



AGENDA
Committee of the Whole
Monday, April 27, 2020 @ 5:00 p.m.

Join Zoom Meeting

<https://zoom.us/j/380551239>

Meeting ID: 380 551 239

Dial by your location

(646) 876 9923

Email Comments prior to the meeting to sherrie.boak@lansingmi.gov

****AMENDED 4/24/2020 P.M.**

Council Member Spadafore, Chairperson
Council Member Hussain, Vice Chairperson

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
 - March 16, 2020
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Presentations:**

Lansing Housing Commission 2019 Annual Reports- Executive Director Doug Fleming
6. **Discussion/Action:**
 - A.) RESOLUTION – Introduction & Set Public Hearing; Ordinance Amendment Chapter 260, Section 260.05; Allowing Ownership in Lansing Housing Commission Name
 - B.) RESOLUTION – Reappointment; Cassandra L. Nelson; At Large Member Historic District Commission; Term to Expire June 30, 2022
 - C.) RESOLUTION – Reappointment of Monica Jahner, Ingham County/City of Lansing Community Corrections Advisory Board Member; Term to Expire September 17, 2020
 - D.) RESOLUTION – Appointment of Mike Dombrowski; 1st Ward Member; Park Board; Term to Expire June 30, 2021 (currently At- Large Member; term expire 6/30/2020)
 - E.) RESOLUTION – Appointment of Kimberly Whitfield; 4th Ward Member; Park Board; Term to Expire June 30, 2024 (currently 1st Ward, moved to 4th Ward; term expires 6/30/2021)
 - F.) RESOLUTION – 11th Amendment to the Amended and Restated Real Estate Purchase and Development Agreement; RE: Red Cedar Development/Continental/Ferguson Lansing, LLC
 - G.) DISCUSSION – FY 2020/2021 Budget –Continued Discussion/Q & A

H.) RESOLUTION – Set Public Hearing; Noise Waiver, E.T. MacKenzie Company; RE: Underground Utility Improvements on Forest Road Right of Way

I.) RESOLUTION – Funding Application; Local Bridge Program for FY 2023

J.) **RESOLUTION – Donation Acceptance & Budget Transfer of \$1,000 Distributed to LPD and LFD for meals and refreshments

7. Other

- PLACE ON FILE _ Department of Neighborhoods and Citizen Engagement Annual Report 2018-2019

8. Adjourn

With Executive Order 2020-4, Governor Whitmer declared a statewide State of Emergency due to the spread of the novel coronavirus (COVID-19). To mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this State's health care system and other critical infrastructure, it is crucial that all Michiganders take steps to-limit in-person contact, particularly in the context of large groups. Therefore, the above meetings will be conducted via audio/video conference.

The meetings are being held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number above, and meeting ID provided. Michigan Executive Order 2020-48 provides temporary authorization of remote participation in public meetings and hearings.

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

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



MINUTES
Committee of the Whole
Monday, March 16, 2020 @ 5:00 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Spadafore called the meeting to order at 5:00 p.m.

PRESENT

Councilmember Peter Spadafore
Councilmember Adam Hussain
Councilmember Carol Wood
Councilmember Patricia Spitzley
Councilmember Kathie Dunbar
Councilmember Brandon Betz
Councilmember Jeremy Garza
Councilmember Brian T. Jackson

OTHERS PRESENT

Sherrie Boak, Council Staff
Mayor Schor
Jim Smiertka, City Attorney
Greg Venker, Assistant City Attorney
Judy Kehler, City Treasurer
Brian McGrain, Economic Development & Planning Director
Chad Gamble, Parking Manager
Jake Brower, Finance
Shelbi Frayer, Finance

Minutes

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM FEBRUARY 24, 2020 AS PRESENTED.

Public Comment

No Public Comment

Presentations

City Treasurer – RE: Income Tax

Council Member Wood stated to Ms. Kehler that she was aware she was new to the position, but asked if there was any information she could lend to Council in helping the determination on what made up the income tax that was list as part of the process for the budget.

DRAFT

Ms. Kehler acknowledged she was not an employee when the current budget was created, so she was not sure of the perimeters used by the former employees. Council Member Wood asked her to outline how she would have made the income tax projections. Ms. Kehler stated she would take the sum of the fiscal year payments, and subtract the refunds, then net collections. When looking at the fiscal year payments, she also looks at jobs, economic indicators, in 2019-2020 the GM strike would impact, look at withholding indicators and multiplier, look at new jobs created, at the effect and factors. Council Member Wood then referenced the projection from the Interim Finance Director that there would be a reduction of \$2.4 million in revenue from the Income Tax, and asked Ms. Kehler if she was involved in working with Finance on how that was calculated. Ms. Kehler acknowledged it was a conservative estimate from early February, but since then they have gotten The GM strike impact, the East Lansing income tax impact, and any other item that impacted it. The City does a data compare with the State Tape Program and looks to see who has filed State tax returns, and then can pursue non-filers with the City. She explained that in the past that has brought in \$200,000-\$900,000. This program was not in existence for the FY2019/2020 year, but was still projected in the budget. Over time the City has lost employers, which impacts income tax withholding and impacts spending. Lastly, Ms. Kehler pointed out that there was a direct loss of \$811,000 to the income tax from the 40 day strike of GM, and the East Lansing income tax decreased the City of Lansing revenue by \$635,179.

Council Member Wood asked there was agreement with the \$2.4 million in the budget amendment. Mayor Schor stated they were going to stick with \$2.4 million, but told Council to expect numbers for the year end June amendment, and that will take all this into account.

Council Member Hussain asked for confirmation on the figures given for the GM and East Lansing impact, and Ms. Kehler confirmed the earlier numbers of \$811,000 and \$635,179 which total \$1,446,179 and in the earlier presentation the City did not have the exact count of the East Lansing residents. Council President Spadafore asked where the other \$1 million of the \$2.4 million was, and Ms. Kehler stated that be the impact of the State Tape Program she mentioned earlier that they utilized in the past and the former Finance Director projected, however as she stated it was not in existence in FY2019/2020, so that projected a loss. Currently there are a number of years to be brought up to collect.

Council Member Hussain stepped away from the meeting at 5:11 p.m.

Council Member Wood asked for the determination of an increase in property taxes and revenue increases, and Ms. Kehler stated there is a functional formula of property tax, IFT, TIFA, and other impacts.

Council Member Hussain returned to the meeting at 5:12 p.m.

Council Member Wood asked how many properties were currently at the tax tribunal, and Ms. Kehler was not able to provide that information at this time, but stated she would look into it.

Council Member Spitzley asked what the plan was for Treasury with the Mayor's Executive Order as of today to close all offices. Ms. Kehler confirmed people can still pay their taxes at drop boxes, pay on line, call to make appointments, and they will be following the protocol of the banks. Mayor Schor added that the City has posted a list of phone numbers on the website providing avenues for people to get their answers.

Discussion/Action:

ORDINANCE – Amendment to Police and Fire Retirement Ordinance Chapter 294, Section 294.02(d)

Council Member Wood noted for the Committee that the hearing will be held at the Council meeting after this meeting and action at the same meeting for this item and the next.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE ORDINANCE TO AMEND THE POLICE AND FIRE RETIREMENT ORDINANCE CHAPTER 294, SECTION 294.02(d).
MOTION CARRIED 8-0.

ORDINANCE – Amendment to Employees Retirement Ordinance Chapter 292, Section 292.09

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE ORDINANCE TO AMEND THE EMPLOYEES RETIREMENT ORDINANCE CHAPTER 292, SECTION 292.09.

Council Member Betz asked if there was a financial impact for hiring their own legal counsel, and Council Member Wood confirmed they have a budget line item to pay for outside services. There will be an increase but they have under spent over the last couple years, and what it will do is decrease the City Attorney general fund expense because they have been covering the cost previously. Mayor Schor added that the OCA hires out the Board legal counsel. Council Member Jackson asked why they were switching. Council Member Wood explained that the ordinance is currently written so Boards cannot hire outside legal counsel so they need to change the ordinance to allow it, and the only change is from “shall” to “may”. Under the retirement Public Act, they were not able to hire.

MOTION CARRIED 8-0.

RESOLUTION – Deficit Elimination Plan; Special Assessment Capital Project Fund

Mr. Brower noted the plan would look familiar to previous years and is to address where the GF is provided in advance of working capital on special assessments.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THER DEFICIT ELIMINATION PLAN. MOTION CARRIED 8-0.

RESOLUTION – Issuance and Sale of 2020 Limited Tax General Obligation Bonds for Capital Improvements

Ms. Frayer acknowledged there were 2 RFP done and rewarded to bond counsel one to Dykema and one Baird. Mr. Gamble distributed a presentation on the parking services to the Council, then went through the presentation page by page. Highlighted in the document was the ramp work schedule, photos of the current conditions, the \$5.2 million cost for North Capitol Ramp and \$6.9 Million for the South Capitol Ramp.

Council Member Jackson stepped away from the meeting at 5:25 p.m. and returned at 5:31 p.m.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE 2020 LIMITED TAX GENERAL OBLIGATION BONDS FOR CAPITAL IMPROVEMENTS.

Council Member Wood asked Mr. Smiertka if there was any reason to have a waiting period on the bonds and Mr. Smiertka stated he was not aware of any need for a delay.

MOTION CARRIED 8-0.

DRAFT

RESOLUTION – Issuance and Sale of Refunding of Building Authority Bonds and Tax Increment Finance Authority Bonds

The representatives from Dykema and Baird outlined the bonds, noting a nominal savings of \$620,000. This would remain in the TIFA to offset any reductions in capture, and keeping within the City's General Fund. Council Member Wood asked if the building authority bonds had to do with the court, and was told they were not they were related to the parking structure that was under the TIFA.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE BUILDING AUTHORITY BONDS AND TAX INCREMENT FINANCE AUTHORITY BONDS. MOTION CARRIED 8-0.

RESOLUTION – Issuance and Sale of Limited Tax General Obligation Refunding Bonds

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE GENERAL OBLIGATION REFUNDING BONDS. MOTION CARRIED 8-0.

PLACE ON FILE- Report on Boards, Commissions and Authorities Term Expirations

MOTION BY COUNCIL MEMBER HUSSAIN PLAN ON TILE THE LIST OF BOARDS, COMMISSIONS AND AUTHORITY EXPIRATIONS. MOTION CARRIED 8-0.

PLACE ON FILE – Executive Order 2020-01; Policy and Procedures for Temporary Marihuana Event Licenses

MOTION BY COUNCIL MEMBER HUSSAIN TO ACCEPT AND PLACE ON FILE THE EXECUTIVE ORDER 2020-01 FOR TEMPORARY MARIHUANA EVENT LICENSES. MOTION CARRIED 8-0.

Other

{Closed Session}

MOTION BY COUNCIL MEMBER HUSSAIN AT 5:45 P.M. TO GO INTO CLOSED SESSION Pursuant to MCL 15.268(c) at the request of the City for strategy and negotiation purposes connected with the negotiation of collective bargaining agreements.

Pursuant to MCL 15.268(h) of the Open Meetings Act, I hereby move that we recess into closed session to consult with the City Attorney to consider material exempt from discussion or disclosure by state statute. Specifically, to discuss a written legal opinion and written material from the City Attorney provided under attorney-client privilege and attorney work-product, and which is also exempt from disclosure under the Freedom of Information Act pursuant to MCL 15.243(g).

{Reconvened}

Council President Spadafore reconvened the meeting at 6:33 p.m.

Discussion/Action:

RESOLUTION – Ratification of Teamsters 243 CTP Collective Bargaining Agreement

Council Member Hussain outlined the CBA for CTP and Supervisory which was noted as a 2 year agreement from 2/2019 to 1/31/202.

MOTION BY COUNCIL MEMBER HUSSAIN TO APROVE THE RESOLUTION FOR THE RATIFICATION OF TEAMSTERS 243 CTP COLLECTIVE BARGAINING AGREEMENT. MOTION CARRIED 8-0.

RESOLUTION – Ratification of Teamster 243 Supervisory Collective Bargaining Agreement
MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE RATIFICATION OF TEAMSTERS 243 SUPERVISORY COLLECTIVE BARGAINING AGREEMENT. MOTION CARRIED 8-0.

Other

Mayor Schor spoke briefly on the Emergency Order that was issued prior to the meeting. The order would close all City buildings as of 3/17 and all non-essential employees would be working from home on tasks provided by the director and will be paid. Council Member Wood asked for details on the schedule mobile food pantry, and the Mayor confirmed they are working closely with the food bank. Council Member Spitzley added that the upcoming event will provide the service in a drive-up capacity.

