field not completed.

Background Check
Authorization

I agree

Please type your name in this box to signify that you can serve on a board or commission and the information in this application is accurate to the best of your knowledge

Joan Knapp

Date & Time

2/12/2019 7:15 PM

Email not displaying correctly? [View it in your browser.](#)

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor made the appointment of Joan Elizabeth Knapp, 515 Dunlap Street, Lansing, MI 48910 as an At-Large Member of the Board of Review for a term to expire June 30, 2020; and

WHEREAS, the nominee has been vetted by the Mayor's Office and meets the qualifications as required by the City Charter; and

WHEREAS, the Committee of the Whole met on February 25, 2019 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms that Joan Elizabeth Knapp, 515 Dunlap Street, Lansing, MI 48910 as an At-Large Member of the Board of Review for a term to expire June 30, 2020

Plummer, Marilyn

From: noreply@civicplus.com
Sent: Wednesday, February 13, 2019 9:29 PM
To: Plummer, Marilyn
Subject: Online Form Submittal: Application for Appointment to Board or Commission

Application for Appointment to Board or Commission

Thank you for your interest in serving on a Lansing Board, Commission or Committee.

Certain boards, commissions or committees require appointees to be a registered elector in the City of Lansing (Charter Section 2-102) and be a resident of Lansing for one year prior to taking office (Charter Section 2-102).

Appointees to every board, commission or committee must not be in default to the City at the time of taking office (Charter Section 2-103.2) and not have been convicted, within 20 years of taking office, of a violation of the election laws of the City of Lansing, State of Michigan, or the United States; a violation of public trust; or any felony (Charter Section 2-103.1).

Date	2/13/2019
First Name	Felicia
Middle	Beth
Last Name	Eshragh
Other name(s) by which you have been known, including maiden names	Field not completed.
Date of Birth	
Address	1418 W. Kalamazoo St.
City	Lansing
State	MI
Zip Code	48915
Email	felicia.eshragh@gmail.com

Gender	Female
Ward	4
Precinct	Field not completed.
Best phone number to contact you	[REDACTED]
Last 4 digits of social security number	[REDACTED]
In what year did you move to Lansing?	2018
Additional information regarding experience and credentials	Field not completed.
Occupational Background	Healthcare Regulations. I have a law degree and am licensed in Illinois and Virginia. I have a strong background in administrative law and procedures.
Educational Background	Bachelors of Arts - International Relations from Michigan State, JD and MPH from St. Louis University
Please attach a resume if available	<u>FBE Resume 2019.pdf</u>
First choice for board to serve on	<u>Income Tax Board of Review</u>
Second choice of a board to serve on	<u>Ethics Board</u> <i>Income Tax Review</i>
Third choice of a board to serve on	Field not completed. <i>Ethics Board</i>
Fourth choice of a board to serve on	Field not completed.
Please comment briefly on why you wish to serve on a particular board or commission. Please be specific as to your goals and ideas about how you wish to contribute to the work of the board or commission	I am interested in administrative appeals and review procedures. I look forward to the opportunity to give back to my community and help out in any way I can.

Qualifications and Eligibility – At this time, if you do not meet one or more of the qualifications or eligibility requirements listed at the top, please state here the requirement to be met and explain how you will be qualified or eligible before you would be sworn in to an appointed office

Field not completed.

Background Check Authorization

I agree

Please type your name in this box to signify that you can serve on a board or commission and the information in this application is accurate to the best of your knowledge

Felicia B Eshragh

Date & Time

2/13/2019 9:30 PM

Email not displaying correctly? [View it in your browser.](#)

FELICIA B. ESHRAGH, JD, MPH

1418 W. Kalamazoo St., Lansing, MI 48910
felicia.eshragh@gmail.com • 616.240.8286

EXPERIENCE

Altarum Institute, Ann Arbor, MI

Healthcare Project Manager

November 2015 – Present

- Supported Michigan Department of Health and Human Services (MDHHS) implementation and administration of the Medicaid Management Information System, the Community Health Automated Medicaid Processing System (CHAMPS)
- Served as Program Coordinator for the Medicaid Management Program Management Office (PMO) within the Business Integration Center
- Provided key system and process development to create the new Medicaid Management PMO
- Coordinated processes and projects associated with migrating CHAMPS to a cloud based system
- Managed an initiative to replace the Level of Care number designations to a new specific coding system for more effective Medicaid enrollment and billing processes
- Lead business readiness efforts across MDHHS for new system and policy changes associated with Level of Care changes
- Managed team charged with transitioning Medicaid and Behavioral Health programs to new Home and Community-Based Services regulations including policy, regulatory, and programmatic changes
- Facilitated intergovernmental initiative to integrate CHAMPS into Illinois based system through the Illinois Michigan Program Alliance for Core Technology (IMPACT)
- Conducted solution sessions between Michigan and Illinois to effectively modify CHAMPS to meet Illinois policy and legislative requirements

Contractor for Keystone Peer Review Organization (KEPRO)

Project Coordinator for FTCA Deeming Project, HRSA Project

March 2012 – November 2015

- Project manager and point person for application reviews for Federally Qualified Health Centers (FQHCs) and Free Clinic Federal Tort Claims Act (FTCA) Medical Malpractice Coverage Program
- Supervised 30 reviewers and managed the Health Center and Free Clinic FTCA Program application program for KEPRO, including regular reporting and program evaluation
- Created and coordinated program policies and procedures on risk management, claims management, and quality improvement initiatives
- Conducted site visits to audit program compliance and provide technical assistance for grantees
- Anticipated and mitigated possible litigation for HRSA and/or health centers
- Served as liaison between KePRO and HRSA Contract Technical Representative and Project Lead to define project goals, timelines, deliverables, and client needs
- Planned, coordinated, and presented at program conferences for grantees and other stakeholders

George Washington University – Department of Health Policy, Washington, DC

Research Project Director

October 2011 – March 2012

- Tracked and analyzed proposed legislation and regulations concerning Essential Health Benefits, Mental Health Parity, and Prevention Fund budgets
- Researched and drafted briefing documents advocating for improved access to health care services and workplace wellness programs
- Created strategy to implement policy encouraging Hepatitis C screening for adults born between 1945 and 1965

Health Resources and Services Administration – Bureau of Primary Health Care, Rockville, MD

Public Health Analyst

June 2010 – September 2011

- Oversaw and managed the free clinic FTCA medical malpractice program
- Advised on medical malpractice coverage for FQHCs and free clinics under the FTCA
- Created free clinics FTCA program application and guidance for annual deeming process
- Increased participation in free clinic program from 129 sponsoring free clinics to 170 free clinics
- Instituted comprehensive free clinic FTCA program policy including quality and risk management programs to mitigate risk of medical malpractice claims

FELICIA B. ESHRAGH, JD, MPH

1418 W. Kalamazoo St., Lansing, MI 48910
felicia.eshragh@gmail.com • 616.240.8286

- Consolidated and integrated public comment on draft health center policy into final published manual
- Managed technical assistance presentations both on and off-site for the FTCA program, HRSA Project Officers, potential applicants, nonprofit organization, and state and local policymakers
- Created a request for proposal and statement of work seeking a contracting organization to provide risk management services for the Bureau of Primary Health Care
- Served on Technical Review Panel to review federal contract worth \$3 million

National Student Leadership Conference, Bar/Bri, Chicago, IL and Washington, DC

Program Director

August 2004 – August 2006

- Created, organized, and implemented national junior high and middle school programs focusing on the U.S. Government, international diplomacy, physical and biological science, and leadership
- Developed curricula and wrote background books for each program
- Formulated and coordinated program schedule and daily activities for twelve annual sessions
- Hired, trained, and managed staff of 45

EDUCATION

Saint Louis University School of Law, St. Louis, MO

Juris Doctor, January 2010

Honors/Activities: National Health Law Moot Court quarter-finalist, Comments & Web Managing Editor - *Journal of Health Law and Policy*, Health Law Association, Honor Council (Honor Code), Bar/Bri Head Representative, Study Abroad in Cairo, Egypt.

Saint Louis University School of Law and School of Public Health, St. Louis, MO

Master of Public Health - Health Policy, January 2010

Michigan State University- James Madison College, East Lansing, MI

Bachelor of Arts, International Relations, May 2004

Honors/Activities: Garfinkel Award for Community Service, Dean's List, Secretary-General and founding member of Michigan State University Model United Nations, Chief of Staff for UNA-USA Model United Nations, Resident Advisor

PUBLICATIONS & PRESENTATIONS

- Felicia B. Eshragh. *Same Debate Different Result: Parental Opt-Outs of a Mandated HPV Vaccine*. 2 ST. LOUIS U. J. HEALTH L. & POL'Y 205 (FALL 2008).
- Abigail English, et al. *State Minor Consent Laws: A Summary Third Edition*. (monograph) Center for Adolescent Health and the Law. (Spring 2010). [named co-author]
- Grand Rounds at Cardinal Glennon Children's Medical Center, "Adolescent Consent Laws – Sex, Drugs, and Rock & Roll". Presented on October 14, 2009 with Prof. Sidney Watson.

BAR ADMISSIONS

Commonwealth of Virginia: Admitted July 2014 (Active)

State of Illinois: Admitted July 2010 (Inactive)

VOLUNTEER

Advisory Board Member for Camp Newaygo

BY THE COMMITTEE OF WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the Mayor made the appointment of Felicia B. Eshragh, 1418 W. Kalamazoo Street, Lansing, MI 48915 as an At-Large Member of the Board of Review for a term to expire June 30, 2022; and

WHEREAS, the nominee has been vetted by the Mayor's Office and meets the qualifications as required by the City Charter; and

WHEREAS, the Committee of the Whole met on February 25, 2019 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the Felicia B. Eshragh, 1418 W. Kalamazoo Street, Lansing, MI 48915 as an At-Large Member of the Board of Review for a term to expire June 30, 2022.

RECYCLING SERVICES AGREEMENT

This Recycling Services Agreement ("this Agreement") is made and entered into this _____ day of _____, 2019 (the "Effective Date"), by and between The City of Lansing ("Generator") and Emterra Environmental USA Corp ("Processor"). The contract effective date will be the date it is signed by City of Lansing authorized signee's and delivered (return receipt) to Emterra after Council approves the agreement.

In consideration of the covenants and undertakings of the parties hereto and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, Generator and Processor hereby agree as follows:

I. DEFINITIONS

Acceptable Materials and or Recyclable Materials: those materials listed as Acceptable Materials in Schedule B — Materials Acceptance Protocol.

Processing Facility: the Processor's processing facility located at a mutually agreed upon location in the tri-county area that is to be determined.

