



MINUTES
Committee of the Whole
Monday, November 18, 2019 @ 5:30 p.m.
Tony Benavides Lansing 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 5:34 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore- excused
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Samantha Harkins, Deputy Mayor
Lisa Hagen, Assistant City Attorney/Council Research Assistant
Eric Brewer, Council Internal Auditor
Shelbi Frayer, Chief Strategy Officer/Interim Finance Director
Jack Brower, Budget Director
Elaine Fischhoff

Public Comment

No public comment

Minutes

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE MINUTES FROM NOVEMBER 4, 2019 AS PRESENTED. MOTION CARRIED 6-0.

Presentations

Chief Strategy Officer Presentation on the 2019 1st Quarter General Fund Report & Vacancy Factor

Ms. Frayer provided a brief introduction and history of her past work experience. Ms. Frayer also noted that her and her staff were not part of the current budget creation so they might not be able to answer everything but can provide answers to any questions at any future meeting.

Mr. Brower the Budget Director was introduced and provided his past work experience on data analytics with other municipalities. Ms. Frayer then informed the Committee that they are currently working on the audit, which is due the end of December, and the actuary is due the end of the month. In January, they will present the second Quarter General Fund Status Report and Vacancy Report and it will be more accurate, and will include a budget amendment. That will prepare to be in line for the next budget. Council Member Jackson asked about long term planning and Ms. Frayer noted her intention is to provide a 3 year projected budget including 2021, 2022 and 2023. Council Member Spitzley noted to the Administration that the FHT recommended a 5-year budget plan, so in turn she asked why Mr. Frayer was only proposing a 3-year plan. Ms. Frayer acknowledged they chose 3 year because of the current 3-year contract negotiations, which allow them to budget those amounts and fringe benefits, but based on the request of Council and recommendation of the FHT she could also project out five (5) years. Council Member Spitzley asked Ms. Frayer and her staff to look at all the FHT recommendations and incorporate them. She then asked Ms. Harkins the status of the filling the Finance Director position and Ms. Harkins stated that Ms. Frayer is the Interim Finance Director and there were not more details they could speak to at this meeting. Council President Wood supported a projected budget as beneficial, and Ms. Frayer stated again her office could provide that and they would label any years that are assumptions. Council President Wood reminded the Council that even though they may be presented with a 3-5 year projected budget, they could only pass an annual budget. The projections would provide information on looking at the future. She then asked Ms. Frayer if the audit was in December but they were not doing a budget amendment until January how was an amendment going to address a yearend audit. Ms. Frayer stated the audit would provide the details they will need for the amendment, and it will help with the budget.

Mr. Brower went through the General Fund Status Report, noting that to date they would expect 95% of the revenues from property taxes and income taxes. That currently exceeds, and it is subject to charge backs and will change periodically. Council President Wood asked how many properties are currently in the tax tribunal, and they were not able to provide the information at this time, but state they would forward that to Council. Council President Wood asked for that information to include the cash number they are looking at for refunds if the tribunals were granted. Council President Wood asked if the income tax difference had to do with a larger work force or higher wages, and Mr. Brower note it was actually lower which they credit to the recent GM strike, but anticipate the 2nd quarter report will be higher because of the recent strike checks those workers just received after this General Fund Status report was done. Council President Wood referenced the GM 425 properties and asked if the strike affected what was projected for income tax. Ms. Frayer stated she would check on that as well.

Council Member Hussain asked, with the projected East Lansing Income Tax for 2020, what impact it would have. Ms. Frayer was not aware of the impact, and Ms. Harkins stated it would not have an impact, however Ms. Frayer stated adjustments can be made after that look into that. Council Member Spitzley reiterated what the Council was told in the past, that the projection of loss was \$800,000, and asked how that would affect the budget. Ms. Frayer stated she would look into that and the assumptions.

Mr. Brower moved the discussion to the expenditure portion of the report, noting most departments are in line with the expectations, and public service did exceed. Council Member Spitzley asked where Information Technology was on the report, and was informed they have a separate line and then their charged back into the departments. Council President Wood asked them to ask Public Service why the increase. Ms. Frayer admitted the City currently uses multiple reports, manual processes and moving forward they will be streamlining the process for more accurate information.

Ms. Frayer moved the discussion to the Vacancy Report, noting her understanding was that Council wanted to know what FTE were filled, which were filled by contract employees and if vacant how long they will remain vacant. Council President Wood stated that they also wanted to know what the salary cost is if filled by contract and how many are being utilized by contract and what savings or surplus that involves. When Council looks at the report and sees that a position is vacant but staffed by a contract person with no benefits, what is the cost, and why is the contract person in the position for years. Ms. Frayer stated they would compile the next report based on the comments.

Ms. Harkins spoke briefly on the status of the yard waste pick up program, explaining that they did lose time with the weather, however any yard waste at the curb through November will be pick up. Council Member Garza stated he was aware of properties where their yard waste was out for two weeks and still not picked up and Ms. Harkins asked for the address.

Discussion/Action

RESOLUTION – City Council Meeting Schedule 2020

MOTION BY COUNCIL MEMBER SPITZELY TO APPROVE THE RESOLUTION FOR THE 2020 COUNCIL MEETING SCHEDULE. MOTION CARRIED 7-0.

Adjourn

The meeting adjourned at 6:05 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on December 2, 2019