Council Member Wood asked for clarification on essential employees working from home, and if they will receive other compensation. Mayor Schor stated they will continue to get paid and the unions have been notified. Council Member Betz asked if this would affect the operations of the HRCS department. Mayor Schor stated they will still be operating on their services and working with the hospitals and homeless shelters.

Council President presented a resolution to extend the Mayor's emergency powers to April 10th.

MOTION BY COUNCIL MEMBER HUSSAIN TO EXTEND EMERGENCY POWER TO THE MAYOR UNTIL APRIL 10 2020.

Council President Spadafore stated that if it needs to go longer, the OCA has confirmed they can have another meeting to address it.

MOTON CARRIED 8-0.

Council President Spadafore presented a memo to the Committee on the suspension of all Committee meetings during this time and any items that need action will be moved to Committee of the Whole and Council.

MOTION BY COUNCIL MEMBE HUSSAIN TO SUPPORT THE MEMO.

Council Member Jackson asked, in the need for public safety, if there is something that is deemed essential would it be discharged and considered at Committee of the Whole, and Council President Spadafore confirmed.

MOTION BY COUNCIL MEMBER HUSSIAN TO SUSPEND RULE 46 AND THE MEMO DETAILS.

Council Member Spitzley voiced her concern on if there was the capability to address issues at Council without meetings. Council President Spadafore stated the IT Department has confirmed it is possible. Council Member Wood asked to add "until the State of Emergency has been lifted". Council President Spadafore stated it could be changed, however the last clause already states Council has to approve and was confident everything would be reinstated after the State of Emergency.

MOTION CARRIED 8-0.

Adjourn

The meeting adjourned at 6:56 p.m.

Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council

Approved by the Committee on



Lansing Housing Commission (LHC)

Committee on Development and Planning

April 2020

Overview

1

To provide an overview of LHC's purpose, programs, and portfolio

2

To review LHC's progress over the last year

3

To discuss LHC's strategic plan and future focus areas in the city

4

To provide ordinance change request details and the importance of its execution to enhancing affordable housing in Lansing

LHC provides safe, clean, and affordable housing through 2 vehicles, as a property portfolio owner and housing choice voucher program

Property Portfolio Owner

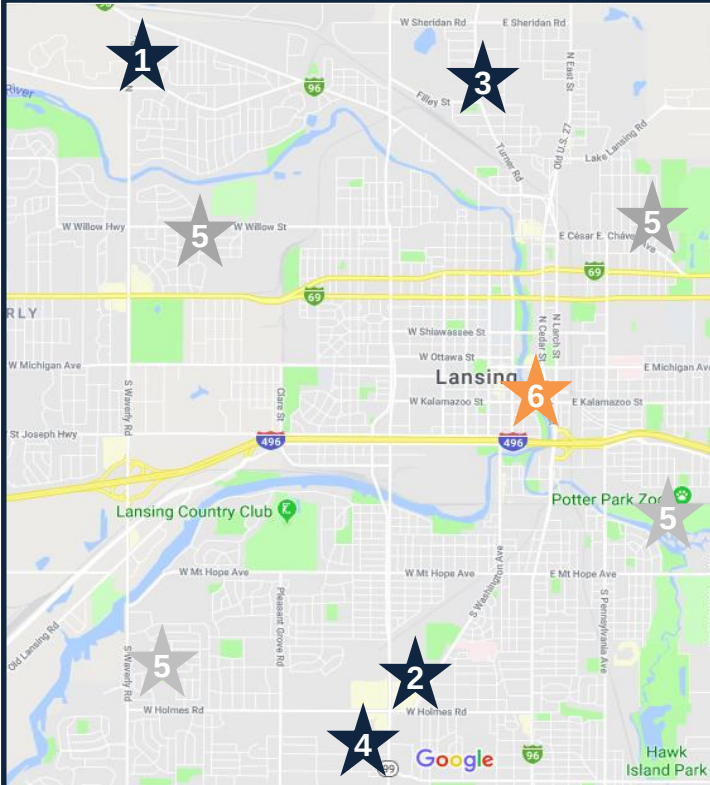
- Owns major project sites and houses throughout the city of Lansing
- Receives rents directly from tenants and HUD
- Manages day to day activities and issues with tenants
- Executes maintenance program and upkeep of buildings, units, houses, and grounds
- Organizes community service programs including but not limited to educational, youth, and career
- Establishes culture for community

Housing Choice Voucher

- Provides ~1700 housing choice vouchers to the Lansing area
- Assess applicants and landlords candidacies
- Supplies housing choice vouchers to qualifying applicants
- Works with landlords to setup buildings and houses as properties qualifying to receive vouchers
- Conducts inspections of properties to confirm landlord and tenant meet ongoing requirements
- Maintains the option to grow the voucher program beyond the ~1700

The LHC portfolio consists of 4 large project sites with 527 units, 221 scattered sites with 306 units, and 1 central office location

Portfolio Overview



	<u>Sites</u>	<u>Units</u>
★ Projects	4	527
★ Scattered Sites	221	306
★ Office	1	0

Portfolio Details

<u>Name</u>	<u>Year Built</u>	<u>Unit Summary</u>
★ 1 Mount Vernon	• 1969	• 140 Apts. / Town • 1 – 5 Bedrooms
★ 2 South Washington	• 1970	• 187 High Rise Apts. • 1 – 2 Bedrooms
★ 3 Hildebrandt	• 1968	• 100 Apts. / Town • 2 – 5 Bedrooms
★ 4 LaRoy Froh	• 1967	• 100 Duplex / Town • 1 – 5 Bedrooms
★ 5 Scattered Sites	• Varies	• 183 Single Family Sites • 36 Duplex Sites • Forest Site (28 Units) • Hoyt Site (24 Units)
★ 6 Central Office	• ~1980	• 1 acre lot

2

To review LHC's progress over the last year

Developing a framework to focus on a set of core areas enabled LHC to achieve a number of significant high-level accomplishments

Framework



High-Level Accomplishments

Transitioned LHC from HUD troubled performer to **standard performer**

Engaged City of Lansing to develop strategy and support implementation

Designed and started implementation of **strategic plan** to align with HUD visions

Substantial financial and operational improvements

In addition to the high-level accomplishments, LHC delivered tactical improvements as an organization in 2019

Resident Programs

- Executed proven programs to support residents
- Hired experienced resident services coordinator to oversee and evaluate resident programs
- Completed resident survey to identify resident needs and match with focused programs
- Conducted resident meetings to educate about LHC strategy and gather feedback

Operational Improvements

- Increased efficiency of maintenance staff
- Reduced city related violations
- Enhanced safety and unit conditions for residents

Infrastructure Investment

- Deployed capital strategically to upgrade facilities, reduce long term costs, and support resident life

LHC completed a resident survey to further understand improvement opportunities and programs in support of resident health and wellness

Ways to Improve

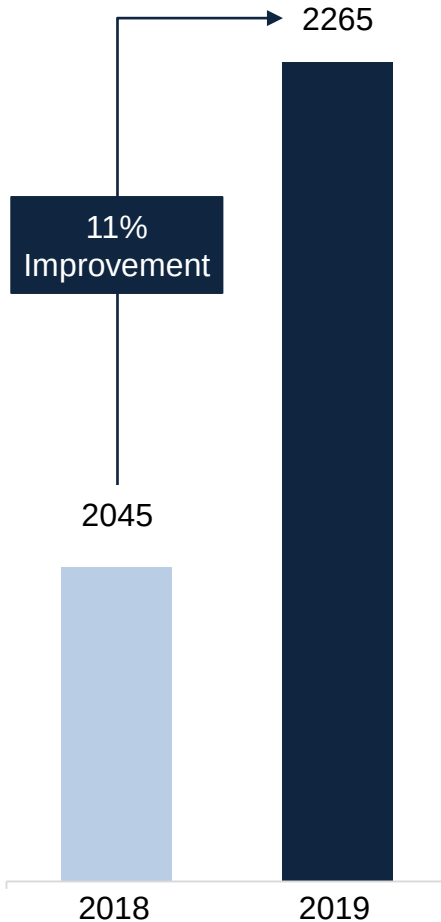
- Broader programs to include mental, physical, emotional health, as well as education and financial literacy
- Defined and integrated programming with structured evaluation and attention to process improvement
- Increased on-site services
- Coordinated transportation for off-site programs
- Improved communication to partners and residents and targeted marketing to residents about opportunities
- Further strengthening trust with residents

Programs / Opportunities

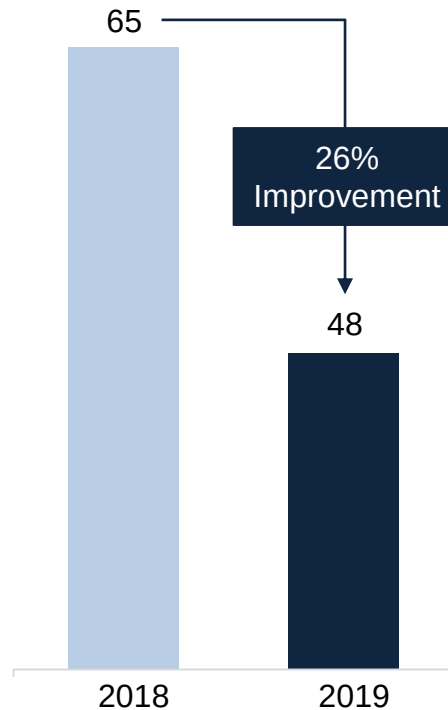
- Maintaining/improving gardens at 4 project sites and adding related health/nutritional classes at South Washington Park and LaRoy Froh
- Conducting the Summer Spectacular focused on 5 pillars (education, history, government, fitness, and entrepreneurship) with City of Lansing
- Implementing on-site services including office space, private counseling rooms, food pantry, computer access, etc.
- Offering GED program at South Washington Park (16 students) and providing transportation tokens for offsite students
- Enhancing LHC staff skills in areas like first aid, mental health, suicide prevention, CPR, etc.
- Supporting Head Start program at Hildebrandt Park, LaRoy Froh, and Mount Vernon Park
- Conducting youth programming with Youth Haven (35 students) and Greer Center Community Center (18 students)
- Providing on-site meals through the Lansing School District
- Partnering with the Capital Area District Library to provide on-site access

LHC has focused on operational improvements to deliver value to residents and sites

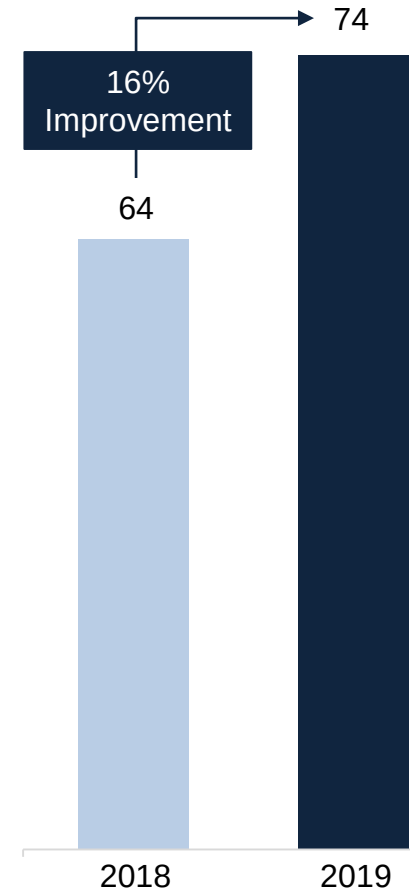
Work Orders Completed



Average Days to Complete Work Order



Average REAC Score



Over the last year plus LHC has dedicated capital investment towards infrastructure in the amount of \$2.0M - \$2.5M to enhance communities

All Sites	• Completed asphalt and concrete work • Installed security cameras and technology at 4 main communities • Installed new windows across the scattered site portfolio • Purchased new vehicles (4 trucks and 2 vans) for maintenance team
Hildebrandt Park	• Replaced furnaces and water heaters • Replaced roofs on 4 buildings • Renovated kitchen and bathrooms
LaRoy Froh	• Improved plumbing improvements • Renovated kitchen and bathrooms • Replaced furnaces and water heaters • Replaced railings throughout property
Mount Vernon Park	• Enhanced site landscaping • Repaired basketball court • Replaced furnaces and water heaters
South Washington Park	• Installed new high efficiency boilers • Renovated elevators • Replaced heating valves and thermostats

The Housing Choice Voucher program had a number of accomplishments in 2019

90% Utilization of Voucher Program

- Executed to **90% utilization rate of voucher count**, while utilizing **95% of HUD budget**