Single Stream Residential Recyclable: recyclable fibers and containers which is not more than __8__% of unacceptable materials / contaminants,

Recyclables: the acceptable materials contained in the Single Stream Recyclable as per the Acceptable Materials in Schedule B, received from the Generator.

Unacceptable Materials: those materials in the inbound recyclable that are not in the Acceptable Material list as per item #1 of Schedule B — Materials Acceptance Protocol.

Contaminants: unacceptable Materials

Average Commodity Revenue "(ACR): the Facility's prior month's Net Achieved Revenue for all Recyclables (including Residue tons) divided by the total tons of inbound tonnage received over the same month as per the ACR Calculation Formula.

Net Revenue: means gross revenue earned minus any direct costs of Processor related to transportation, marketing, and uncollectable accounts receivable of Recyclables

Achieved Net Revenue: means the paper commodity revenue as per the Market indices and the actual net revenue earned for other non-paper recyclable materials; both net of uncollectable accounts receivable

Revenue Share: means a percentage of the amount by which the ACR exceeds the ACR Threshold, to be paid by the Processor to the Generator.

ACR Threshold: means the Processing Fee for the year base on the inbound tonnage of the Single Stream Recyclable

Tip Fee (Processing Fee): the unit price per ton paid to the Processor by the Generator based on inbound ton and is detailed in Schedule A

Annual escalation Factor: the Processing Fee is adjusted annually based on the change over the previous twelve (12) month period in the Consumer Price Index — CPI (U) Midwest East North Central All Items Index shall be used to determine the Annual Escalation Factor

Residue: is generated from the processing of the inbound Recyclable Materials. It is comprised of missed Recyclable Materials and the Unacceptable Recyclables. The final destination of Residue is either at the landfill or the incinerator.

2. RESPONSIBILITIES OF GENERATOR

2.1 Generator shall deliver or cause to be delivered to the Facility all Single Stream Residential Recyclable it collects. However, Generator reserves the right to collect source-separated Acceptable Materials from Commercial Customers curbside or contract with Emterra to collect Commercial Customers, and be processed and marketed as part of this Agreement. Title to the Recyclable shall pass from Generator to Processor upon acceptance at the Facility.

2.2 The parties expect approximately ___ 625___ tons per month of Recyclables from the Generator.

2.3 The Generator is responsible for compliance with the Materials Acceptance Protocol. The Processor shall have the right to inspect all inbound loads from the Generator and to reject any delivery from the Generator which contains or appears to contain by volume or weight more than eight percent (___ 8___%) Unacceptable Material whichever is less, or which contains or appears to contain any amount of hazardous, toxic, radioactive or similarly dangerous Unacceptable Material (each such rejected load an "Unacceptable Load").

The entire cost arising from Generator's delivery of any Unacceptable Load (including without limitation transportation, re-loading, clean-up, alternate disposal and the like) shall be the sole responsibility of the Generator. Title to Unacceptable Material shall not pass from Generator to Processor.

City of Lansing is to pay a reasonable fee for all rejected loads to reimburse the Processor for the time and resources to handle and/or reload the rejected load back into the truck, which shall be a minimum of \$200.00 per load.

2.4 Generator will make reasonable efforts to eliminate the scavenging of recyclables prior to delivery to the Facility.

2.5 Generator will make best efforts to avoid delivery of hazardous materials and to notify the Processor and take reasonable measures upon discovery of a delivery of hazardous materials.

2.6 Generator will cause its loads to be delivered in conformance with the Facility operating hours and the delivery routines and standards described in the Hauler's Rules, attached hereto as Schedule C.

2.7 Generator is responsible to provide public education to the residents so as to eliminate / reduce the Unacceptable Materials in the Recyclable Materials. The maximum rate of Unacceptable Material is _____ 8__% of a load by volume or weight whichever is less. Should the load have Unacceptable Material over the maximum limit; the Processor has the right to reject the load.

2.8 There is a "grace" of 3 rejected loads per year, the processing fee for these "grace loads" would not be charged. After the 3 "grace loads", the processing fee would be assessed for rejected loads. These rejected loads would count toward the tonnage rate.

3. RESPONSIBILITIES OF PROCESSOR

3.1 Processor is to build / set up a Processing Facility to process the Single Stream Residential Recyclable **Processing Facility** at its costs. This Facility is owned and operated by the Processor.

3.2 Processor will receive, process, and market all Single Stream Residential Recyclables delivered to the facility by the Generator. Processor will provide Generator with a monthly report which shall indicate the date, time, and net weight for each load, a report of the total tons received for that calendar month, and a billing summary.

3.3 The Processor is committed to a maximum of 10% Residue generated from the Facility provided that the Generator meets the requirement of 2.7.

3.4 Hours of Operation at the Facility shall be as follows:

Monday through Friday 7:00 AM to 5:00 PM

Saturday be opened during the week after Holiday day

Holiday Closings:

New Year Day	
Thanksgiving Day	
Christmas Day	
Memorial Day	
Independence Day	
Labor Day	

3.5 The parties may arrange for deliveries outside of the operating hours specified in Paragraph 3.4 by mutual agreement.

3.6 The Facility is not a dedicated facility and the Processor is free to accept Recyclable Materials from other sources / jurisdictions.

3.7 The Processor is responsible for the design of the Facility and is responsible to process the Recyclable Materials for sale based on the Buyer's specification, the grades are detailed in Schedule A. The Processor is fully responsible for its site design and equipment design for this Work of this Agreement. Furthermore, the Processor is securing and choosing the equipment for its own use.

4. TERM

4.1 Initial Term. The initial term of this Agreement is a ten (10) year term and shall commence on the Effective Date and shall expire on _____, 2029 (the "Initial Term"), with both the Processing Fee and the ACR Threshold price be adjusted annually pursuant to Schedule A.

4.2 Extensions and Renewals. Subject to paragraph 4.1, this Agreement shall be Automatically renewed for five (5) year term, with the threshold price adjusted annually pursuant to Schedule A, unless either party, no less than ninety (90) days prior to the end of the then-existing term, provides notice to the other party of its intent not to extend for an additional term.

5. PAYMENT

5.1 All Processing invoices shall be due and payable on a strict net thirty (30) days from date of invoice basis. Interest shall accrue on all past due invoices at the rate of one and one-half percent (1.5%) per month.

5.2 All ACR and Revenue Share Report will be sent to the Generator by the 25th of the month. Revenue Share payment to the Generator will be made to the Generator 30 days after the monthly report. Interest shall accrue on all past due invoices at the rate of one and one-half percent (1.5%) per month

6. OWNERSHIP OF RECYCLABLE MATERIALS

The Processor acknowledges and agrees that the Generator retains 100% of the Net Revenue from sale of the recyclable commodity up to the ACR Threshold, subject to Revenue Share with the Processor.

7. REPORTING REQUIREMENTS FOR GENERATOR'S RECYCLABLES

The Processor shall provide the Generator with the following information on a monthly basis:

- details as to the location /source, dates and weights of each load of Recyclable Material transported to a Processing Facility;
- total Ton of Recyclable Material delivered to the Processing Facility for each source; and
- Tonnes of Recyclable Material processed and residual generated at the Processing Facility.
- On 25th of the month, an ACR report will be forwarded to the Generator

8. STANDARD TERMS & CONDITIONS

Terms and Conditions are attached as Schedule D and are incorporated hereby in their entirety.

9. INCONSISTENCY AND PARAMOUNTCY

In the event of any inconsistency, ambiguity or conflict among the provisions or documents constituting this Agreement, the provisions or documents shall take precedence and govern in the following order to the extent necessary to eliminate such inconsistency or ambiguity:

- (a) This Agreement;
- (b) Schedule A;
- (c) Schedule B;
- (d) Schedule D
- (e) Schedule C
- (f) Post-Submission meeting minutes
- (g) Processor's Submission
- (h) RFP document

10. NOTICES

All notices to be given under this Agreement shall be in writing and delivered personally or by first class mail to the following addresses or such other addresses as the parties may provide by written notice in accordance with this paragraph:

Processor: Emterra Environmental USA Corp
1606 E Webster Road, Flint, MI 48505
Attn: Angelo Caramagno, General Manager

With a copy to: Halton Recycling Ltd.
1122 Pioneer Road
Burlington, On. CA
L7M 1K4
Attn: Paulina Leung

Generator: City of Lansing Department of Public Service
124 W. Michigan Avenue
Lansing, MI 48933
Attn: Andy Kilpatrick P.E.

11. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but which together will constitute one and the same instrument.

IN WITNESS HEREOF, the parties have executed this agreement as of the _____

Processor: Emterra Environmental USA Corp



By _____

Name and Title Emmie Leung, CEO

Generator: City of Lansing

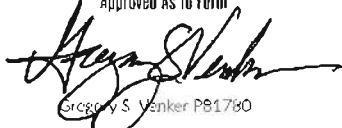
By _____

Name and Title Mayor Andy Schor

I hereby certify that funds are available

Acct No _____

_____ Accounting Manager

Approved As To Form

Gregory S. Venker PB1780

Schedule A Price Schedule

Single Stream Recyclable Processing Fee and Revenue Share Metric:

Table 1: Processing Fee Schedule based on annual tonnage received

		7,500+ tons	10,500+ tons	13,500+ tons	16,000 16,500+ tons	20,000+ tons
		Tier 1 pricing	Tier 2 Pricing	Tier 3 Pricing	Tier 4 Pricing	Tier 5 Pricing
A.1	Processing Fee (\$/ton)	\$134.31	\$121.70	\$112.75	\$106.07	\$100.00
A.2	Annual Escalation Factor	CPI (U) Midwest East North Central All Items Index shall be used to determine the Annual Escalation Factor. The Processing Fee and ACR Threshold for each year will be adjusted on the anniversary date of each year of the Agreement, starting on the first anniversary of the Agreement. The adjustment will be calculated using the percentage change between the preceding year and the current year. There shall be no negative adjustment.				

There is a put or pay of 7,500 tons per year by City of Lansing, East Lansing and Participating Municipalities* at Tier 1 Pricing during the contract term. This rate is adjusted annually based on the Annual Escalation Factor as outlined above. Source Separate Recyclable from the Generator is counted toward this tonnage commitment.

Multi-family single stream tonnage collected within the borders of Lansing and East Lansing will count toward the Processing Fee Schedule under Table 1 only. It is understood that any price benefit will only impact Lansing or East Lansing's price. Third party haulers will not have any pricing benefit, put or pay nor revenue share. Rejected loads from Multi-family will not count towards tonnage. Lansing and East Lansing will commit resources to grow multi-family and commercial recycling in an effort to increase tonnage and meet or exceed minimums.

Monthly Processing Fee payment to the Processor is the monthly inbound ton multiplied by the dollar per ton processor fee for the month.