Rigorous inspection process

- Leveraged **HUD and City of Lansing best practice standards** to complete inspections
- Completed **approximately 100 inspections per month** which includes all new units and active units every other year
- Conducted inspections of active units resulting in **53% first pass rate, 32% pass following corrective actions, and 15% miscellaneous**
- Conducted inspections of new units resulting in **79% first pass rate**

Involved in \$33M worth of development projects

- Engaged in preliminary Memorandum of Understanding to provide **project based vouchers to 2 local developments** linked to **additional Lansing area investment of \$33M**

Operational excellence partnering with other programs

- Supported **74 beds in the Permanent Supportive Housing** program while only being contracted for 70
- Supported **50 beds in the Shelter+Care** program while only being contracted for 36
- Housed **144 Veterans under the VASH program**
- Entered in Memorandum of Understanding with **Child and Family Services to house foster care youth**

3

To discuss LHC's strategic plan and future focus areas in the city

To further enrich communities LHC plans to leverage 2 HUD repositioning initiatives for a better long term sustainable future for residents

HUD Initiative

Details

Benefits

Project Sites Rental Assistance Demonstration (RAD)

- Convert from HUD public housing to Section 8 contract rent
- Allows access to debt and equity markets for capital needs
- Leverages low-income housing tax credit programs (MSHDA)
- Includes robust resident rights
- Directs funding towards capital improvements for long-term sustainability
- Outlines reserve requirements for future improvements
- Transitions to new partnership and property management team

- Significantly updated units and communities
- Simplified and stabilized HUD funding
- Resident rents remain 30% of income
- Buildings / units satisfy current ADA regulations
- Implementation of green initiatives

Scattered Sites Section 18 Disposition (sale of sites)

- Applies to scattered sites (4 or fewer units, non-contiguous) with operational challenges
- Establishes opportunities to raise funds for capital improvements and future developments
- Includes resident relocation rights and potential homeownership opportunities
- Replaces public housing project based voucher with HCV tenant based voucher (increases flexibility for tenant)
- Outlines rules and regulations that future use of funds are to be reinvested in activities and housing for low income individuals

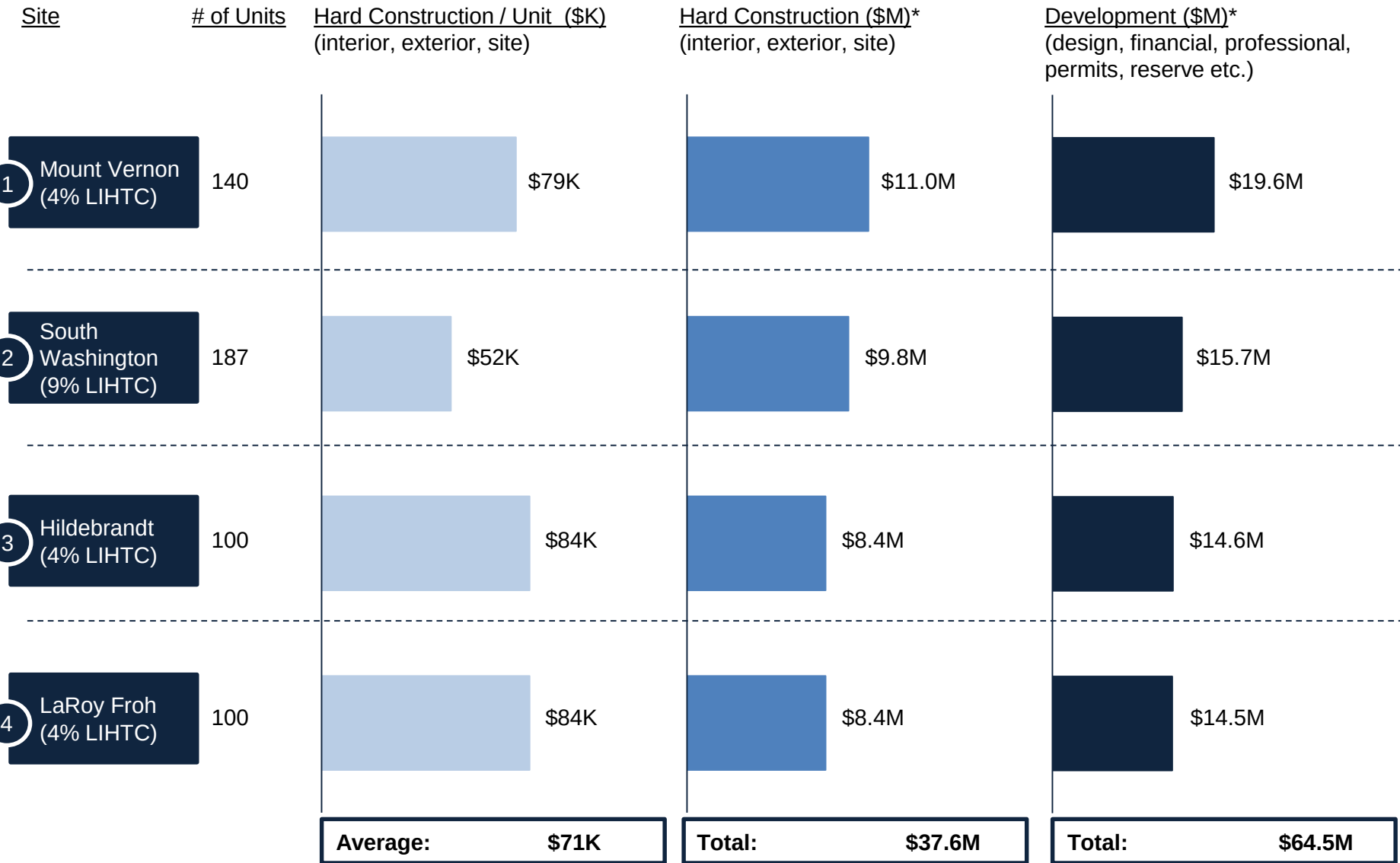
- Capital influx
- Redirect capital to higher value activities
- Elimination of ineffective segments of portfolio
- Reduction of city violations and resident complaints tied to LHC

RAD Phase 1 deals have both received LIHTC awards, RAD Phase 2 will submit applications in Summer 2020

HUD Initiative	Site	Develop Strategy	Conduct RIN	Receive CHAP	Submit LIHTC App.	Conduct GIN	Receive LIHTC Decision	Close Financing	Start Construction
RAD Phase 1	1 Mount Vernon (4% LIHTC)	✓	✓	✓	✓	✓	✓	Late Summer 2020	Fall 2020
	2 South Washington (9% LIHTC)	✓	✓	✓	✓	✓	✓	Fall 2020	Late Fall 2020
RAD Phase 2	3 Hildebrandt (4% LIHTC)	✓	✓	✓	Summer 2020	Summer 2020	Fall 2020	Winter 2021	Spring 2021
	4 LaRoy Froh (4% LIHTC)	✓	✓	✓	Summer 2020	Summer 2020	Fall 2020	Winter 2021	Spring 2021

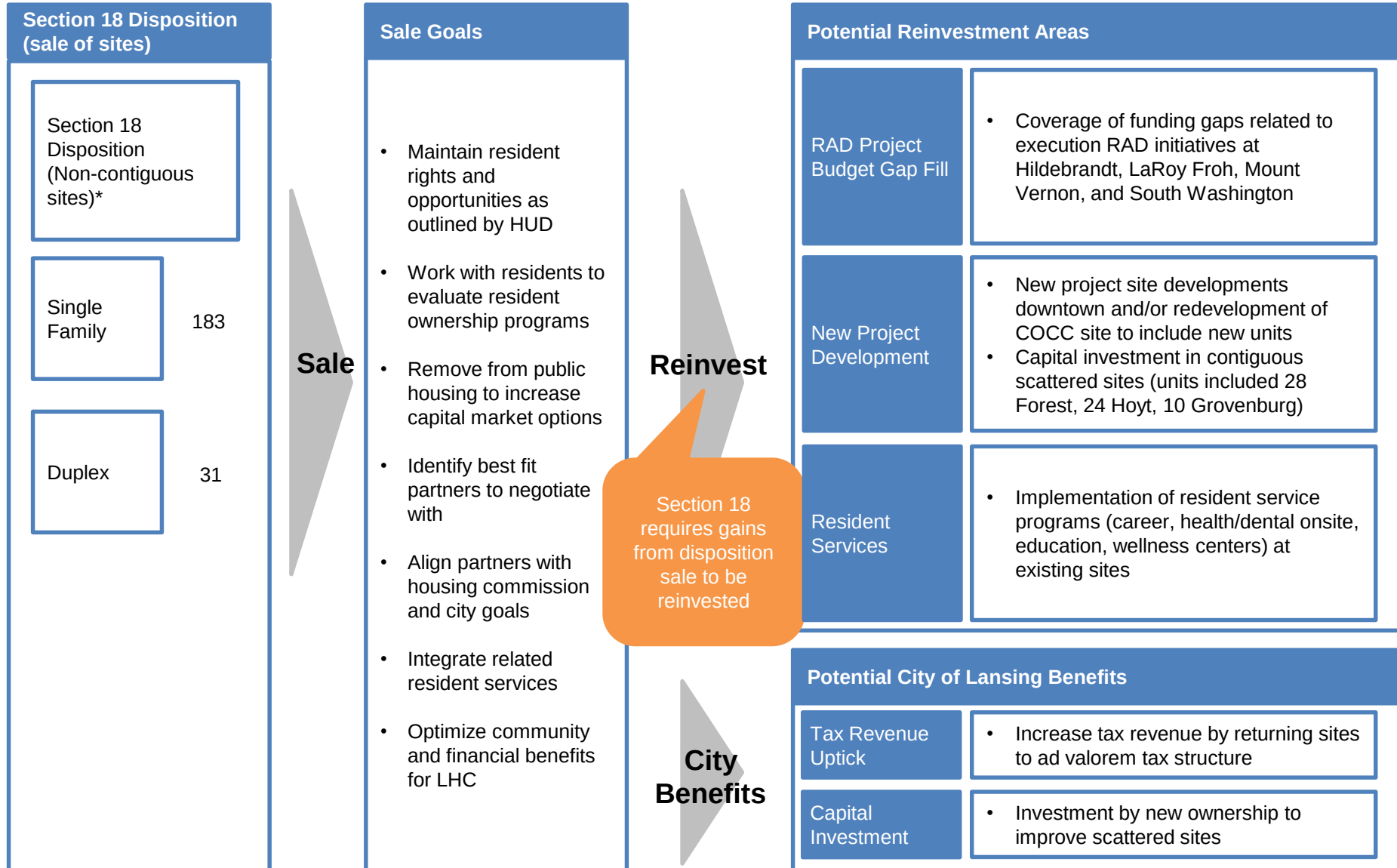
Convert to an elderly preferred facility

RAD conversions are likely to result in total development investments of ~\$65M across the 4 project sites



*Numbers are based on estimates/modeling and are subject to change throughout the process

Executing a Section 18 disposition strategy to sell qualifying scattered sites creates future opportunities while still supporting residents



*7 sites with 62 units are not included in the current section 18 analysis

4

To provide ordinance change request details and the importance of its execution to enhancing affordable housing in Lansing

In order for LHC to execute its strategy Ordinance 260 needs to be updated to reflect proper ownership and operational control

Current Ordinance 260 Language

Requested Change to Ordinance 260 Language

Impact of Request Change

Ownership

- Property ownership of LHC communities and scattered sites resides with the City of Lansing

- Transfer property ownership of LHC communities and scattered sites to LHC

- Align with legal and HUD ownership understanding
- Enable LHC to execute RAD investment for 4 project sites
- Enable LHC to dispose of properties through HUD Section 18

Operational Control

- Language suggests operational control of LHC resides with the City of Lansing

- Adopt edited language to formally state operational control of LHC belongs to LHC

- Align language with organizational operations
- Maintain City of Lansing oversight through Mayoral control of Board appointments

Both ownership and operational control should have been updated years ago when the City of Lansing and LHC followed HUD guidance to separate the city and public housing agencies

To implement the proposed changes the following is requested from City Council

Adopt Recommended Changes to Ordinance 260

- Allow the transfer of ownership of 4 project sites and all scattered sites from City of Lansing to LHC via quit claim deed
- Update language to reflect the current operational environment between LHC and the City of Lansing

Following Adoption

Execute Quit Claim

- Transfer ownership of 4 project sites and all scattered sites from City of Lansing and to LHC

Moving Forward and Questions

1

What further information do you need from the Lansing Housing Commission?

2

Is there anything LHC can do to best help facilitate this process in a timely manner?

Lansing Housing Commission

Financial Report
with Supplemental Information
June 30, 2019

Lansing Housing Commission

Contents

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements	
Fund Financial Statements:	
Statement of Net Position	8-9
Statement of Activities	10
Statement of Cash Flows	11
Notes to Financial Statements	12-29
Required Supplemental Information	30
Schedule of Changes in the Commission's Net Pension Liability and Related Ratios	31
Schedule of Commission Contributions	32
Schedule of Changes in the Commission's OPEB Liability and Related Ratios	33
Schedule of OPEB Contributions	34
Notes to Schedule of Commission Contributions	35
Other Supplemental Information	36
Financial Data Schedules	37-41
Actual Modernization Cost Certificate	42

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, 2019 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 opinions.

Opinions

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, 2019 and the respective changes in its financial position and, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 and closed grants 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.

The closed grants have not been subject to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2019 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 & Morse, PLLC

November 11, 2019

**Lansing Housing Commission
Lansing, Michigan**

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2019

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, 2019. 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, 2019. 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	\$ 16,042,394
2. Unrestricted net position equals	4,139,799
3. Total net position increased by	312,280

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

	2018	2019	Change	Percent Change
Assets				
Current and restricted assets	\$ 5,259,522	\$ 5,222,385	\$ (37,137)	-1%
Capital assets	14,492,096	13,546,781	(945,315)	-7%
Noncurrent assets	1,092,791	1,127,886	35,095	3%
Total assets	20,844,409	19,897,052	(947,357)	-5%
Deferred Outflows of Resources	100,343	809,448	709,105	707%
Total assets and deferred outflows of resources	20,944,752	20,706,500	(238,252)	-1%
Liabilities				
Current liabilities	893,195	742,502	(150,693)	-17%
Long-term liabilities	4,153,621	3,921,604	(232,017)	-6%
Total liabilities	5,046,816	4,664,106	(382,710)	-8%
Deferred Inflows of Resources	167,822	-	(167,822)	-100%
Net Position				
Net investment in capital assets	12,398,172	11,855,031	(543,141)	-4%
Restricted	283,714	47,564	(236,150)	-83%
Unrestricted	3,048,228	4,139,799	1,091,571	36%
Total net position	<u>\$ 15,730,114</u>	<u>\$ 16,042,394</u>	<u>\$ 312,280</u>	2%

As required by Governmental Accountings Standards Board (GASB), the Commission adopted GASB Statement No. 75 in 2018. 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 were recognized immediately as part of the OPEB expense measurement, and part will be deferred and recognized over future years.

As illustrated in the statement of net position, the overall net position of the Commission increased by \$312,280, primarily as a result in a decrease in long-term liabilities net of decreases in capital assets. There were capital asset projects ongoing during the current year related to the normal maintenance and repairs and the reconstruction of units damaged by a fire during the prior year. Overall, net capital assets decreased due to normal depreciation expense exceeding capital asset additions. The decrease in OPEB liabilities and a principal payment of approximately \$301,000 on the promissory note payable with Davenport University led to an overall decrease in liabilities.

Financial Analysis (Continued)

Statement of Activities

	2018	2019	Change	Percent Change
Revenue				
Tenant rental revenue	\$ 1,621,451	\$ 1,714,401	\$ 92,950	6%
Federal grants	14,666,576	16,462,935	1,796,359	12%
Other revenue	1,396,575	1,408,403	11,828	1%
Total revenue	17,684,602	19,585,739	1,901,137	11%
Expenses				
Administrative expenses	2,600,196	1,553,050	(1,047,146)	-40%
Tenant services	83,708	83,838	130	0%
Utilities	948,288	964,198	15,910	2%
Maintenance and operations	2,494,575	3,213,723	719,148	29%
Insurance and general expenses	388,174	458,011	69,837	18%
Housing assistance payments	10,785,430	11,695,726	910,296	8%
Depreciation and amortization	1,205,171	1,232,698	27,527	2%
Interest expense	83,017	71,249	(11,768)	-14%
Loss on sale of assets	790	966	176	22%
Total expenses	18,589,349	19,273,459	684,110	4%
Change in Net Position	\$ (904,747)	\$ 312,280	\$ 1,217,027	135%

Revenue

In reviewing the statement of activities, you will find that 84 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 7 percent is from investment income and other income.

Expenses

In reviewing the statement of activities, you will find that 61 percent of the Commission's expenses are for housing assistance payments, 8 percent for administrative, 5 percent are for utilities, 17 percent are for maintenance, 6 percent are for depreciation and amortization, and 3 percent are for tenant services, protective services, general expenses, and interest expense.

Change in Net Position

There was a significant increase in overall revenue during fiscal year 2019. The Federal Grants increase was due to two factors. First, there was a increase in the funding for the Public Housing Capital Fund program. Second, the Commission approved a change in benefits under the other postemployment benefit plan. This change in benefit terms and change in assumptions decreased the net OPEB liability by approximately \$952,000.

Financial Analysis (Continued)

Capital Assets

As of year end, the Commission had \$13,546,781 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.

	2018	2019	Change	Percent Change
Land	\$ 1,554,771	\$ 1,554,771	\$ -	0%
Buildings	51,223,127	51,933,079	709,952	1%
Furniture and equipment	1,313,200	1,304,132	(9,068)	-1%
Construction in progress	914,088	397,756	(516,332)	-56%
Accumulated depreciation	(40,513,090)	(41,642,957)	(1,129,867)	3%
Net capital assets	<u>\$ 14,492,096</u>	<u>\$ 13,546,781</u>	<u>\$ (945,315)</u>	-7%

The following reconciliation summarizes the change in capital assets:

Beginning balance - July 1, 2018	\$ 14,492,096
Additions:	
Construction in progress	288,349
Disposals net of depreciation	(966)
Depreciation expense	(1,232,698)
Ending balance - June 30, 2019	<u>\$ 13,546,781</u>

Debt Outstanding

As of the end of the fiscal year, the Commission had \$1,691,750 in debt outstanding compared to \$2,123,924 in the previous year. The net change in debt for the year was a decrease of \$432,174 of principal payments.

	Long-term Debt	
	2018	2019
Note payable - Davenport	\$ 425,762	\$ 124,986
Note payable - PNC	1,698,162	1,566,764
Total long-term debt	<u>\$ 2,123,924</u>	<u>\$ 1,691,750</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 substantially 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.

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, 2019

	Primary Government (LHC)	Discrete Component Unit - Oliver Gardens December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 4,037,366	\$ 40,754
Cash and cash equivalents - Restricted (Note 3)	106,180	341,402
Receivables:		
Tenant receivables	47,259	-
Other receivables	299,329	5,039
Due from other governmental units - HUD	30,925	-
Allowance for doubtful accounts	(4,726)	-
Prepaid expenses and other assets	49,196	4,920
Tenant security deposits - Restricted (Note 3)	133,852	5,071
Investments (Note 3)	523,004	-
Total current assets	5,222,385	397,186
Noncurrent assets:		
Investment in partnership	1,017,786	-
Capital assets:		
Assets not subject to depreciation (Note 4)	1,952,527	685,162
Assets subject to depreciation - Net (Note 4)	11,594,254	1,653,375
Other receivables	110,000	-
Other assets	100	4,583
Total noncurrent assets	14,674,667	2,343,120
Total assets	19,897,052	2,740,306
Deferred Outflows of Resources - Pension (Note 6)	809,448	-

Lansing Housing Commission**Statement of Net Position (Continued)****June 30, 2019**

	Primary Government (LHC)	Discrete Component Unit - Oliver Gardens December 31, 2018
Liabilities		
Current liabilities:		
Accounts payable - Operating	\$ 210,262	\$ 11,683
Security deposits liability	155,909	5,071
Accrued liabilities and other:		
Accrued salaries and wages	52,313	-
Accrued interest payable	-	165,053
Accrued PILOT	118,496	19,255
Compensated absences < one year	10,023	-
Other current liabilities	-	458,032
Current portion of long-term debt (Note 5)	195,499	32,947
Total current liabilities	742,502	692,041
Noncurrent liabilities:		
Compensated absences	56,800	-
Accrued partnership management fees	-	110,000
Net pension liability (Note 6)	1,438,679	-
Net OPEB obligation (Note 7)	871,259	-
Notes payable - Net of current portion (Note 5)	1,496,251	2,463,271
Other noncurrent liabilities	58,615	405,767
Total noncurrent liabilities	3,921,604	2,979,038
Net Position		
Net investment in capital assets	11,855,031	(157,681)
Restricted	47,564	-
Unrestricted	4,139,799	(773,092)
Total net position	\$ 16,042,394	\$ (930,773)

Lansing Housing Commission

Statement of Activities

Year Ended June 30, 2019

	Primary Government (LHC)	Discrete Component Unit - Oliver Gardens Year Ended December 31, 2018
Operating Revenue		
Tenant revenue - Net	\$ 1,714,401	\$ 278,698
HUD operating revenue	16,199,046	-
Other grant revenue	1,079,056	-
Other operating revenue	321,056	255
Total operating revenue	19,313,559	278,953
Operating Expenses		
Administrative	1,553,050	24,173
Tenant services	83,838	-
Utilities	964,198	72,213
Maintenance	3,213,723	50,583
Insurance	333,407	15,494
Other general expenses	124,604	47,587
Housing assistance payments	11,695,726	-
Depreciation and amortization	1,232,698	141,860
Total operating expenses	19,201,244	351,910
Operating Income (Loss)	112,315	(72,957)
Nonoperating Revenue (Expense)		
Investment income	8,291	10,991
Interest expense (Note 5)	(71,249)	(88,858)
Loss on sale of assets	(966)	(1,298)
Total nonoperating expense	(63,924)	(79,165)
Income (Loss) - Before capital contributions	48,391	(152,122)
Capital Contributions - Capital grants - HUD	263,889	-
Change in Net Position	312,280	(152,122)
Net Position - Beginning of year	15,730,114	(778,651)
Net Position - End of year	<u>\$ 16,042,394</u>	<u>\$ (930,773)</u>

Lansing Housing Commission

Statement of Cash Flows

Year Ended June 30, 2019

	Primary Government (LHC)
Cash Flows from Operating Activities	
Cash received from HUD operating subsidies and grants	\$ 16,172,025
Cash received from tenants	1,699,770
Other receipts	1,366,705
Cash payments for housing assistance	(11,695,726)
Cash payments for administrative expenses	(1,553,050)
Cash payments for other operating expenses	(5,580,004)
Net cash and cash equivalents provided by operating activities	409,720
Cash Flows from Capital and Related Financing Activities	
Receipt of capital grants	263,889
Purchase of capital assets	(288,349)
Principal and interest paid on capital debt	(503,423)
Net cash and cash equivalents used in capital and related financing activities	(527,883)
Cash Flows from Investing Activities	
Interest received on investments	8,291
Purchases of investment securities	(7,080)
Net cash and cash equivalents provided by investing activities	1,211
Net Decrease in Cash and Cash Equivalents	(116,952)
Cash and Cash Equivalents - Beginning of year	4,394,350
Cash and Cash Equivalents - End of year	<u><u>\$ 4,277,398</u></u>
Classification of Cash and Cash Equivalents	
Cash and cash equivalents	\$ 4,037,366
Restricted cash and cash equivalents	106,180
Tenant security deposits	133,852
Total cash and cash equivalents	<u><u>\$ 4,277,398</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 112,315
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	1,232,698
Bad debts	65,536
Deferred outflows and inflows	(876,927)
Changes in assets and liabilities:	
Receivables	(117,188)
Prepaid and other assets	(56,178)
Accounts payable	100,408
Accrued and other liabilities	(45,379)
Security and other trust deposits	(5,565)
Net cash and cash equivalents provided by operating activities	<u><u>\$ 409,720</u></u>

June 30, 2019**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 (the "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 either to 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 1,675 tenant-based vouchers monthly for the year ended June 30, 2019.

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 until the recovery agreement was terminated. During February 2019, the Commission received a letter from HUD notifying them that they have accomplished all corrective actions to remedy recommendations issued by HUD Departmental Enforcement Center.

June 30, 2019**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, and the Commission has a 1 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, 2019, LHCNPDC had assets of \$857,110, liabilities of \$879,491, and net deficit position of \$(22,381). The total revenue and change in net position were \$13,378 for the year ended June 30, 2019.

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 and for the year ended December 31, 2018. A complete financial report can be obtained at its administrative offices at 419 Cherry St., Lansing, MI 48933.

As described above, 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.

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, 2019. 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 \$4,726 as potentially uncollectible as of June 30, 2019. Tenant bad debt for the year ended June 30, 2019 was \$65,536.