Composition Audit: a composition audit will be conducted each month or an average of audits over a three (3) month period, to determine the aggregate per ton value for each recyclable stream and to calculate the ACR. The Generator and Processor are to work co-operatively to conduct the audit.

Average Commodity Revenue "(ACR)" Calculation:

Paper commodity revenue is by index and non-paper commodity revenue is by actual net revenue earned

- **Market Index**

- o The following market indicators shall be used for the paper commodities:
 - **Paper**
 - **Official Board Markets (OBM) – Recovered Paper Domestic Index**, the first publication of the month, Midwest (Chicago) pricing mid-point of the high and low price per ton, FOB Seller's dock
 - Applicable grades of paper fibers as per Institute of Scrap Recycling Industry (ISRI) specification:
 - OCC (11)
 - Sorted Residential Papers and News (56)
 - Mixed Paper (54)
 - **Ferrous Metals**
 - No price index, based on actual net price per ton received from buyers
 - **Aluminium**
 - No price index, actual net price per ton received from buyers
 - **Aseptic Container**
 - No price index, actual net price per ton received from buyers
 - **Glass Bottles**
 - No price index, actual net price per ton received from buyers
 - **Rigid Mixed Plastic #1-7 Containers**
 - No price index, actual net price per ton received from buyers
- o The achieved ACR is the average revenue per ton achieved for the month as per the above grades

Table 2: Average Commodity Revenue (ACR) Threshold and Revenue Share

		7,500+ tons	10,500+ tons	13,500 + tons	16,500+ tons	20,000+ tons
A.3	ACR Threshold (\$/ton) for the first year	\$134.31	\$121.70	\$112.75	\$106.07	\$100.00

- o A.4 Trigger price /point for Revenue Share is when the actual achieved is equal to the ACR Threshold.

A.1 Tip Fee	tons received	7,500+	10,500+	13,500 +	16,500+	20,000+
	Tip Fee per ton	\$134.31	\$121.70	\$112.75	\$106.07	\$100.00

A.2 Annual Escalation Factor to be applied to the Tip Fee

Annual Escalation Factor base on CPI change, without negative adjustment

A.3 Revenue Share

- Lansing will receive 100% of the Average Commodity Revenue (ACR) for tons delivered by the City of Lansing and participating municipalities under this Agreement until achieving ACR Threshold.
- The Revenue Share for the City of Lansing will be 55% for Net Revenue over Threshold ACR, 45% to the Processor.
- Processor's 3rd Party tons delivered, including OCC is excluded from Revenue Share; and Tip Fee.
- Revenue Share is determined monthly and reconciled and paid quarterly; and
- The ACR Threshold for second year will be adjusted using the Annual Escalation Factor outlined in Table 1 above.
- No ACR rebate will be paid should annual tons received fall below the 7,500 ton level of the minimum threshold

Examples of Revenue Share:

Example 1: When achieved ACR is less than the Processing Fee

1. Volume deliver to the Processor : 7,500Tons,
2. Achieved ACR is \$63.52 per ton for the month of July 2019
3. Processing Fee paid by Generator = \$134.31 per ton
4. $ACR = \$63.52 \text{ per ton} \times 100\% = \63.52 per ton credited to the Generator
5. Net cost to the Generator : $\$134.31 - \$63.52 = \$70.79$ per inbound ton

Example 2: When achieved ACR is more than the Processing Fee:

1. Volume deliver to the Processor: 16,500 tons,
2. Achieved ACR = \$210.00 per ton
3. Processing Fee paid by the Generator = \$106.07 per ton
4. ACR: First $\$106.07 \times 100\% = \106.07 / ton credited to the Generator to pay for the cost
5. Revenue Share to Generator :
 - any ACR that is over the processing fee (ACR Threshold) , 55% credited to the Generator : $(\$210 - \$106.07) \times 55\% = \$57.16$ per ton credited to the Generator
6. Net cost to the Generator: = $(\$106.07 \text{ processing fee} - \$106.07 \text{ of first ACR}) - \$57.16 \text{ revenue share to generator} = -\57.16 , eg the Generator will receive a credit of \$57.16 as revenue share.

7. Revenue Share to Processor :

- any ACR that is over the processing fee (ACR Threshold) , 45% credited to the Processor : (\$ 210-106.07) X 45% =\$103.93X 45%= \$46.77 per ton credited to the Processor

Schedule B
Materials Acceptance Protocol

1. Acceptable Material list for Lansing recycling program:

- **Glass**, transparent and translucent food and beverage bottles and containers. Paper labels are acceptable as are rings and lids on glass containers. **All** colors of glass are accepted — green, amber, or clear.
- **Tin/ Steel Cans**, tin plated, food and beverage containers, all sizes; paper labels are acceptable. Metal pots and pans, metal trays, metal bakeware, toasters, metal utensils are not acceptable
- **Aluminum** used beverage containers and foil, clean of food
- **All Plastic Bottles** — including but not limited to:
 - **HDPE Plastic Bottles (SPI Code #2)** — blow-molded (bottle-necked) natural and colored HDPE containers, including plastic milk jugs, water jugs, detergent bottles, and similar items; caps and labels are acceptable. Motor oil and anti-freeze containers are not acceptable. Tubs, pots, and trays are not acceptable.
 - **PET Plastic Bottles (SPI Code #1)** — blow-molded (bottle-necked) clear and green PET containers, such as soda bottles, dishwashing soap bottles, and some shampoo bottles. Tubs, pots, and trays are not acceptable.
 - **PET Clamshell** – PET plastic container for take-out, and produce. Clean of food
- **Household Plastic Containers #1, #2 and #4 through #7** excluding Styrofoam and #3. Buckets, crates, toys, trays, furniture, bins, barrels, etc., often referred to as "Injection grade : such as injection HDPE", are not acceptable
- **Multi-coated/Plastic Coated Paper Beverage Cartons** including milk and juice cartons also known as aseptic containers. Poly-coated freezer cartons are not acceptable
- **Newspaper** — old newspapers and advertisement inserts. Old newspaper that contains incidental moisture from rain on collection days is acceptable. Moisture over 12% is not acceptable. Wet and or soiled paper or yellowed newsprint is unacceptable.
- **Magazine** — old magazines containing glossy coated paper, including catalogues, glossy fillers or mailers. Moisture over 12% is not acceptable
- **Old Corrugated Cardboard (OCC) & Kraft Paper Bags** — old corrugated containers (cardboard) that are flattened that have liners of Kraft, jute, or test liner. Staples and tape with water-soluble glues do not have to be removed. Moisture over 12% is not acceptable. Pizza boxes free of food are acceptable. Wax-coated and or stained / soiled old corrugated containers are not acceptable.
- **Office Paper (White and Colored)**, household writing paper, post-its, all residential mail including envelopes (manila and regular), all types and sizes of dry, loose white and colored ledger and copier paper, note pad paper (no backing), loose leaf fillers, computer paper (continuous-form perforated white bond or green-bar paper). Shredded office paper must be placed in clear plastic bags and tied.
Gift Wrap is not acceptable

- **Boxboard** — all non-corrugated, commonly used in dry food and cereal boxes, shoe boxes, and other similar packaging. Boxboard that has been contaminated or has food is not acceptable. Plastic film or greasy paper liner in cereal boxes must be removed

- **Telephone books**

2. Unacceptable Materials: Unacceptable Materials are non program materials and any item that is not in the Acceptable Material list in item #1 above

For example:

- Plastic bags, grocery bags, and plastic film of any kind
- Styrofoam, any plastic containers with Plastic No 3,
- No bagged material except as detailed above.
- Mirrors, window or auto glass, light bulbs, ceramics,
- Oil or antifreeze containers, paint cans, aerosol cans
- Containers / bottles that has a hazardous symbol
- coat hangers, toys, buckets, pails,
- soiled, food contaminated paper
- chemically treated paper, waxed paper
- Hard cover books
- Tissue paper, napkins
- Food waste, garbage, yard waste
- Garden hoses
- Electronics, Christmas lights

Schedule C

**Safety Policies & Procedures
for Commercial Vehicle Drivers Backing into
the Facility Tip Floor
*October 2018***

- The drivers/loaders must report to and obey all traffic control devices and directions given by the MRF staff, scale attendant at all times.
- Driver must identify company name and collection location of the recycling.
- The driver shall approach Scale SLOWLY.
- Collection vehicles operators are required to weigh their vehicle at the weigh scale before proceeding to unload.
- Drivers shall travel at safe speeds at all times when entering or driving on the property. Excessive speed will not be tolerated. Adverse weather conditions will dictate safe speeds in the yard. Under no circumstances is the driver of a commercial motor vehicle to exceed 10 mi/hr in the yard.
- A full stop is a MUST before getting in the tipping floor. Wait for the Loader Operator's instruction before entering.

- Drivers/loaders shall properly wear (laced) safety foot wear with steel toed protection at all times when outside the cab of his/her truck. The safety foot wear shall meet the ASTM F241305 and display the green tag.
- Drivers/loaders shall properly wear a safety vest which meets the ANSI Class II at all times when outside the vehicle. The safety vest must be in good condition so as to retain its high visibility standard.
- Drivers/loaders shall properly wear safety glasses at all times when outside the cab of his/her truck.
- Commercial Motor Vehicle Driver's must be alert to mobile equipment and pedestrian traffic at all times when on the Emterra Recycling property. Drivers must make eye contact with pedestrians and mobile equipment operators before safely proceeding with their intended path of travel.
- The use of radio communication / cell phones and other distractive devices are strictly prohibited while operating a commercial vehicle on the premises. The driver must pay full attention to his/her surroundings at all times.
- No Visitors or Unauthorized personnel will be allowed inside the Tip Floor. All Visitors should REPORT to the Front Office before entering in the Tip Floor.

Procedure for Truck Unloading

- **Position your truck well back from the entrance of the bay door so that it is ready to back up. If the bay is vacant (no trucks inside bay) back your truck to the door but remain outside the building (approximately 5 feet from the entrance). Exit the cab of your truck, stand at the edge of the door and establish hand/eye communication with the loader operator that it is safe to back in. Sound your horn twice (two short blasts) before you make the final entry into the plant as a final warning. Never reverse your truck**

into the plant unloading area unless you have established communication with the loader operator.

Note: If the loader operator is not available, the driver or loader must exit the cab and make sure the bay is safe to back into, before reversing the truck. Always be aware of mobile equipment in the area. Once it is safe to back in, the driver can proceed at a very low rate of speed. Use of the air horn (two short blasts) is required as a final warning prior to entry. At this point, the spotter must get back into the cab of the truck. Driver to back in slowly and with extreme caution.