Prepaid Expenses

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

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. Also included in this amount is \$270,776 due from Oliver Gardens resulting from the Commission providing accounting, management, oversight, and maintenance services. 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, 2019 is \$41,130. No principal or interest are 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, 2019, 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 of 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 2019, 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

According to the partnership agreement of Oliver Gardens, the general partner of Oliver Gardens, Oliver Gardens, LLC, is entitled to a cumulative annual partnership management fee of \$10,000 per annum. As described above, Oliver Gardens, LLC is 99 percent owned by LHCNPDC and 1 percent owned by the Commission. As such, the total accrued partnership management fee of \$110,000 at June 30, 2019 is reported as an other receivable on the statement of net position.

Note 2 - Significant Accounting Policies (Continued)

Other assets of the component unit include \$22,917 of costs related to obtaining tax credits, net of accumulated amortization of \$18,334. 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, 2019 was \$1,528.

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 \$66,823 at June 30, 2019, of which \$10,023 is current and \$56,800 is noncurrent.

Classification of Net Assets

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.

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 2019 to cover the costs of the service coordinator.

Capital Grants

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

June 30, 2019

Note 2 - Significant Accounting Policies (Continued)***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.

Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. 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, 2020.

In June 2017, the GASB issued 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.

Note 2 - Significant Accounting Policies (Continued)

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*. This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The Commission is currently evaluating the impact this standard will have on the financial statements when adopted for the year ending June 30, 2020.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the Commission's financial statements for the June 30, 2022 fiscal year.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including November 11, 2019, 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 (Oliver Gardens)
Cash and cash equivalents - Unrestricted	\$ 4,037,366	\$ 40,754
Cash and cash equivalents - Restricted	106,180	341,402
Tenant security deposits - Restricted	133,852	5,071
Investments - Certificates of deposit	523,004	-
Total deposits and investments	<u>\$ 4,800,402</u>	<u>\$ 387,227</u>

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 that matures not more than 270 days after the date of purchase, obligations of the State of Michigan or its political subdivisions that 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.

Note 3 - Deposits and Investments (Continued)

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, \$273,004 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.

Note 4 - Capital Assets

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

Primary Government

	Balance July 1, 2018	Reclassifications	Additions	Reductions	Balance June 30, 2019
Capital assets not being depreciated:					
Land	\$ 1,554,771	\$ -	\$ -	\$ -	\$ 1,554,771
Construction in progress	914,088	(804,681)	288,349	-	397,756
Total nondepreciable assets	2,468,859	(804,681)	288,349	-	1,952,527
Capital assets being depreciated:					
Buildings and improvements	51,223,127	804,681	-	(94,729)	51,933,079
Machinery and equipment	1,313,200	-	-	(9,068)	1,304,132
Total depreciable capital assets	52,536,327	804,681	-	(103,797)	53,237,211
Accumulated depreciation	40,513,090	-	1,232,698	(102,831)	41,642,957
Net capital assets being depreciated	12,023,237	804,681	(1,232,698)	(966)	11,594,254
Net capital assets	\$ 14,492,096	\$ -	\$ (944,349)	\$ (966)	\$ 13,546,781

June 30, 2019

Note 4 - Capital Assets (Continued)

Component Unit

	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
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 -				
Buildings and improvements	1,713,237	140,332	-	1,853,569
Net capital assets being depreciated	1,793,707	(140,332)	-	1,653,375
Net capital assets	\$ 2,478,869	\$ (140,332)	\$ -	\$ 2,338,537

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, at which time, construction in progress for that grant is placed in service and transferred to the buildings or improvements categories.

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. These are both considered direct borrowings.

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.

Note 5 - Long-term Debt (Continued)

Component Unit

Oliver Gardens has the following loans outstanding as of December 31, 2018 that are secured by land and substantially all real property owned by Oliver Gardens. These are all considered direct borrowings:

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, 2018, total accumulated amortization related to these costs was \$14,920. Amortization expense was \$1,528 for the year ended December 31, 2018 and has been included as a component of interest expense on statement of activities	\$ 1,476,085
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 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	2,496,218
Less current portion	32,947
Long-term portion	<u>\$ 2,463,271</u>

Primary Government

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

Years Ending	Principal	Interest	Total
2020	\$ 58,000	\$ 2,000	\$ 60,000
2021	59,000	1,000	60,000
2022	7,986	361	8,347
Total	<u>\$ 124,986</u>	<u>\$ 3,361</u>	<u>\$ 128,347</u>

Note 5 - Long-term Debt (Continued)

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

Years Ending	Amount	Interest
2020	\$ 137,499	\$ 62,000
2021	144,000	56,000
2022	150,000	50,000
2023	156,000	44,000
2024	162,000	37,000
2025-2028	720,000	78,000
2029	97,265	1,000
Total	<u>\$ 1,566,764</u>	<u>\$ 328,000</u>

Component Unit

Future minimum principal and interest payments on direct borrowings to maturity for the years ending December 31 are as follows:

Years Ending	Amount	Interest
2019	\$ 32,947	\$ 74,585
2020	34,638	72,894
2021	36,411	71,121
2022	38,273	69,259
2023	40,232	67,300
2024-2028	234,222	303,438
2029-2033	300,591	237,069
2034-2038	385,765	151,895
2039-2043	543,006	376,876
2044-2048	850,133	-
Total	<u>\$ 2,496,218</u>	<u>\$ 1,424,437</u>

Changes in long-term debt for the year ended June 30, 2019 (or December 31, 2018 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 -					
Direct borrowings:					
Davenport	\$ 425,762	\$ -	\$ (300,776)	\$ 124,986	\$ 57,632
PNC	1,698,162	-	(131,398)	1,566,764	137,867
Total	<u>\$ 2,123,924</u>	<u>\$ -</u>	<u>\$ (432,174)</u>	<u>\$ 1,691,750</u>	<u>\$ 195,499</u>
Component unit -					
Direct borrowings:					
MSHDA	\$ 1,537,924	\$ -	\$ (31,344)	\$ 1,506,580	\$ 32,947
City of Lansing, Michigan	720,000	-	-	720,000	-
LHC	300,133	-	-	300,133	-
Total	<u>\$ 2,558,057</u>	<u>\$ -</u>	<u>\$ (31,344)</u>	<u>\$ 2,526,713</u>	<u>\$ 32,947</u>

Note 5 - Long-term Debt (Continued)

Interest expense for the year ended June 30, 2019 was \$71,249 for the primary government, and interest expense for the year ended December 31, 2018 was \$88,858 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.

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.

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

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, 2018 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	41
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	24
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, 2019, the average employee contribution rate was 5.0 percent of annual pay for all divisions, and the Commission's average contribution rate was 22.42 percent in the open general division and 0.65 percent under the new hires division of annual payroll.

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, 2019 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, 2018 measurement date. The December 31, 2018 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, 2017	\$ 9,088,660	\$ 8,632,982	\$ 455,678
Service cost	72,132	-	72,132
Interest	700,146	-	700,146
Differences between expected and actual experience	77,954	-	77,954
Contributions - Employer	-	145,613	(145,613)
Contributions - Employee	-	62,196	(62,196)
Net investment loss	-	(323,275)	323,275
Benefit payments, including refunds	(701,709)	(701,709)	-
Administrative expenses	-	(16,423)	16,423
Miscellaneous other charges	(21,160)	(22,040)	880
Net changes	127,363	(855,638)	983,001
Balance at December 31, 2018	\$ 9,216,023	\$ 7,777,344	\$ 1,438,679

The plan's fiduciary net position represents 84.4 percent of the total pension liability.

June 30, 2019

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

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

For the year ended June 30, 2019, the Commission recognized pension expense of \$10,364. At June 30, 2019, 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	\$ 81,490	\$ -
Net difference between projected and actual earnings on pension plan investments	590,761	-
Employer contributions to the plan subsequent to the measurement date	137,197	-
Total	<u>\$ 809,448</u>	<u>\$ -</u>

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 \$(137,197), which will impact the net pension liability in fiscal year 2020, rather than pension expense.

Years Ending June 30	Amount
2020	\$ 263,642
2021	97,601
2022	112,484
2023	198,524

Actuarial Assumptions

The total pension liability in the December 31, 2018 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 8.0 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, 2018 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.

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

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.

The long-term expected rate of return on pension plan investments of 8.0 percent 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, 2018, 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 %	6.15 %
Global fixed income	18.50	1.26
Real estate	13.50	7.22
Diversifying strategies	12.50	5.00

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 8.0 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	\$ 2,346,681	\$ 1,438,679	\$ 666,536

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, 2019

Note 7 - Other Postemployment Benefit Plan (Continued)***Benefits Provided***

During the year ended June 30, 2019, the board of commissioners approved a policy to change the benefits provided under the other postemployment benefit (OPEB) plan. The plan provides comprehensive medical and life insurance for retirees. For those retirees over the age of 65 as of January 1, 2019, both the retiree and spouse may be covered in retirement. Health, dental, and vision benefits will be administered through a third-party insurer, with each retiree given \$100 per month (\$200 per month if spouse is eligible for coverage) to purchase an individual Medicare Supplement, Medicare Part D Prescription Drug, and Medicare Advantage plans, along with dental and vision plans. For those retirees under the age of 65 as of January 1, 2019, each retiree will be given \$750 per month (\$1,200 per month if spouse is eligible for coverage) to purchase a plan of their choosing along with dental and vision. For active employees hired prior to January 1, 2019, the Commission will contribute \$50 per month per employee, while a payroll deduction will be required of each employee of \$10 per month. Both amounts will be deposited into the MERS Health Care Savings Program. Employees will be vested into the health retirement account after eight years of service. Prior to vesting, employees leaving employment will immediately be allowed to keep and use their personal contributions plus investment gains on their health account. The Commission portion will be returned for use in satisfying other OPEB liabilities. After vesting, the entire health account is available for the employee's use for medical expenses upon retirement or termination of employment. Employees hired after January 1, 2019 will not be provided OPEB benefits.

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	17
Active plan members	20
Total employees covered by the plan	37

Contributions

Retiree healthcare costs are paid by the Commission on a "pay-as-you-go" basis. The Commission has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended June 30, 2019, the Commission made payments for postemployment health benefit premiums plus implicit costs for the retiree medical program of \$201,577.

Net OPEB Liability

The Commission's net OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2017, which used updated procedures to roll forward the estimated liability to June 30, 2019.

Note 7 - Other Postemployment Benefit Plan (Continued)

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, 2018	\$ 1,871,478	\$ -	\$ 1,871,478
Service cost	11,298	-	11,298
Interest	49,023	-	49,023
Change in benefit terms	(882,057)	-	(882,057)
Change in assumptions	(118,162)	-	(118,162)
Differences between actual and expected experience	141,256	-	141,256
Contributions	-	201,577	(201,577)
Benefit payments	(201,577)	(201,577)	-
Balance at June 30, 2019	\$ 871,259	\$ -	\$ 871,259

For the year ended June 30, 2019, the Commission recognized OPEB recovery of \$952,480.

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 percent as of June 30, 2019 and for future periods
Cost of living	3.50 percent annually as of June 30, 2019 and for future periods
Salary increases	3.00 percent annually as of June 30, 2019 and for future periods
Mortality	Represented by the RP-2000 Employees 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. The changes in assumptions from June 30, 2018 to June 30, 2019 included a change in the discount rate from 3.25 percent to 2.75, and the expected cost of living adjustment was updated to 3.5 percent.

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2019 was 2.75 percent. The discount rate was based on the S&P Municipal Bond 20-year high-grade index - SAPIHG.

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 2.75 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 (1.75 percent) or 1 percentage point higher (3.75 percent) than the current rate:

	1 Percent Decrease (1.75%)	Current Discount Rate (2.75%)	1 Percent Increase (3.75%)
Net OPEB liability of the Commission	\$ 959,429	\$ 871,259	\$ 801,902

June 30, 2019

Note 7 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the Commission, calculated using the cost of living trend rate of 3.50 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 (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate:

	1 Percent Decrease (2.50%)	Current Discount Rate (3.50%)	1 Percent Increase (4.50%)
Net OPEB liability of the Commission	\$ 798,761	\$ 871,259	\$ 957,909

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, 2019.

The collective bargaining three-year agreement between the Housing Commission employees and Chapter of Local 1390.11 and Michigan Council #25, AFSCME, AFL-CIO, covering approximately 31 percent of the Commission's labor force, will be in place from January 1, 2019 through December 31, 2021.

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, including 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.

For the year ended June 30, 2019, approximately 80 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 Five Fiscal Years				
	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 72,132	\$ 91,117	\$ 126,678	\$ 114,272	\$ 114,461
Interest	700,146	687,782	714,076	698,614	684,653
Differences between expected and actual experience	77,954	88,563	(140,946)	(123,435)	-
Changes in assumptions	-	-	(349,397)	405,966	-
Benefit payments, including refunds	(701,709)	(661,395)	(651,805)	(635,102)	(624,495)
Other	(21,160)	(4,268)	(521)	-	-
Net Change in Total Pension Liability	127,363	201,799	(301,915)	460,315	174,619
Total Pension Liability - Beginning of year	9,088,660	8,886,861	9,188,776	8,728,461	8,553,842
Total Pension Liability - End of year	\$ 9,216,023	\$ 9,088,660	\$ 8,886,861	\$ 9,188,776	\$ 8,728,461
Plan Fiduciary Net Position					
Contributions - Employer	\$ 145,613	\$ 685,378	\$ 693,689	\$ 158,735	\$ 215,191
Contributions - Member	62,196	70,951	67,424	55,586	37,167
Net investment (loss) income	(323,275)	1,035,066	743,039	(104,348)	446,261
Administrative expenses	(16,423)	(16,381)	(14,686)	(15,480)	(16,314)
Benefit payments, including refunds	(701,709)	(661,395)	(651,805)	(635,102)	(624,495)
Other	(22,040)	(4,445)	(521)	-	-
Net Change in Plan Fiduciary Net Position	(855,638)	1,109,174	837,140	(540,609)	57,810
Plan Fiduciary Net Position - Beginning of year	8,632,982	7,523,808	6,686,668	7,227,277	7,169,467
Plan Fiduciary Net Position - End of year	\$ 7,777,344	\$ 8,632,982	\$ 7,523,808	\$ 6,686,668	\$ 7,227,277
Commission's Net Pension Liability - Ending	\$ 1,438,679	\$ 455,678	\$ 1,363,053	\$ 2,502,108	\$ 1,501,184
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.39 %	94.99 %	84.66 %	72.77 %	82.80 %
Covered Payroll	\$ 1,072,020	\$ 1,304,971	\$ 1,333,333	\$ 1,235,367	\$ 1,164,556
Commission's Net Pension Liability as a Percentage of Covered Payroll	134.20 %	34.92 %	102.23 %	202.54 %	128.91 %

See notes to schedule of commission contributions.

Lansing Housing Commission

Required Supplemental Information Schedule of Commission Contributions

Last Four Fiscal Years
Years Ended December 31

	2018	2017	2016	2015
Actuarially determined contribution	\$ 97,665	\$ 133,299	\$ 122,057	\$ 103,079
Contributions in relation to the actuarially determined contribution	145,613	685,378	693,889	158,735
Contribution Excess	\$ 47,948	\$ 552,079	\$ 571,832	\$ 55,656
Covered Payroll	\$ 1,072,020	\$ 1,304,971	\$ 1,333,333	\$ 1,235,367
Contributions as a Percentage of Covered Employee Payroll	13.58 %	52.52 %	52.03 %	12.85 %

See notes to schedule of commission contributions.

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

	Last Three Fiscal Years		
	2019	2018	2017
Total OPEB Liability			
Service cost	\$ 11,298	\$ 53,470	\$ 50,924
Interest	49,023	59,951	58,429
Changes in benefit terms	(882,057)	-	-
Differences between expected and actual experience	141,256	-	-
Changes in assumptions	(118,162)	-	-
Benefit payments, including refunds	(201,577)	(65,682)	(64,552)
Net Change in Total OPEB Liability	(1,000,219)	47,739	44,801
Total OPEB Liability - Beginning of year	1,871,478	1,823,739	1,778,938
Total OPEB Liability - End of year	\$ 871,259	\$ 1,871,478	\$ 1,823,739
Covered Payroll	\$ 2,452,554	\$ 2,381,121	\$ 2,311,768
Total OPEB Liability as a Percentage of Covered Payroll	35.52 %	78.60 %	78.89 %

See notes to schedule of commission contributions.

Lansing Housing Commission

Required Supplemental Information Schedule of OPEB Contributions

Last Three Plan Years
Years Ended June 30

	2018	2017	2016
Actuarially determined contribution	\$ 53,173	\$ 148,959	\$ 143,977
Contributions in relation to the actuarially determined contribution	201,577	65,682	64,552
Contribution (Excess) Deficiency	<u>\$ (148,404)</u>	<u>\$ 83,277</u>	<u>\$ 79,425</u>
Covered Payroll	\$ 2,452,554	\$ 2,381,121	\$ 2,311,768
Contributions as a Percentage of Covered Payroll	8.22 %	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 of assets as of the measurement date
Inflation	2.75 percent per annum
Cost of living adjustment	3.50 percent per annum
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

See notes to schedule of commission contributions.

Lansing Housing Commission

Notes to Schedule of Commission Contributions

June 30, 2019

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.

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	20 years
Asset valuation method	10-year smoothed
Inflation	2.50 to 3.75 percent
Salary increase	3.75 percent average, including inflation
Investment rate of return	8.0 percent
Retirement age	60
Mortality	50 percent male to 50 percent female blend of the 2004 Group Annuity Mortality Table
Other information	None

Benefit Changes

There were no changes of benefit terms in 2018.

Changes in Assumptions

There were no changes of benefit assumptions in 2018.

Changes in Size or Composition of the Covered Population

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

OPEB Information

Benefit Changes

The plan has been changed to provide a monthly contribution into the MERS Care Savings Program for Active employees hired prior to January 1, 2019 and a monthly stipend to employees retired prior to January 1, 2019.

Changes in Assumptions

From June 30, 2018 to June 30, 2019, the assumption for the discount rate was changed from 3.25 percent to 2.75 percent, and the expected cost of living adjustment was updated to 3.50 percent.

Other Supplemental Information

		Public Housing Project Fund	LCFF Capital Fund	LCFF Housing Choice Voucher	LCFF Supportive Housing Program	LCFF/LSCF	Business Activities	Cost of Office Cost Center	Leases	Eliminations	Total	LCFF Component Total - the credit percentage
312.00	Accounts payable - 90 days	55,315	-	-	-	-	-	-	56,815	-	56,815	(44)
313.00	Accounts payable - 90 days	31,171	-	14,881	-	-	-	8,157	52,313	-	52,313	76,154
322.00	Accounts payable - 90 days - Current portion	4,110	-	2,667	-	-	-	1,351	16,923	-	16,923	-
323.00	Accounts payable - 90 days	-	-	-	-	-	-	-	-	-	-	18,856
331.00	Yield security payable - 180 days	-	-	-	-	-	-	-	-	-	-	-
332.00	Accounts payable - 90 days	111,498	-	-	-	-	-	-	111,498	-	111,498	19,215
341.00	Tax and security deposits	112,152	-	-	-	-	-	-	112,152	-	112,152	1,018
343.00	Real deferred revenue	8,353	-	-	-	-	-	3,703	12,051	-	12,051	183
343.00	Total current portion of LCFF capital and supportive housing	119,307	-	-	-	-	-	17,413	119,307	-	119,307	19,217
344.00	Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	13,133
345.00	Accounts payable - Other	16,153	-	8,413	-	-	-	-	15,436	-	15,436	16,028
347.00	Liabilities - Due to	-	-	-	-	-	871,411	6,719	179,411	(675,491)	-	-
348.00	Liabilities - Current	-	-	-	-	-	-	-	-	-	-	177,762
349.00	Total Current Liabilities	648,813	-	23,294	-	-	871,411	71,484	1,275,313	(675,491)	743,549	612,843
351.00	Total LCFF - Net of current - Capital and supportive housing	6,478,647	-	-	-	-	-	27,254	6,495,851	-	6,495,851	1,765,271
352.00	Liabilities - Other	-	-	543,115	-	-	-	-	543,115	-	543,115	1,129,647
353.00	Accounts payable - 90 days - 180 days	34,638	-	15,844	-	-	-	-	50,482	-	50,482	-
357.00	Accounts payable and LCFF Capital	15,20,668	-	81,813	-	-	-	267,660	2,389,936	-	2,389,936	-
360.00	Total Non-current Liabilities	8,644,153	-	339,319	-	-	-	345,323	3,027,604	-	3,027,604	1,879,624
363.00	Total Liabilities	15,292,966	-	612,613	-	-	871,411	417,196	5,343,596	(675,491)	4,668,105	3,584,467
400.00	Deferred income of non-current	-	-	-	-	-	-	-	-	-	-	-
	Equity											
506.00	Shareholders' equity - 180 days - Net of current debt	11,371,346	-	-	-	-	-	89,093	11,460,439	-	11,460,439	(1,57,441)
511.00	Retained earnings	-	-	47,346	-	-	-	-	47,346	-	47,346	-
514.00	Unpaid interest	1,343,807	-	770,071	-	146,204	23,341	2,593,470	4,179,801	-	4,529,801	(873,897)
543.00	Total Equity	13,715,153	-	517,417	-	146,204	23,341	2,593,470	16,049,356	-	16,049,356	(873,897)
640.00	Total Liabilities and Equity	28,760,553	-	899,237	-	146,204	687,118	2,894,719	21,498,951	(675,491)	20,823,460	2,710,564

Lansing Housing Commission

Financial Data Schedules
Year Ended June 30, 2019

		Public Housing Program Total	LCF Capital Fund	LCF Housing Choice Voucher	LCF-Hd Housing Program	Subtotal	Building Activities	General Office Cost Center	Subtotal	Buildings	Total	LCF Component of Total - Community Program
Income Statement Revenue												
70300	Interest and related income	1,325,020	-	-	-	-	-	-	1,325,020	-	1,325,020	1,325,020
70400	Interest income - Other	170,360	-	-	-	-	-	-	170,360	-	170,360	-
70500	Rental income	1,314,400	-	-	-	-	-	-	1,314,400	-	1,314,400	1,314,400
70600	Total HUD Program revenue	2,809,780	858,105	11,601,123	10,769	-	-	-	2,809,780	-	2,809,780	2,809,780
70610	Capital charges	-	277,669	-	-	-	-	-	-	-	277,669	-
70710	Management fee	-	-	-	-	-	-	114,310	-	(114,310)	-	-
70720	Interest on debt	-	-	-	-	-	-	11,340	-	(11,340)	-	-
70730	Building operating fee	-	-	-	-	-	-	12,164	-	(12,164)	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-
70760	Total fee revenue	1,325,020	1,135,774	11,601,123	10,769	-	-	1,047,814	1,325,020	(1,047,814)	1,325,020	-
70800	Other revenues and credits	-	-	-	-	1,079,256	-	-	1,079,256	-	1,079,256	-
71100	Total revenue (excludes - Unallocated)	1,157	-	154	-	-	-	-	1,157	-	1,157	1,157
71200	Management interest income	-	-	-	-	-	-	-	-	-	-	-
71300	Total revenue (includes recovery)	-	-	18,180	-	-	-	-	18,180	-	18,180	-
71400	Other revenues	204,116	-	361,223	-	-	13,378	111,043	576,760	-	576,760	50
71500	Gain on sale of land (offered to city)	(965)	-	-	-	-	-	-	(965)	-	(965)	-
70000	Total Revenue	4,344,348	1,135,774	11,601,123	10,769	1,079,256	13,378	1,168,857	4,344,348	(1,047,814)	4,344,348	2,810,538