- The vehicle shall not exceed 5mi/hr, while reversing into the tipping floor area.
- Once inside the Bay, properly secure your vehicle. Only the driver may exit the cab of the truck. Be aware of your surroundings at all times
- NOTE: The driver must never be outside a one metre radius from his/her truck at any time when on the tipping floor. Do not wander out of this area. If there is a need for the driver to move outside the one metre radius, eye contact must first be made with mobile equipment operator(s) and hand signals must be used to communicate the intention. The driver is to return immediately back to the one metre radius.
- **Never place yourself under the hydraulic tailgate unless the safety bar on the truck has been engaged. Once this safety bar is engaged you must only stand in the space between the bar and the back of the truck (not the back of the tailgate).**
- The driver shall ensure that all loose materials are removed from the collection vehicle prior to leaving the tipping floor area.
- The driver shall never enter or exit the tipping floor area with the vehicle box in the upward position.

- Upon completion of the unloading procedure, drive safely out of the Bay door stopping and honking your horn just before edging the nose of the truck out. Ensure there are no pedestrians or mobile equipment in your path of travel, before proceeding.
- Loader Operator will conduct a VISUAL inspection of the unloaded materials as well as when the material is being pushed. Loader Operator will contact Lead Hand or Supervisor in charge for assistance in case of material object or ANY unusual products.
- Drive to the scale house to weigh out under a safe controlled speed.
- Driver shall not allow litter to be discharged from the body or cab of vehicle.
- Driver shall not loiter in the yard.
- Loader operator will report drivers and helpers who do not comply with this procedure. Drivers/loaders who fail to comply with these policies and guidelines will not be permitted to access the facility.
- Processor has the right to amend the Rules.

Schedule D
Terms and Conditions

1. Deposit Bill Legislation. If legislation is enacted on a State or national level that requires a redeemable deposit on any of the items listed as Recyclables for which a redeemable deposit is not required on the effective date of the Agreement, the parties agree that their economic positions have been substantially impacted. Therefore, the Processor and Generator will renegotiate the price of the Agreement in good faith to rectify the economic impact. If the parties cannot reach a mutually satisfactory agreement, either party may terminate the Agreement with sixty (60) days' notice without further obligation.

2. Governing Law. This Agreement and any issues arising hereunder or relating hereto shall be governed by and construed in accordance with the laws of the State of Michigan.

3. Venue. The Parties agree that all actions or proceedings arising in connection with this agreement shall be tried and litigated only in state and federal courts in Michigan.

4. Disclaimer of Joint Venture, Partnership, and Agency. This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the parties or to impose any partnership obligation or liability upon either party. Neither party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other party. Generator and its employees and agents shall not be entitled to any Processor fringe benefits and hereby expressly waive any claim or right now or hereafter accruing against Processor arising out of the operation of any applicable workers' compensation law.

5. Force Majeure.

a. "Force Majeure" means any act, event or condition materially and adversely affecting the ability of a party to perform or comply with any material obligation, duty or agreement required under this Agreement, if such act, event, or condition is beyond the reasonable control of the nonperforming party or its agents relying thereon; results from the occurrence of any event the nonoccurrence of which was a basic assumption at the time this contract was made; is not the result of the willful or negligent action, inaction or fault of the party relying thereon; and the nonperforming party has been unable to avoid or overcome the act, event or condition by the exercise of due diligence, including, without limitation: (i) an act of God, epidemic, landslide, lightning, earthquake, fire, explosion, storm, flood or similar occurrence; (ii) an act of public enemy, war, blockage, insurrection, riot, general unrest or restraint of government and people, civil disturbance or disobedience, sabotage, act of terrorism or similar occurrence; (iii) a strike, work slowdown, or similar industrial or labor action; (iv) an order or judgment (including without limitation a temporary restraining order, temporary injunction, preliminary injunction, permanent injunction, or cease and desist order) or other act of any federal, state, county or local court, administrative agency or governmental office or body which prevents a party's obligations as contemplated by this Agreement, with the exception of legislation described in paragraph 1; (v) adoption or change (including a change in interpretation, enforcement or permit requirement) of any federal, state or local law after the Effective Date of this Agreement, preventing performance of or compliance with the obligations hereunder; or (vi) any other event or occurrence not within the reasonable control of a party, including a material adverse disruption in the commodities market.

b. Neither party shall be liable to the other for damages if such party's performance is delayed or prevented due to an event of Force Majeure. In such event, the affected party shall promptly notify the other of the event of Force Majeure and its likely duration. During the continuation of the Force Majeure Event, the nonperforming party shall (i) exercise commercially reasonable efforts to mitigate or limit damages to the performing party; (ii) exercise commercially reasonable due diligence to overcome the Force Majeure event; (iii) to the extent it is able, continue to perform its obligations under this Agreement; and (iv) cause the suspension of performance to be of no greater scope and no longer duration than the Force Majeure event requires.

7. Representations and Warranties of Authority. Each party represents and warrants to the other that:

a. it is duly qualified to do business and is in good standing in every jurisdiction in which this Agreement requires its performance;

b. it has full power and authority to execute, deliver and perform its obligations under this Agreement;

c. the execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action by such party; and

d. the execution and delivery of this Agreement by such party and the performance of the terms, covenants and conditions contained herein will not violate the articles of incorporation or by-laws of such party, or any order of a court or arbitrator, and will not conflict with and will not constitute a material breach of, or default under, the provisions of any material contract by which either party is bound.

These warranties shall survive the expiration or termination of this Agreement.

8. Termination.

This Agreement may be terminated pursuant to following:

a. at any time by both parties upon mutual written agreement; or

b. immediately upon notice by either party in the event that any of the representations and warranties made by the other party in this Agreement are shown to be untrue; or

c. by either party in the event of a failure by the other party to perform a material obligation as follows (a "Default"): if the Default has not been cured by the defaulting party within ninety (90) days from receipt of notice from the non-defaulting party, the non-defaulting party may (i) terminate this Agreement immediately upon notice, unless the defaulting party is diligently pursuing a cure, or (ii) agree in writing that the defaulting party is diligently pursuing a cure in a commercially reasonable manner, then the cure period will be extended for a further ninety (90) days.

9. Entire Agreement. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely expresses their agreement and contains all of the terms agreed upon between the parties with respect to the subject matter of this Agreement, and that this Agreement is entered into after full investigation, neither party relying upon any statement or representation, not embodied in this Agreement, made by the other. All schedules referenced in the Agreement and the contents thereof are incorporated herein by reference.

10. Amendment. This Agreement may not be amended, modified or supplemented, except in writing and signed by the parties.

- 11. Non-Waiver.** No waiver by any party to this Agreement of any failure or refusal by the other party to comply with its obligations shall be deemed a waiver of any other or subsequent failure or refusal to so comply. No waiver by either Party of any right or remedy hereunder shall be valid unless the same shall be in writing and signed by the Party giving such waiver. No waiver by either Party with respect to any default, misrepresentation, or breach of warranty or covenant hereunder shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.
- 12. Severability; Modification Required By Law.** If any term or provision of this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions thereof or hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreement of the parties herein set forth.
- 13. Headings, Pronouns.** The headings of sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. The pronouns "he", "she" or "it" are also used for convenience, and in the event that an improper pronoun has been used, it shall be deemed changed so as to render the sentence in which it is contained effective in accordance with its terms.
- 14. Successors and Assigns.** This Agreement and all of the provisions thereof and hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.
- 15. Assignment.** Neither this Agreement nor any of the rights, interests, obligations, and remedies hereunder shall be assigned by either party, including by operation of law, without the prior written consent of the other, such consent to not be unreasonably withheld, conditioned or delayed. Notwithstanding this paragraph, assignments may be made (1) to the parents, subsidiaries and affiliates of the assigning party; (2) at the assigning party's expense, to a person, firm, or corporation acquiring all or substantially all of the business and assets of the assigning party provided that the assignee assumes the obligations of the assigning party arising hereunder from and after the date of acquisition; or (3) as security to entities providing financing for the assigning party or for any of its affiliates for construction, reconstruction, modification, replacement or operation of any of the facilities of the assigning party or its parents, subsidiaries or affiliates.
- 16. Construction.** This Agreement and its exhibits and schedules are the result of negotiations between the parties and have been reviewed by all parties. Accordingly, this Agreement will be deemed to be the product of the parties thereto and no ambiguity will be construed in favor of or against any party.
- 17. No Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.
- 18. No Brokers.** Generator agrees that it has entered into this Agreement without the benefit or assistance of any brokers.
- 19. Further Acts.** Each party agrees to perform any further acts and to execute, acknowledge, and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.
- 20. Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but which together will constitute one and the same instrument.

21. **Dispute Resolution.** The parties agree to make reasonable efforts to resolve disputes through negotiation or other alternative dispute resolution processes prior to commencing litigation.
22. **Waiver of Subrogation.** Each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty, and to the extent that such insurance is in force and collectible and to the extent permitted by law, each party each hereby releases and waives all right of recovery against the other or any one claiming through or under each of them by way of subrogation or otherwise. The foregoing release and waiver shall be in force only if both releasors insurance policies contain a clause providing that such a release or waiver shall not invalidate the insurance.

RESOLUTION #2019-XXX

**RESOLUTION TO APPROVE RECYCLING AGREEMENT
BY THE COMMITTEE ON WAYS AND MEANS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING**

WHEREAS, the City of Lansing issued a request for proposals for the hauling and processing of recyclable materials collected by the City of Lansing and City of East Lansing; and

WHEREAS, four proposals were submitted and reviewed; and

WHEREAS, the review committee selected the proposal submitted by Emterra Environmental as being in the best interest of the City; and

WHEREAS, the proposal involves the construction of a regional materials recovery facility to process recyclable materials; and

WHEREAS, the proposed facility would eliminate the costs and operational concerns associated with operating a transfer center and having materials hauled out of the region for processing; and

WHEREAS, the City would benefit from more stable processing costs due to the construction of this facility; and

WHEREAS, the City would receive commodity revenue if the average price exceeds a threshold and would benefit from lower processing cost if recycling tonnage increased and/or other communities processed their materials under the City's agreement once certain thresholds are met; and

WHEREAS, the construction of the facility would be at no cost to the City but would require a longer processing agreement; and

WHEREAS, the Administration and Emterra have negotiated a Recycling Services Agreement to utilize Emterra's proposed facility for the processing of recyclables, for an initial term of 10 years, with the option for renewable 5 year terms thereafter; and

WHEREAS, the Agreement calls for no contribution by the City for construction of the proposed facility, provides for revenue to the City if certain thresholds are met in the delivery and processing of recyclables, and would only call for payment from the City in the event certain thresholds are not met; and

WHEREAS, the Recycling Services Agreement is attached as Exhibit A has been reviewed by the Office of the City Attorney as to form, and by the Finance Department;

NOW THEREFORE BE IT RESOLVED, the Lansing City Council hereby approves entering into a 10-year Recycling Services Agreement with Emterra Environmental for the processing of recyclables at its proposed facility.