Lansing Housing Commission

Financial Data Schedules
Year Ended June 30, 2019

		Public Works Dept Projects Total	CCF Capital Fund	CELT (Housing Choice Voucher)	ELM Supportive Housing Program	State Fund	Business Activities	Cost of Office & Cost Center	Interest	Other Items	Total	EL Corporation of Orion - Discrepancy Presented
	Expense											
01100	Admin. train. (includes	312,427	-	275,467	1,431	31,428	-	215,828	647,601	-	647,601	6,113
01200	Auditing fees	70,000	-	75,800	-	-	-	5,000	50,000	-	50,000	9,075
01300	Management fee	142,281	217,860	202,113	-	-	-	-	910,210	(910,210)	-	31,031
01340	Bookkeeping fee	72,464	-	-	-	-	-	-	72,464	(72,464)	-	-
01400	Advertising and media buy	-	-	-	-	-	-	20	20	-	20	-
01500	Employee benefit contributions - Administrative	207,784	-	846,774	3,328	17,297	-	75,367	649,648	-	649,648	-
01600	Other expenses	146,135	-	280,007	-	117,250	-	183,365	641,977	-	641,977	1,846
01700	Legal expenses	108,134	-	-	-	-	-	8,349	116,543	-	116,543	-
01800	Rental	1,861	-	-	-	-	-	16,666	18,527	-	18,527	-
01800	Other	-	-	-	-	-	-	-	-	-	-	-
01888	Total Administrative	1,354,218	217,860	1,105,358	40,789	164,173	-	499,183	3,607,311	(910,210)	2,132,368	81,937
02000	Assessment and fee	98,360	-	-	-	-	-	-	98,360	(98,360)	-	-
02400	Tenant services - Other	78,154	-	-	-	-	-	7,664	85,818	-	85,818	-
02888	Total Tenant Services	176,514	-	-	-	-	-	7,664	85,818	-	85,818	-
03100	Water	181,643	-	-	-	-	-	640	182,283	-	182,283	12,235
03200	Electricity	217,503	-	-	-	-	-	9,207	226,710	-	226,710	36,367
03300	Gas	226,386	-	-	-	-	-	2,111	228,497	-	228,497	12,400
03400	Total	-	-	-	-	-	-	-	-	-	-	-
03500	Steam	275,642	-	-	-	-	-	363	276,005	-	276,005	60,402
03600	Other utilities services	-	-	-	-	-	-	-	-	-	-	-
03688	Total utilities	675,169	-	-	-	-	-	1,013	676,182	-	676,182	71,043
04100	Ordinary maintenance and operations - Labor	1,368,592	-	-	-	-	-	-	368,592	-	368,592	2,113
04200	Ordinary maintenance and operations - Materials and other	445,171	-	-	-	-	-	300	445,471	-	445,471	734
04300	Land ordinary maintenance and operations - Contract costs	2,332,414	-	23,234	-	-	-	167,009	2,582,647	-	2,582,647	11,113
04500	Employee benefit contributions - Ordinary maintenance	276,944	-	-	-	-	-	-	276,944	-	276,944	-
04688	Total maintenance	3,417,317	-	23,234	-	-	-	167,309	3,607,311	-	3,607,311	43,960
05200	Professional services - Other contract costs	63,287	-	256	-	-	-	396	63,939	-	63,939	-
05140	Printing business	863,110	-	-	-	-	-	1,840	864,950	-	864,950	13,058
05170	Business expenses	72,034	-	15,860	-	-	-	226	88,120	-	88,120	1,375
05180	Workman compensation	4,180	-	8,099	-	-	-	309	12,588	-	12,588	-
05140	All other business	66,897	-	-	-	-	-	28,635	95,532	-	95,532	310
06100	Total maintenance & operations	3,772,264	-	35,353	-	-	-	3,140	3,807,311	-	3,807,311	61,114

Lansing Housing Commission

Financial Data Schedules
Year Ended June 30, 2019

		Public Housing Project Total	LGFCF Capital Fund	LASH Housing Choice Vouchers	62300 Supportive Housing Program	State/Local	Business Activities	General Office Cost Center	Subtotal	Distributions	Total	4.1 Component Units - Observedly Prescribed
98200	Other General Expenses	-	-	-	-	-	-	-	-	-	-	-
98210	Contractual services	24,142	-	21,772	-	-	-	3,828	49,742	-	49,742	-
98220	Payments in lieu of taxes	18,084	-	-	-	-	-	-	36,084	-	36,084	19,253
98230	Bad debt - Tenant rent	66,236	-	-	-	-	-	-	66,236	-	66,236	1,836
98200	Total Other General Expenses	148,462	-	21,772	-	-	-	3,828	152,460	-	174,100	21,089
98716	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-	-
98720	Interest on notes payable (short and long term)	57,226	-	-	-	-	-	4,223	71,249	-	71,249	68,156
98730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-	-
98700	Total Interest Expense And Amortization Cost	57,226	-	-	-	-	-	4,223	71,249	-	71,249	68,156
98600	Total Operating Expenses	2,348,330	311,860	628,095	18,348	164,193	-	713,377	3,474,003	(2,043,334)	2,348,666	361,324
97600	Excess revenues over operating expenses	(128,854)	907,106	(6,961,261)	-	916,841	13,278	150,142	13,240,707	-	(4,210,727)	(31,799)
97100	Extraordinary transactions	-	-	-	-	-	-	-	-	-	-	-
97300	Total housing assistance payments	-	-	16,834,679	-	861,148	-	-	17,695,827	-	17,695,827	-
97350	HAP Payments	-	-	-	-	-	-	-	-	-	-	-
97400	On-problem reports	1,136,065	-	-	-	-	-	106,633	1,242,698	-	1,242,698	140,332
97500	Fixed losses	-	-	-	-	-	-	-	-	-	-	-
97800	Operating units RMI expense	-	-	-	-	-	-	-	-	-	-	-
98000	Total Other Housing Expenses	1,136,065	-	16,834,679	-	861,148	-	106,633	18,938,525	-	19,044,652	140,332
98000	Total Expenses	2,348,330	311,860	17,462,774	18,348	1,025,341	-	819,940	21,556,643	(2,043,334)	19,513,309	471,666
10010	Operating transfers in	843,210	-	-	-	-	-	-	843,210	-	843,210	-
10020	Operating transfers out	-	(843,210)	-	-	-	-	-	(843,210)	-	(843,210)	-
10100	Total Other Financing Sources (Uses)	843,210	(843,210)	-	-	-	-	-	-	-	-	-
10000	Excess (On-Balance) Of Total Revenue Over (Under) Total Expenses	(160,809)	283,890	149,872	-	53,755	13,246	443,405	13,246	-	312,374	(182,131)
11020	Required annual debt principal payment	131,204	-	-	-	-	-	47,976	179,180	-	179,180	26,363
11020	Beginning equity	13,781,857	-	116,984	-	331,205	28,759	1,853,614	15,770,115	-	15,770,115	(778,837)
11040	For bonds adjustment - (Equity transfers) and correction of errors	-	-	-	-	-	-	-	-	-	-	-
11110	Amortization of equity	-	-	-	-	-	-	-	-	-	-	-
11180	Holding available for payment equity	-	-	-	-	-	-	-	-	-	-	-
11180	Unit income available	8,895	-	21,938	-	-	-	-	30,833	-	30,833	366
11210	Number of unit months leased	6,384	-	20,105	-	-	-	-	26,489	-	26,489	580
11210	Endless Cash	-	-	-	-	-	-	-	-	-	-	-
11610	Land purchases	-	-	-	-	-	-	-	-	-	-	-
11610	Building purchases	-	183,809	-	-	-	-	-	183,809	-	183,809	-
11630	Furniture and Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture and Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-
11650	Leased improvements Purchases	-	-	-	-	-	-	-	-	-	-	-
11801	Replacement housing rental funds	-	-	-	-	-	-	-	-	-	-	-

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

PHA Name:

Modernization Project Number:

Lansing Housing Commission

MI28P058501-16

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Funds Approved	\$ 1,372,645.00
B. Funds Disbursed	\$ 1,372,645.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,372,645.00
D. Amount to be Recaptured (A-C)	\$
E. Excess of Funds Disbursed (B-C)	\$

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;

5. That the time in which such liens could be filed has expired; and

6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.

7. Please mark one:

☒ A. This grant will be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ B. This grant will not be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

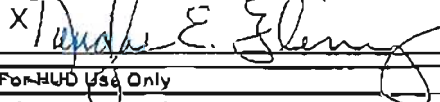
I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):

Douglas E. Fleming: Executive Director

Signature of Executive Director (or Authorized Designee):

X 

Date:

8-20-19

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)

X

Date:

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)

X

Date:

Lansing Housing Commission

Federal Awards Supplemental Information

June 30, 2019

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Commissioners
Lansing Housing Commission

We have audited the 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, 2019 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated November 11, 2019, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 11, 2019.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

November 11, 2019

Independent Auditor's Reports

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	4-5
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8-11

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Commissioners
Lansing Housing Commission

We have audited, 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, the 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, 2019 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lansing Housing Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lansing Housing Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Commissioners
Lansing Housing Commission

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

November 11, 2019

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required
by the Uniform Guidance

Independent Auditor's Report

To the Board of Commissioners
Lansing Housing Commission

Report on Compliance for Each Major Federal Program

We have audited Lansing Housing Commission's (the "Commission") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2019. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2019.

To the Board of Commissioners
Lansing Housing Commission

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as Finding 2019-001, that we consider to be a significant deficiency.

The Commission's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The Commission's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

November 11, 2019

Lansing Housing Commission

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters:				
U.S. Department of Housing and Urban Development - Direct Programs - Housing Voucher Cluster - Section 8 Housing Choice Vouchers	14.871	N/A	\$ -	\$ 11,601,323
Other federal awards -				
U.S. Department of Housing and Urban Development - Direct Programs:				
Family Self-Sufficiency Program	14.896	N/A	-	10,769
Public and Indian Housing - Low-income Public Housing	14.850	N/A	-	3,728,854
Public Housing Capital Fund Program	14.872	N/A	-	1,121,989
Total noncluster programs			-	4,861,612
Total federal assistance			\$ -	\$ 16,462,935

Lansing Housing Commission

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Lansing Housing Commission (the "Commission") under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Lansing Housing Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Lansing Housing Commission has not elected to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

Lansing Housing Commission

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ Yes ☐ None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?

☒ Yes ☐ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
14.872	Public Housing Capital Fund	Unmodified
14.850	Low-rent Public Housing and Development	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Section II - Financial Statement Audit Findings

Current Year None

Lansing Housing Commission

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2019-001	CFDA Number, Federal Agency, and Program Name - U.S. Department of Housing and Urban Development - Direct programs - Low-rent Public Housing and Development - 14.850 Federal Award Identification Number and Year - Not applicable Pass-through Entity - Not applicable Finding Type - Significant deficiency Repeat Finding - Yes 2015-005, 2016-003, 2017-002 Criteria - Under 24 CFR 5.230, 5.601, 5.609, 960.206, 960.208, 960.253, 960.255, 960.257, and 960.259, the Commission must: a. As a condition of admission or continued occupancy, require the participant and other family members to provide necessary information, documentation, and releases for the Commission to verify income eligibility. b. For both family income examinations and re-examinations, obtain and document in the family file third-party verification of: (1) reported family annual income, (2) the value of assets, (3) expenses related to deductions from annual income, and (4) other factors that affect the determination of adjusted income or income-based rent. c. Determine income eligibility and calculate the participant's rent payment using documentation from third-party verification. d. Re-examine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification. Condition - Some participant files tested did not include complete information to support participant eligibility and/or the level of benefits provided. Questioned Costs - None Identification of How Questioned Costs Were Computed - N/A	None

Lansing Housing Commission

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding	Questioned Costs
2019-001 (Continued)	Context - 40 participant files were tested and the results are as follows: (1) Three participant file included income at the incorrect amount on HUD-50058 due to improper determination of income based on third-party detail. (2) One participant file did not have a completed annual recertification performed during the fiscal year. (3) Three participant files did not have key documentation verification related to identification documents or social security card. (4) One participant file had insufficient support of the participant's rent payment after the documentation for an interim certification was not maintained in the participant's file. Cause and Effect - Controls in place have not resulted in the Commission consistently following policies and procedures to ensure proper compliance with regard to participant eligibility requirements. The Commission could be charging the incorrect amount of tenant rent or could be housing ineligible tenants. Recommendation - The Commission should follow established procedures to ensure eligibility is documented and complete tenant files are maintained. Periodic internal review of tenant files would help identify errors in a timely manner. In addition, tenant rent payment calculations should be prepared and reviewed by individuals with the appropriate skills and knowledge necessary to ensure complete and accurate forms resulting in correct tenant rent payments. Views of Responsible Officials and Planned Corrective Actions - The Commission shall strengthen asset management file oversight, increase the number of file reviews conducted, and establish and maintain a file quality control process to improve regulatory compliance.	

INTRODUCTION OF ORDINANCE

An Ordinance of the City of Lansing, Michigan, to: amend Section 260.05 of the Lansing Codified Ordinances to allow for the Lansing Housing Commission to own and transact real property in its own name, and remove certain approvals by the city as to selection and compensation of officers and employees of the commission; and amend section 260.07 of the Lansing Codified Ordinances to clarify insurance requirements, and remove certain approvals by the City related to the Commission's annual audit.

The Ordinance is referred to the Committee of the Whole

RESOLUTION SETTING PUBLIC HEARING BY CITY COUNCIL

Resolved by the City Council of the City of Lansing that a public hearing be set for Monday, May 11, 2020 at 7 p.m. in the Tony Benavides Lansing City Council Chambers, Tenth Floor, Lansing City Hall, 124 West Michigan Avenue, Lansing, Michigan, for the purpose of considering an Ordinance of the City of Lansing, Michigan, to: amend Section 260.05 of the Lansing Codified Ordinances to allow for the Lansing Housing Commission to own and transact real property in its own name, and remove certain approvals by the city as to selection and compensation of officers and employees of the commission; and amend section 260.07 of the Lansing Codified Ordinances to clarify insurance requirements, and remove certain approvals by the City related to the Commission's annual audit.