BE IT FINALLY RESOLVED, that the Mayor, on behalf of the City, is hereby authorized to sign and execute all documents to complete this transaction, subject to prior approval as to content and form by the City Attorney.

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

That the following remaining balances as of June 30, 2018 be reappropriated in Fiscal Year FY2018/2019 as indicated:

<u>Account</u>	<u>Appropriation</u>	<u>Description</u>	<u>Unencumbered</u>
	<u>GENERAL FUND</u>		
101.000000.679100.00000	General Fund	Use Of Fund Balance	\$ 291,659
	Council Operating	Council Operating	\$ 8,109
101.833710.960120.00000	Human Services Agencies	Human Services Discretionary	14,751
101.833715.960121.00000	Human Services Agencies	Community Problem Solving	9,915
101.833715.960152.00000	Human Services Agencies	Community Mental Health Board	29,000
101.833720.960237.00000	Human Services Agencies	Youth RFP 14-19	1,283
101.833720.960304.00000	Human Services Agencies	Kids Cafe After School Nutrition	15,000
101.833720.960322.00000	Human Services Agencies	Kids Connect	111,009
101.833720.960329.00000	Human Services Agencies	Feed The Babies Keep Them Dry	10,000
101.833720.960331.00000	Human Services Agencies	Womens Support Initiative	20,000
101.833730.960062.00000	Human Services Agencies	Chronic Homeless Outreach	13,161
101.833730.960305.00000	Human Services Agencies	One Church One Family Housing	10,000
101.833730.960306.00000	Human Services Agencies	Project Homeless Connect	12,274
101.833730.960315.00000	Human Services Agencies	Mobile Food Pantry	2,605
101.833730.960325.00000	Human Services Agencies	Subsidized Eviction Prevention	34,553
	General Fund Total		<u>\$ 291,659</u>

(1) Restricted funds that are required to be carried forward per ordinance provisions



Chris Swope
Lansing City Clerk

February 8, 2019

President and Council Members
10th Floor City Hall
Lansing, MI 48933

Dear President and Council Members:

My office has received and placed on file this document from the Finance Director:

FY 2019 Second Quarter General Fund Status Report

This document is available for review at the office of the City Clerk or at <http://www.lansingmi.gov/clerk> under the heading of Documents Placed on File.

Sincerely,

Chris Swope, CMC
Lansing City Clerk

City of Lansing
General Fund Status Report – FY 2019 2nd Quarter
Please see accompanying summary detail (page 3)

Summary

For the second quarter of FY 2019, total General Fund revenues were slightly below budgetary targets, and expenditures were within budgetary targets.

Revenues

Revenue collection trends are measured by comparing the percentage of budget collected year-to-date to a three-year average collection rate for the same period of time in the previous three years.

In total, General Fund revenues collected in the second quarter of Fiscal Year 2019 (July – December), as a percent of budget, were slightly below the prior three years' second quarter collection rates, as a percentage of year-end amounts, at 57.7% compared to 58.2%.

- The vast majority of **Property Taxes** are collected in the first month of the fiscal year, however they are subject to tax appeals and other adjustments throughout the year. Collections were on par with previous years as of the second fiscal year quarter-end, at 99.1% compared to the previous years' collection rate of 99.8%.
- As a percentage of budget, **Income Tax** collections, as a percent of budget, were higher than the average collection rate for the past three years, at 34.8% of budget, compared to 32.3%. The adoption of East Lansing's income tax will affect our income tax revenues beginning January 1; however, it is not anticipated that any budgetary adjustment will be needed, as that possibility was factored into the FY 2019 budget projection. It should be noted that income tax revenues can fluctuate from previous trends due to timing differences in remittances.
- **State Revenue Sharing** and Fire Protection/Bad Driver Fees were on target for the second quarter, at 40.8% collected, compared to 40.9%.
- In total, **Licenses and Permits** revenues were lower than the average collection rate of the same period for the last three years as a percentage of year-end totals, at 20.6% of budget, compared to 31.5%, with the prior year collection rate somewhat skewed by medical marijuana application timelines in FY 2018. When medical marijuana revenues are removed from the prior years' trend, the prior years' benchmark becomes 21.3%. Licenses and permits make up only 1.5% of General Fund revenues.
- **Charges for Services** were on par with the average of the same period for the last three years, at 41.6% of budget compared to 42.2% in prior years.

(continued)

City of Lansing
General Fund Status Report – FY 2019 2nd Quarter
Please see accompanying summary detail (page 3)

Revenues (continued)

- Collection rates for **Fines and Forfeiture** for the second quarter were lower as a percentage of year-end totals for the average of the last three years, at 38.9% of the budget compared to 42.4%, due to lesser-than-anticipated penal case revenues.
- The first of two semiannual **Return on Equity** payments from the Board of Water and Light, was slightly lower than previous years' first installment collection percentages, at 49.1%, compared to 51.7%. This return on equity payment is dependent on gross revenues of the Board of Water and Light.
- As a category, **Interest and Rents** higher than previous years' trends. Interest revenue is posted as investments mature, the timing of which varies from year-to- year. While somewhat ahead of budgetary targets as of December 31, at 42.7% compared to 33.7%, interest and rents comprise only 0.2% of the General Fund budget.
- The **Other Revenues** category collection rate was on target as of the second quarter-end, at a 32.2% collection rate compared to 32.7% in the prior three years.

Expenditures

Expenditure trends are measured by comparing the percentage of budget spent year-to-date to expected timing of expenditures, taking into account payroll cycles and other know expenditure trends.

In total, taking into account the vacancy factor, expenditures for General Fund operating departments (excluding debt service and transfers to other funds) were within the budgetary target -- at 46.3% as of December 31, compared to a budgetary target of 48.1%. All departments were within budgetary targets, with the exception of the City Clerk's Office, due to election preparation, and the Human Relations and Community Services Department, due to the timing of programs.

Of note due to the relatively small amount expended in comparison to the budget, General Fund debt service payments are on target for the year, as they are due at the end of the fiscal year.

Of note, year-to-date revenues always exceed expenditures in the second quarter of the year as a result of the collection of the majority of property taxes, comprising 30% of total General Fund revenues, at the beginning of the fiscal year.

General Fund Status Report – FY 2019 2nd Quarter (as of December 31, 2018)

Revenues	Annual Budget	Actual as of 12/31/18	Percent of Budget	Avg. Percent of Year-End Actuals as of December 31 FY 2016 - 2018
Property Taxes	\$ 40,315,000	\$ 39,963,008	99.1%	99.8%
Income Taxes	38,500,000	13,412,494	34.8%	32.3%
Revenue Sharing	19,196,700	7,841,617	40.8%	40.9%
Licenses & Permits	1,677,000	345,211	20.6%	31.5%
Charges for Services	9,027,200	3,751,316	41.6%	42.2%
Fines & Forfeitures	2,456,100	955,168	38.9%	42.4%
Return on Equity	22,500,000	11,042,869	49.1%	51.7%
Interest & Rent	205,000	87,594	42.7%	33.7%
Other Revenue	433,000	139,520	32.2%	32.7%
Total Revenues	<u>\$ 134,310,000</u>	<u>\$ 77,538,797</u>	<u>(1) 57.7%</u>	<u>58.2%</u>

Expenditures	Annual Budget	Actual as of 12/31/18	Percent of Budget	12/31/18 Budgetary Target
Council	\$ 714,000	\$ 303,640	42.5%	46.9%
Internal Audit	194,900	87,879	45.1%	46.7%
Courts	6,605,500	2,770,033	41.9%	47.0%
Mayor's Office	1,296,800	575,036	44.3%	45.8%
Media Center	469,900	184,199	39.2%	46.1%
Clerk's Office	1,197,000	718,519	60.0%	52.8%
Neighborhood & Citizen Engagement	863,500	283,583	32.8%	39.2%
Economic Development & Planning	5,021,300	2,563,185	51.0%	52.7%
Finance	5,471,600	2,118,426	38.7%	46.9%
Human Resources	2,118,000	934,333	44.1%	47.6%
Attorney's Office	2,168,300	832,743	38.4%	46.4%
Vacancy Factor	(500,000)			
Police	43,193,300	20,508,360	47.5%	48.6%
Fire	34,129,900	16,503,604	48.4%	48.9%
Public Service	11,572,500	4,894,986	42.3%	45.2%
Human Relations & Community Service	1,598,300	801,897	50.2%	46.9%
Parks & Recreation	8,301,000	3,480,772	41.9%	47.5%
Subtotal - Departmental Budgets	<u>\$ 124,415,800</u>	<u>\$ 57,561,194</u>	<u>46.3%</u>	<u>48.1%</u>
Human Services & City Supported Agencies	\$ 2,041,400	\$ 711,119	34.8%	
Library Lease	150,000	67,853	45.2%	
Debt Service	1,154,000	-	0.0%	
Transfers	6,548,800	6,349,805	97.0%	
Subtotal - Non-departmental Budgets	<u>9,894,200</u>	<u>7,128,776</u>		
Total General Fund	<u>\$ 134,310,000</u>	<u>\$ 64,689,970</u>	<u>(1)</u>	

Please see Pages 1 and 2 for an explanation of revenues and expenditures.

(1) **Note: Year-to-date revenue is always greater than expenditures at this time of year as property taxes, accounting for 30% of General Fund revenues, are collected at the beginning of the year. Property taxes include delinquent amounts that will be reimbursed by the counties upon settlement. Property tax collection exceed budget at this time of year, but are subject to tax appeals and other adjustments throughout the year.**

(2) General Fund debt service payments are due in the fourth quarter of the fiscal year.

BY THE COMMITTEE ON INTERGOVERNMENTAL RELATIONS
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the following FY2018/2019 transfer be approved:

\$2,500.00 from City Council Temporary Help-Contractual	1012101.743050
\$2,500.00 from City Council Equipment	1012101-977000
\$5,000.00 to Public Service Contractual Services	1014603.743000

WHEREAS, to provide funds towards Phase 1 of the City of Lansing Climate Action Planning Project. With the assistance of Commons Logics, LLC the following items will be performed under Phase 1:

- The Phase 1 will focus on the City's infrastructure and operations. This will include meetings with City staff to finalize goals, objectives, identify data needs and availability and confirm the project schedule. This project scope will include data collection and analysis creating a gap analysis for data needs, identify data available and compare data required to achieve future phases; and
- The assessments in this phase will determine sustainability of projects/activities already in action and the corresponding level of impact. This will allow the assessment of internal change management and communication needs for the plan. The plan will identify potential funding sources to assist with implementation and evaluation of the plan progress; and
- The Climate Action Planning Project will identify opportunities for immediate implementation, set short term goals, and develop the Climate Action Plan to establish a GHG baseline, sources to assist in implementing and monitoring the plan, short term
- goals and other recommendations.

NOW THEREFORE BE IT RESOLVED, the City of Lansing City Council will authorize a transfer of \$2,500 from City Council Temporary Help-Contractual and \$2,500 from City Council Equipment to Public Service Contractual Services for the Phase 1 of the Lansing Climate Action Planning Project.

BE IT FURTHER RESOLVED, the contractor, Commons Logics, LLC through the Committee on Intergovernmental Relations will provide the deliverables to include the final report summarizing all data, findings and recommended next steps for implementation and subsequent phases no later than October 1, 2019.

Commons Logic, LLC

Sustainability & Organizational Change Consultant
3162 Hamlet Circle - East Lansing, MI 48823 ann@commonslogic.com
616-889-5977

City of Lansing Climate Action Planning Project

January 1, 2019 v.1

OVERVIEW PHASE I - Data Collection, Discovery, and Draft Plan

The City of Lansing "Client" supports the development a Climate Action Plan which is supported by both the City Council and the Mayor's Office. While the City would like to engage the residents and community in the process, it has decided that the first phase of plan development should focus on the City's infrastructure and operations. Future phases of the project will include the opportunity for the community to review and comment on the operational plan as well as begin expansion of the plan to community sustainability.

It is the expectation of City leadership that the plan will be finalized and cued for implementation to begin by the fall of 2019.

Benefits of Sustainability and Climate Action

- Reduced and avoided risk for municipality.
- Reduced and/or avoided costs.
- Improved health and wellness of community: air and water quality, public safety, community engagement in sustainable growth, etc.
- Improved efficiency and effectiveness of workforce through engagement and culture change efforts, a more engaged workforce is more productive.
- Improved water efficiency leaves more water in natural watershed.
- Becoming more energy efficient can reduce cost and will reduce carbon impact.
- Recycling and reuse programs relieve pressure on landfills and reduce costs.
- Infrastructure improvements and constructing/remodeling buildings and spaces with sustainable practices and materials preserves land, provides numerous environmental and economic benefits.

PROJECT SCOPE & SPECIFICATIONS (Continued)

Part I – Background Review and Goals

Consultant will meet with City staff to discuss and finalize goals and objectives, confirm project schedule and identify data needs and availability.

Tasks:

- Identify and convene internal project team.
- Assign primary City liaison/contact for project.
- Assign roles within in project team.
- Finalize project scope and map process, resources, and key individuals to ensure project meets deadline.
- Schedule regular project team meetings (in person or via Skype).

Meeting(s):

- Project kick-off meeting

Deliverable(s):

- Meeting minutes and final list of existing documents/date to review

Part II - Data Collection & Analysis

Develop a clear picture of where the City is now, measured in terms of the key performance indicators to be used to quantify plan implementation success.

Tasks:

- Map sources and collect current data sets. Data required will be determined by the selection of standardized framework.
- Draft data map defining data assets and completing data requirements for a standardized framework (GHG Protocol, CDP, EPA, GRI, etc.). Recommendation to be provided based on data characteristics and client vision.
- Contact and/or meet with City department managers and other designated sources of data and information.
- Create gap analysis for data needs, identify data available and compare to data required to achieve future phases of the plan based on framework.
- Establish baseline: baseline year to indicate the City's current level of performance in order to identify trends and benchmark against peers.

Meeting(s):

- Meet with City and/or utility staff as necessary to collect data

Deliverable(s):

PROJECT SCOPE & SPECIFICATIONS (Continued)

- GHG map with baseline data

Part III - Inventory & Assess Current Sustainability Projects

Implement a series of short assessments to determine current level of program maturity. This will include interviews with key administrative personnel and departmental staff to determine sustainability projects/activities already in action and the corresponding level of impact. Value of this step is assessing internal change management and communication needs for success of plan.

Tasks:

- Identify and evaluate organizational governance
- Assess current sustainability initiatives
- Survey/assess employee attitudes and understanding

Meeting(s):

- One or more meetings/interviews with key staff.

Deliverables:

- Memo documenting outcomes of assessments and recommendations of changes needed for success of plan implementation

Part IV- Funding and Implementation Assistance Sources

Identify potential funding sources to assist with implementation and /or evaluation of plan progress

Tasks:

- Research grants and other funding sources for climate plan implementation from such sources as GLISA, Bloomberg, Rockefeller Foundation, etc.
- Identify opportunities to partner with local and regional stakeholders; Michigan State University, Michigan Energy Options, Michigan Environmental Council, State of Michigan, Lansing Board of Water and Light, local businesses, nonprofits and other organizational associations.

Meetings:

- As needed

Deliverables:

- Provide summary of findings and recommendations

Part V- Short-Term Goal Setting

PROJECT SCOPE & SPECIFICATIONS (Continued)

Based on baseline established evaluation of existing programs and initiatives, develop short term goals for reducing GHG.

Tasks:

- Identify "low hanging fruit" opportunities for immediate implementation.
- Compile feedback from internal stakeholders (City Departments, etc.).

Meeting(s):

- Visioning sessions with various stakeholder groups identified by City.

Deliverables:

- Memo documenting findings and recommendations for short-term goals.

Part VI- Climate Action Plan

Develop Climate Action Plan that establishes a GHG baseline, sources to assist in implementing and monitoring the plan, short term goals and other recommendations.

Tasks:

- Prepare Draft Plan
- Meeting with Council and other stakeholder groups to develop draft plan
- Finalize plan

Meeting(s):

- Present draft plan to the City (administration and Council)
- Present final plan

Deliverables:

- Draft report for review
- Final report summarizing all data, findings and recommended next steps for implementation and subsequent phases.

Commons Logic, LLC

Sustainability & Organizational Change Consultant
3162 Hamlet Circle - East Lansing, MI 48823
ann@commonslogic.com
616-889-5977

City of Lansing: Climate Action Planning Project

January 1, 2019 v.1

PROPOSAL FOR PHASE I CONSULTING SERVICES

Schedule and Resources

Project Timeline

•Note that multiple project activities will be active at the same time.
***Timeline is an estimate and will fluctuate based on date of signed agreement with Client.

Complete Part I - Project Launch – March 1, 2019

Complete Part II- Data Collection and Analysis- April 15 - 30, 2019

Complete Part III - Assess Current Sustainability Projects – April 15, 2019

Complete Part IV- Discovery and Funding Sources- June 1 - 15, 2019

Complete Part V- Setting Short-Term Goals – August 30, 2019

Complete Part VI - Final Draft of Climate Action Plan for Approval – September 1, 2019

Resources Requested

Based on the estimated number of hours required, level of engagement, and value contribution, total consulting stipend for completion of PHASE I is \$12,975.00 USD.

Commons Logic requires a 50% deposit (\$6,487.50) on the project due upon signing the agreement.

The balance is payable upon receipt of and completion of outlined objectives.

Successful completion of Phase I will also require access to various sources of data and cooperation from several City departments. The project will also require a moderate level of participation and time allocation from City employees. The specific data sets and sources have yet to be determined, but success will be dependent upon the participation and timely contributions from municipal operations, billing/accounting, vendors, and other stakeholders.

Commons Logic,LLC

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City of Lansing: Climate Action Planning Project

January 1, 2019 v.1

Agreement for Consulting Services

By signing this proposal, the parties below agree to the terms and timeline outlined in the above proposal. The project timeline will begin on the date of the first meeting.

Proposal for Services Accepted by City of Lansing

Andy Schor, Mayor

Date

Acknowledged by "Consultant":

Signature

Date

ANN ERHARDT

Print name

Chief Consultant, COMMONS LOGIC, LLC

Title & Organization

Our Commitment

Commons Logic, LLC commits to the following project management approach and guarantees Client confidentiality in all matters. We will:

Communicate Effectively with Strong Project Management

- Regular team calls, bi-weekly progress reports, working sessions with City, and meeting summaries and action items

Provide Quality Assurance and Quality Control

- Adhere to established business procedures.
- Multi-tier quality control system that includes in-house editor, review by principals, and subject matter experts as needed.
- Plan verification and schedule compliance.
- Ensure the integration of goals of the project and verify the accuracy and consistency of project deliverables.
- Comply with all City policies, standards, and procedures. Where work might come into conflict, Consultant will always defer to City for verification.

Meet Timelines and Budget Management

- Open lines of communication between the Consultant and the City on all timeline and budget issues that may arise during course of project.
- Striving to produce a project that exceeds the expectations of the City within established budgets and schedules.

Thank you for your partnership!

Best regards,

Ann Erhardt

Ann Erhardt Commons
Logic, LLC
ann@commonslogic.com
616-889-5977

The Future of Recycling in Lansing

Committee of the Whole
RFQP/18/027



Andy Schor, Mayor



EMTERRA
Environmental USA

*We're your
hometown choice!*

February 25, 2019

@mt8

Emterra's Focus is on Recycling



Our Mission

To be a leader in creating and delivering products and services that enable people and businesses to become stewards of the environment and the future.

Our Vision

We shall improve people's lives through regenerative economies and ecosystems.

Emterra Group Divisions



Emterra: By the Numbers

550,000

Recyclables
collected,
processed
and marketed

1100+

Number of
employees

58

Communities
served by
Emterra in
Michigan
everyday

21

Emterra
locations in
North America

100%

Percentage of
employees in
Emterra USA
who are
American

42

Years in
business

\$4.5 Million

Wages and
benefits
annually for all
Emterra USA
staff

550

Trucks &
collection
vehicles in our
fleet

85

Communities
serviced by
Emterra in
Canada
everyday





Emterra Group's Climate Actions

Diverting **7,800** tractor trailer loads of organics from the landfill every year.



11,598,459 tree seedlings would need to be grown for 10 years in order to match the amount of CO2 mitigated through Emterra's sustainability efforts.



Our CNG Fleet & resource recovery efforts are equivalent to removing **94,535** cars from the road annually.

Material Recovery Facilities (MRFs)

15+

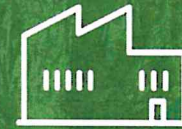
MRFs process and market

550,000

tons of recyclables
annually

6

single stream MRFs



designed to use
less energy, less
water and less
natural
resources

Special Projects

- Pilot project with Stewardship Ontario and Tim Horton's that focuses on **laminated paper cup** recovery from Blue Box programs.
- Pilot project "Blue+2" with Canadian Plastics Industry Association (CPIA) that focuses on **film** and **polystyrene** recovery from Blue Box programs.
- In a multi-year project, Keurig Green Mountain and Emterra developed and implemented studies in BC and Ontario to determine the recoverability of the **polypropylene (PP) #5 plastic K-Cup® pod** in various MRFs.





Windshield washer fluid from liquid waste

- Environmentally-friendly
- Non-toxic
- All-season
- 1,000 litre refillable tote - return empty for a refill - **NO PACKAGING WASTE!**



Closes the recycling loop and contributes to corporate sustainability goals.

Cradle-to-cradle product





ReVital Polymers Inc.

- ReVital Polymers creates high value re-manufactured plastic products for the **commercial, industrial, agricultural** and **automotive** industries.
- ReVital focuses on **increasing the plastics value chain, diversion, energy reduction** and **sustaining our environment**.



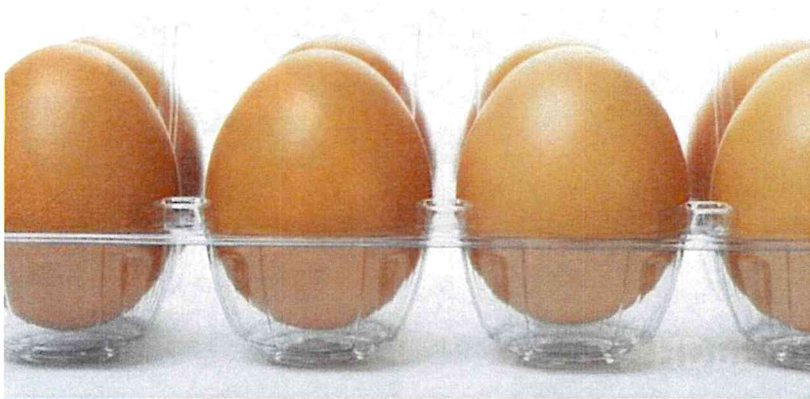
If it's not one of
these two bottles,

IT'S NOT RECYCLED

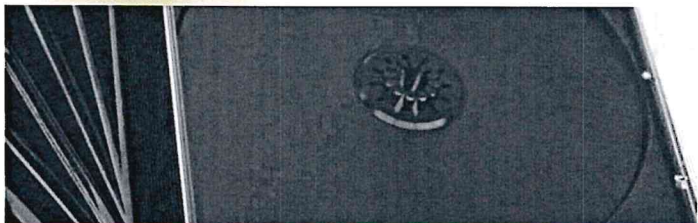


PET & HDPE RECYCLED PLASTIC PRODUCTS



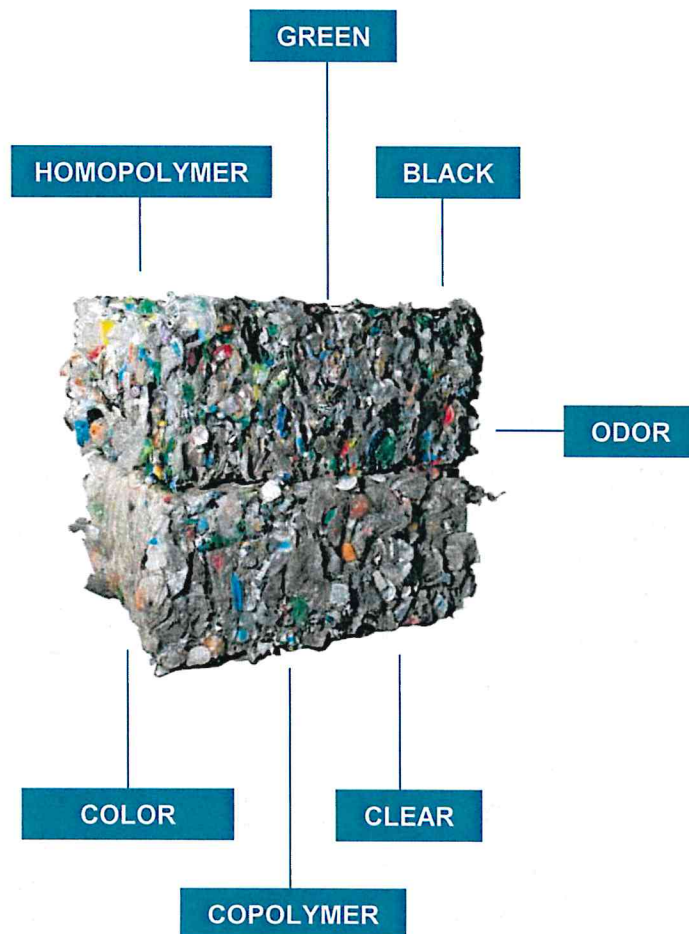


Few facilities are capturing the value in mixed rigid plastic (MRP)
These resins are not being recycled



Non-bottle resin is forgone

Tailor resins





Final Product
Functionally equivalent
to virgin resin

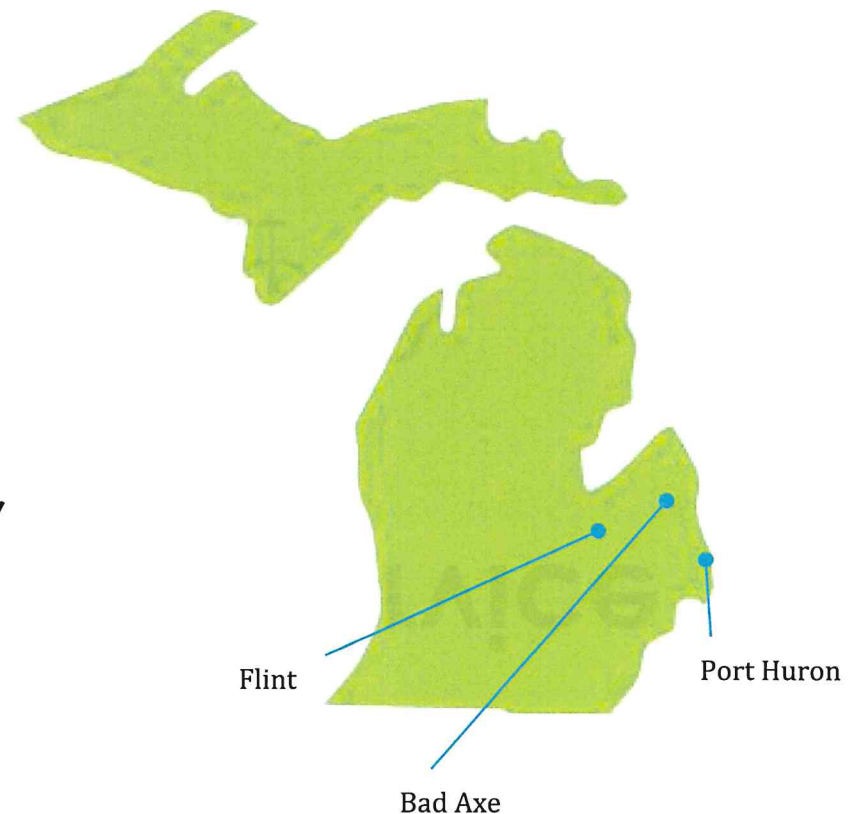
Revital
LABORATORY

Communities We Service



Emterra Communities

- Service over 70% of St. Clair County, 75% of Genesee County, and 80% of the Northern Thumb Area
- Counties served include: Genesee, Huron, Oakland, Saginaw, Sanilac, St Clair, and Tuscola
- 58+ municipal contracts



Investing in Lansing and Benefits to Lansing



Why Lansing?

- A long history of recycling (since 1991)
- Lack of single stream recycling processing capacity in the region
 - Valuable resources are landfilled if access is limited
- Lansing is strategically located at the center of the State
 - Two-hour drive of 90% of Michigan's population
- Strong multi-modal transportation network

Benefits to Lansing

- Provide affordable access to recycling to local haulers, multi-family buildings and local businesses
- Achieve a more efficient, stable, and fiscally responsible program
- Grow the local green economy through direct and indirect jobs and investments
- Reduce transportation and hauling costs for the City
 - Reduce greenhouse gas emission from these trucks
- Process and produce high quality commodities

Benefits to Lansing

- 12+ new full-time jobs created, including skilled trades
- Business income taxes paid to City
- Real estate taxes paid to City
 - Will increase due to upgrade of the facility

The Location



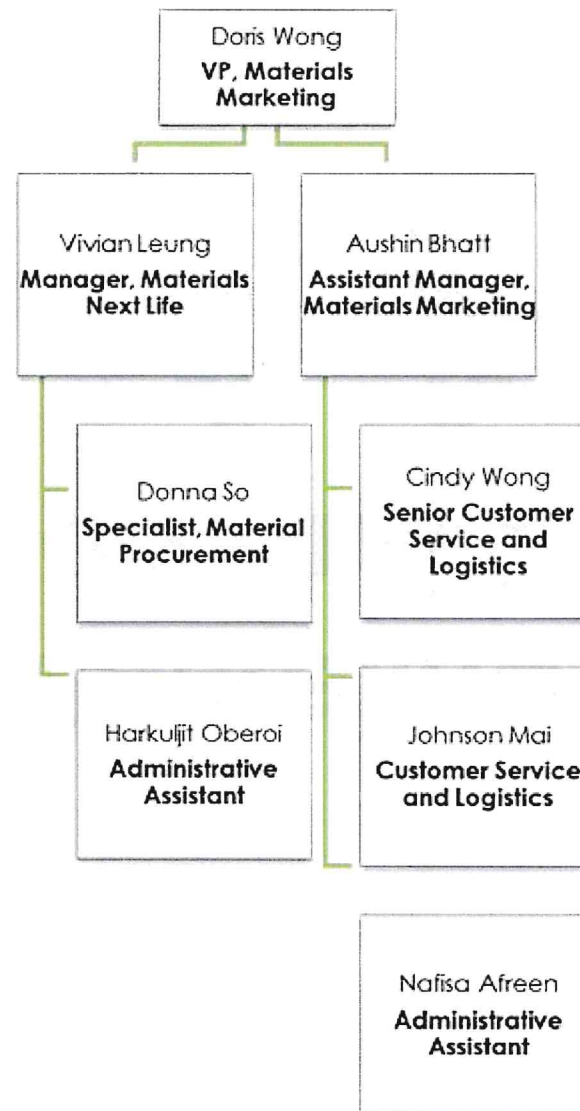
Proposed MRF

- To be located in the City of Lansing
- Multi-million dollar upgrades to long time idled/abandoned facility
 - State of the art recycling system
 - Public education center
 - Public tours
 - Public drop off depot
- 10 year long-term contract is beneficial to City
 - Spreads cost of investment out for lower price for City
 - Provides time for more Tri-County communities to join for lower price for City

Emterra's Marketing Experience, Credentials and Capabilities



Materials Marketing Team



Materials Marketing Experience

- 42+ years
- 425,000 tons marketed each year
- Benefits to the City
 - One of Emterra's most significant strengths is the ability to coordinate the marketing of the City's commodities together with commodities produced across all of our MRFs in Canada.
 - Substantial volume allows Emterra to secure buyers and freight rates, and negotiate terms and pricing unachievable by other recyclers.
 - Emterra will use this power to leverage the best value and terms for the City.

Emterra's Access to Markets, Locally and Globally



Diverse End Markets

- Proposed end markets are geographically diverse, including domestic and overseas markets to hedge for market disruptions affecting one particular region.
 - Domestic markets include USA and Canada (e.g. ReVital Polymers)
 - Overseas markets include Asian countries such as India, Vietnam, Thailand, Malaysia, South Korea, China, and Indonesia.
- Priority will be given to local buyers, wherever possible, all else being equal.

Proposed End Markets

Commodity Produced	Expected end-markets for the recovered recyclable materials	Expected uses for the recovered recyclable materials	Targeted industry standard specification for the commodities that will be marketed
Old Newspaper	American Chung Nam; Pratt Industries WestRock	medium paper, boxboard	ISRI specifications OR end market-specific specifications, as appropriate
Mixed paper	Pratt Industries WestRock	medium paper, boxboard	ISRI specifications OR end market-specific specifications, as appropriate
Old Corrugated Container (cardboard)	Atlantic Packaging WestRock	Kraft liner, medium paper	ISRI specifications OR end market-specific specifications, as appropriate
1-7 Mixed Plastic Containers	Revital Polymers	Plastic pellets for manufacturing (examples: strapping, bottles, piping)	ISRI specifications OR end market-specific specifications, as appropriate
Aseptic containers	Paper Tiger Great Lakes Tissue	Tissue paper	ISRI specifications OR end market-specific specifications, as appropriate
Tin Cans	Ferrous Processing & Trading	Steel sheets and rods	ISRI specifications OR end market-specific specifications, as appropriate
Aluminum cans	Ferrous Processing & Trading; Constellium; Alumisource	Aluminum sheets or cans	ISRI specifications OR end market-specific specifications, as appropriate
Food grade aluminum (e.g. pie plates and pet food cans)	Ferrous Processing & Trading; Gottlieb Inc.	aluminum deox products for steel production	ISRI specifications OR end market-specific specifications, as appropriate
Glass Containers	Canadian Liquid Processors Ltd.; Huron Landfill	Combined with other materials and used as road base	ISRI specifications OR end market-specific specifications, as appropriate

The Crystal Ball

- In last 12 months, domestic paper mills making a resurgence in North America.

Company	Mill Location	Potential Feedstock	Product	Plans
Nine Dragons	Rumford, ME	Mixed paper, ONP, SOP	Coated mechanical/freesheet paper and pulp	Acquired mill from Catalyst and will build new recycled pulp line
Nine Dragons	Biron, WI	Mixed paper, OCC, ONP	Coated mechanical papers	Acquired mill from Catalyst and will build new recycled pulp line; convert existing paper machine to containerboard
Nine Dragons	Fairmount, WV	SOP	Range of products, from packaging to tissue paper	Acquired existing recycled pulp mill from Resolute and will continue using primarily recycled office paper
Nine Dragons	Old Town, ME	OCC	Unbleached kraft pulp	Acquired idle kraft pulp mill to restart in early 2019 with 275,000 tonnes/yr capacity
Shanying International	Wickliffe, KY	Mixed paper, OCC	Coated/uncoated freesheet mill	Convert to pulp & containerboard production
Pratt Industries	Has 4 eastern US mills	Mixed paper, OCC	Containerboard	Indicated they plan to increase waste paper consumption in their existing mills

The Crystal Ball con't

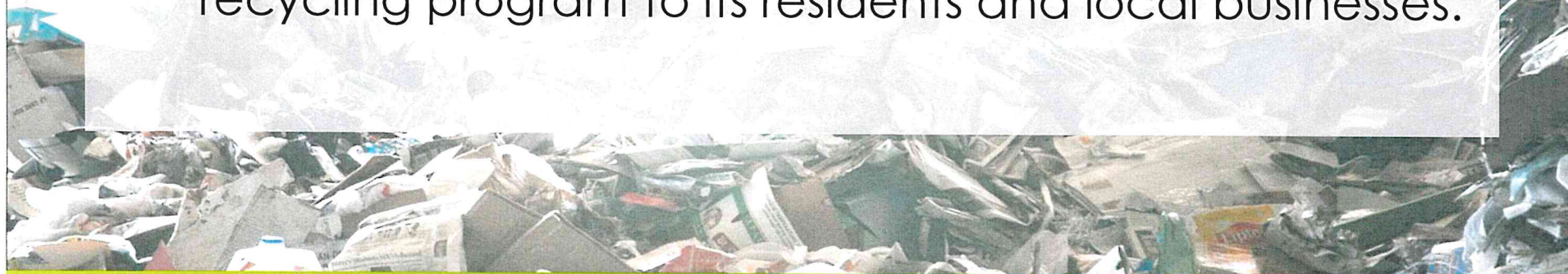
- In last 12 months, domestic paper mills making a resurgence in North America.

Company	Mill Location	Potential Feedstock	Product	Plans
Pratt Industries	Wapakoneta, Ohio	Mixed paper, OCC	Corrugated container	Constructing new mill to use 280k tons/yr of mixed paper by late 2019
Green Bay Packaging	Wisconsin	Mixed paper, OCC	Corrugated container, linerboard	Will replace existing mill with one that consumes much more mixed paper (685,000 tons/yr capacity up from 240,000 tons/yr)
Cascades	Ashland, VA	Mixed paper, OCC	Linerboard, corrugating medium	Acquired idle mill and putting in mixed paper system as part of conversion from newsprint mill to containerboard mill; will use 20% mixed paper (production to 400,000 tons/yr by 2021)
Bio Pappel	Port Angeles mill	Mixed paper, OCC	Linerboard, medium, heavyweight kraft	Will install MWP system in mill conversion; will use 20-30% MWP by fall 2019

Final Impressions

Emterra has designed a flagship material recovery facility for the City and neighboring communities, setting the standard for other facilities to follow in terms using the latest green technologies to maximize recycling.

By selecting Emterra as the City's recycling partner, the City is providing the most cost effective, efficient, and stable recycling program to its residents and local businesses.



Thank you!



EMTERRA[®]
Environmental USA

*We're your
hometown choice!*

www.emterrausa.com



@EmterraUSA

Recycling Proposal Information

Reasons RFQP issued:

- 1) City's agreement for processing expired in 2018 and hauling costs continued to increase**
- 2) To determine if a solution that eliminates the need to operate a transfer station exists**

The City of Lansing currently operates a transfer station in a building that was constructed for salt storage. This requires an employee to operate the station at a cost of approximately \$17,000/month (\$29/ton transferred) and means that salt continues to be stored in a building that has deteriorated and could become unusable at any time.

- 3) To determine if a solution that eliminates the need to haul materials exists**

Recyclables are currently hauled out of the region for processing at an average cost of \$13,000/month. Hauling costs have been increasing at approximately 6% annually.

Other considerations

- The City of Lansing currently provides recycling services to the City of East Lansing, through an intergovernmental agreement, as well as to Good Earth and Republic
- A regional processing facility could:
 - Increase commercial and multi-family recycling in the area.
 - Increase recycling services for Tri-County residents, businesses and institutions
 - Reduce economic and environmental impact of transporting materials out of the region
 - Provide consistent recycling education and outreach to all citizens in the region
 - Create jobs and revitalize a property
 - Create additional property and income tax revenue

Proposals

Four proposals were received as follows:

- Custom Ecology of Ohio – haul only
- Emterra – Tip and process at material recovery facility (MRF) in the Lansing area
- Granger – Transfer, process and haul (Option 1) or transfer and haul (Option 2)
- Republic – Process only

Costs

Proposal costs were based on 2017 data for recyclables transferred by the City, which are a total of 7,212 tons in 305 trips at a distance of approximately 80 to the processing facility.

When the proposals were reviewed in 2018, processing costs (ACR and thresholds) from 2017 were used. Based on the fluctuating commodity markets, the processing costs have been updated using 2018 costs, as shown below.

Item	2017	CE/Republic	Emterra	Granger Opt 1	Granger Opt 2
Transfer/Tip	COL Actual*	COL Actual*	Included	Included	\$30/ton
	\$209.5k	\$209.5k	\$0	\$0	\$216k
Haul	Appx. \$500/load	\$31/ton	None (local)	Included	\$4/mile
	\$130k	\$224k	\$0	\$0	\$195k
Process	+/- ACR	+/- ACR	+/- ACR	\$100/ton	+/- ACR
Threshold	\$95/ton	\$125/ton	\$134.01/ton	Not Used	\$125/ton
Subtotal	\$5.5k	\$244k**	\$413k	\$721k	\$244k**
Total	\$345k	\$677.5k	\$413k	\$721k	\$655k

Notes: * City costs do not include construction of a new salt shed, est. at \$300k or \$15k/yr if financed

** 2018 Republic processing cost. 2019 costs (to date) are higher than 2018 costs.

Elements of Emterra Proposal

- Recyclables would be dropped off at Emterra's facility (proposed near O&M campus).
- Minimum annual tonnage of 7,500 required (4% increase over 2017 total tonnage)
- City, by contract, would commit to sending single stream recycling to this facility, for a period of 10 years
- Emterra would construct a local processing center, which would create jobs and tax revenue.
- Emterra would partner with the City on a comprehensive education program to increase tonnage and participation.
- A drop-off facility will be provided at the processing facility
- ACR threshold is increased annually based on the CPI
- Other municipalities can join the agreement. Processing costs would decrease as each tonnage threshold (approx. 3,000 tons) is met.

@mtg



TO: Lansing City Council Committee of the Whole

FROM: Steve Japinga, Vice President, Government Relations & Public Policy

DATE: February 25, 2019

RE: ITEM 6. Discussion/Action on ITEM D. Ten Year Recycling Agreement w/Emterra Environmental USA Corp.

We appreciate the city's continued interest in increasing recycling efforts throughout the city. We also appreciate Emterra Environmental of Ontario, Canada and their interest in providing recycling services to the City of Lansing.

As important as it has been for City Council to voice their support for hiring local workers as it relates to development projects, we hope City Council would apply the same consistency for hiring local businesses to work on city initiatives such as its recycling program.

We respectfully ask that City Council not move forward with the ten year recycling agreement until City Council can better understand what the impact would be to city services such as the Capital Area Recycling & Trash (CART) program and how the contract with Emterra Environmental may impact local businesses that provide the same services to commercial and residential customers in the City of Lansing.

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