BE IT FURTHER RESOLVED, due to COVID -19, the public hearing may be held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number and Meeting ID provided on the May 11, 2020 meeting agenda. Michigan Executive Order 2020-48 provides for temporary authorization of remote participation in public meetings and hearings.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LANSING, MICHIGAN, TO: AMEND SECTION 260.05 OF THE LANSING CODIFIED ORDINANCES TO ALLOW FOR THE LANSING HOUSING COMMISSION TO OWN AND TRANSACT REAL PROPERTY IN ITS OWN NAME, AND REMOVE CERTAIN APPROVALS BY THE CITY AS TO SELECTION AND COMPENSATION OF OFFICERS AND EMPLOYEES OF THE COMMISSION; AND AMEND SECTION 260.07 OF THE LANSING CODIFIED ORDINANCES TO CLARIFY INSURANCE REQUIREMENTS, AND REMOVE CERTAIN APPROVALS BY THE CITY RELATED TO THE COMMISSION'S ANNUAL AUDIT.

THE CITY OF LANSING ORDAINS:

Section 1. That Section 260.05 of the Lansing Code of Ordinances of the City of Lansing is hereby amended as follows:

260.05 – Deeds; contracts; leases; purchases

(a) The compensation of all officers and employees of the Housing Commission shall be fixed by the Commission ~~with the approval of the Mayor.~~

(b) All deeds, contracts, leases, or purchases entered into by the Commission shall be in the name of the City COMMISSION OR THE COMMISSION'S DESIGNEE ~~and shall be approved by Council before they have any force or effect. However, contracts for the purchase of necessary materials, leases with tenants and options need not be so approved.~~ REAL PROPERTY PREVIOUSLY HELD IN THE NAME OF THE CITY

PURSUANT TO THIS ORDINANCE SHALL BE TRANSFERRED AND

1 CONVEYED BY APPROPRIATE INSTRUMENT INTO THE NAME OF THE
2 COMMISSION TO BE OWNED AND OPERATED BY THE COMMISSION.

3 ~~(c) Employees of the Commission shall be selected and paid by such method as Council~~
4 ~~may prescribe by resolution.~~

5 Section 2. That section 260.07 of the Lansing Code of Ordinances of the City of Lansing
6 is hereby amended as follows:

7 **260.07 – Responsibilities re special assessments, insurance, payment in lieu of taxes; audits.**

8 (a) The Housing Commission shall be responsible for the payment of all special
9 assessments which are authorized by these Codified Ordinances. This subsection shall
10 be applicable to all special assessments which are accrued but unpaid on the date of
11 adoption of this section (Ordinance 774, passed February 29, 1988).

12 (b) The Commission shall maintain adequate insurance, as determined by the City, on its
13 buildings and property, and shall maintain adequate liability insurance, as determined
14 by the City. The City shall be named AS AN ADDITIONAL INSURED on the
15 Commission's LIABILITY insurance policies, AND ANY BUILDING AND
16 PROPERTY INSURANCE POLICIES FOR BUILDINGS AND PROPERTY IN
17 WHICH THE CITY HAS AN INTEREST., ~~as an additional insured, and the~~ THE
18 Commission shall furnish the insurance policies to the City Clerk. The insurance
19 policies shall provide that the City Clerk shall receive notice at least 30 days prior to
20 the date of cancellation, termination, expiration or any material modification of such
21 insurance policies.

22 (c) The Commission shall make its payment in lieu of taxes to the City Controller not later
23 than September 1 and February 1 of each year. Failure to make such payment in lieu of

1 taxes on time, as set forth in this subsection, shall obligate the Commission to pay, in
2 addition to its payment in lieu of taxes, an interest charge as determined by Council
3 resolution.

4 (d) The books and records of the Commission shall be open to inspection and audit by the
5 City at all reasonable times. The Commission shall have an annual audit made of its
6 financial transactions by an independent certified public accountant, which audit shall
7 be submitted to the City Clerk's office not later than ~~October 1 of each year~~ NINETY
8 (90) DAYS AFTER THE END OF THE COMMISSION'S FISCAL YEAR and which
9 audit shall be open to public inspection at all reasonable times. The cost of such audit
10 shall be borne by the Commission, ~~but Council shall be responsible for the selection of~~
11 ~~the independent certified public accountant.~~

12 Section 3. All ordinances, resolutions or rules, parts of ordinances, resolutions or rules
13 inconsistent with the provisions hereof are hereby repealed in their entirety and shall be null and
14 void and of no effect.

15 Section 4. Should any section, clause or phrase of this ordinance be declared to be invalid,
16 the same shall not affect the validity of the ordinance as a whole, or any part thereof other than the
17 part so declared to be invalid.

18 Section 5. This ordinance shall take effect 30 days following adoption, unless given
19 immediate effect by City Council, and pursuant to Section 3-307 of the City Charter, this Chapter
20 shall expire December 31, 2028.

From: noreply@civicplus.com
Sent: Monday, February 17, 2020 5:04 PM
To: Plummer, Marilyn; Mayor Intern; Tim.Hilton@lansingmi.gov
Subject: [EXTERNAL] 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).

Lansing City Charter, Section 5-104, Ineligibility For Boards, restricts certain City employee activities on some boards: "No person holding another City office or activity employed by the City shall be eligible to be a voting member on any board."

(Section Break)

Date	2/17/2020
------	-----------

First Name	Cassandra
------------	-----------

Middle	Leah
--------	------

Last Name	Nelson
-----------	--------

Other name(s) by which you have been known, including maiden names	Field not completed.
--	----------------------

Date of Birth	
---------------	--

Address	500 Fulton Place
---------	------------------

City	Lansing
------	---------

State	MI
Zip Code	48915
Email	cassandranelson38@gmail.com
Gender	F
Find my ward:	Lansing Neighborhoods Ward Map
Ward	4
Precinct	37
Best phone number to contact you	517-242-4435
Last 4 digits of social security number	
In what year did you move to Lansing?	1998
Additional information regarding experience and credentials	I have over 10 years experience serving on the Historic District Commission, as well as a degree in historic preservation and 10+ year experience consulting on preservation and redevelopment projects.
Occupational Background	Computer Specialist, Montessori Children's House (2016-present) Historic Preservation Consultant (2009-present)
Educational Background	M.A., History of Art and Architecture, University of Arizona M.S., Historic Preservation, Eastern Michigan University
Previous Appointments	Historic District Commission
Current Appointments	Historic District Commission
Please attach a resume if available	<i>Field not completed.</i>
First choice for board to serve on	Historic District Commission
Second choice of a board to serve on	Historic District Commission
Third choice of a board to serve on	Historic District Commission

Fourth choice of a board to serve on	Historic District Commission
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 have served on the HDC for over a decade and currently serve as its chair. I have worked (and continue to work) on developing style guidelines to distribute to property owners in local historic districts, and continue to advocate for local historic districts as a means to preserve significant properties in the Lansing area.
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	<i>Field not completed.</i>
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	Cassandra Nelson
Date & Time	2/17/2020 5:00 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 reappointment as stated below:

Historic District Commission:

Cassandra L. Nelson as an At-Large Member for a term to expire June 30, 2022; and

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

WHEREAS, the Committee of the Whole met on April 27, 2020 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the reappointment as stated below:

Historic District Commission:

Cassandra L. Nelson as an At-Large Member for a term to expire June 30, 2022; and

State	MI
Zip Code	48915
Email	cassandranelson38@gmail.com
Gender	F
Find my ward:	Lansing Neighborhoods Ward Map
Ward	4
Precinct	37
Best phone number to contact you	517-242-4435
Last 4 digits of social security number	
In what year did you move to Lansing?	1998
Additional information regarding experience and credentials	I have over 10 years experience serving on the Historic District Commission, as well as a degree in historic preservation and 10+ year experience consulting on preservation and redevelopment projects.
Occupational Background	Computer Specialist, Montessori Children's House (2016-present) Historic Preservation Consultant (2009-present)
Educational Background	M.A., History of Art and Architecture, University of Arizona M.S., Historic Preservation, Eastern Michigan University
Previous Appointments	Historic District Commission
Current Appointments	Historic District Commission
Please attach a resume if available	<i>Field not completed.</i>
First choice for board to serve on	Historic District Commission
Second choice of a board to serve on	Historic District Commission
Third choice of a board to serve on	Historic District Commission

Fourth choice of a board to serve on	Historic District Commission
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 have served on the HDC for over a decade and currently serve as its chair. I have worked (and continue to work) on developing style guidelines to distribute to property owners in local historic districts, and continue to advocate for local historic districts as a means to preserve significant properties in the Lansing area.
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	<i>Field not completed.</i>
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	Cassandra Nelson
Date & Time	2/17/2020 5:00 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 Ingham County Board of Commissioners made the reappointment Monica Jahner as the Community Alternative Program to the Ingham County/City of Lansing Community Corrections Advisory Board for a term to expire of September 17, 2020;

WHEREAS, the Committee of the Whole met on April 27, 2020 and took affirmative action.

BE IT RESOLVED, that the Lansing City Council hereby affirms the reappointment of Monica Jahner as the Community Alternative Program Representative to the Ingham County/City of Lansing Community Corrections Advisory Board for a term to expire of Sept 17, 2020

JULY 25, 2017 REGULAR MEETING

SPECIAL ORDERS OF THE DAY

Commissioner Crenshaw moved to appoint Monica Jahner to the Community Corrections Board and waive the term limit requirement. Commissioner McGrain supported the motion.

The motion carried unanimously. Absent: Commissioners Anthony and Schafer.

Commissioner Crenshaw moved to reappoint Mark Eagle, Bristol Day and Alexander Rusek, and to appoint Christopher Jackson and Sara Bijani to the Equal Opportunity Committee. Commissioner Sebolt supported the motion.

The motion carried unanimously. Absent: Commissioners Anthony and Schafer.

PUBLIC COMMENT

Treasurer Schertzing stated for clarification on the CBDG program, there was no checking account activity in 2015 or 2016. He further stated that since April of 2017 his office wrote 9 checks to the third party administrator or for construction services and no money was missing from the account. Treasurer Schertzing that as painful as the audit process and CDBG problem had been for him and his office staff, for him the hardest day of each year was March 31, because that was the day where despite his best efforts, the hammer of the Circuit Court judgement comes down and people lose their properties under a program that the County Treasurer administers. He further stated that the focus on foreclosure prevention was his passion, and he appreciated being the County Treasurer.

Jill Rabidoux addressed the commissioners regarding the Safe Routes to Schools walking path or bike path which would affect her and other neighbors who own property in the neighborhood. She further stated they were not notified until July 4, 2017 and they were not thrilled that there would be this path cut through their properties which would remove trees and destroy the scenery. Ms. Rabidoux stated it did not seem there was any opportunity for property owners in the area to voice their opinions regarding what they did and did not want. She further stated there were sidewalks on many roads in the area, which students were already using when they walked to school. Ms. Rabidoux stated that many students are bussed or driven in by parents, and not many students actually walked to school, which made a bike path seem like a waste. She further stated her property value would go down and her property taxes would go up and she would have to maintain that path. Ms. Rabidoux stated that she was affected on both sides because she was on the corner, and would have no yard because she would have a six foot path on one side and a five foot path on the other side.

Vice Chairperson Koenig stated that she was going to refer this issue to the Controller on Ms. Rabidoux's behalf to make sure that there was the proper notice and public input as required by law.

Jim Hoffman addressed the commissioners regarding the Safe Routes to Schools bike path. He further stated that there were sidewalks already, and a six foot path would not be a good fit for connecting to a three foot sidewalk. Mr. Hoffman stated it would not look good, and would take away from the neighborhood. He further stated there was a sidewalk on the other side of the road that the kids already used and he did not think it was necessary to have a sidewalk on both sides of the road.

From: noreply@civicplus.com
Sent: Saturday, January 13, 2018 10:22 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. The Lansing City Charter requires that every appointee to a board, commission, or committee established by Charter or ordinance must meet the following qualifications and eligibility requirements:

-
- Be a registered elector in the City of Lansing (Charter Section 2-102).*
 - Be a resident of Lansing for one year prior to taking office (Charter Section 2-102).*
 - Not be in default to the City at the time of taking office (Charter Section 2-103.2).*
 - 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	1/13/2018
First Name	Michael
Middle	<i>Field not completed.</i>
Last Name	Dombrowski
Other name(s) by which you have been known, including maiden names	Michael Dombroski
Date of Birth	
Address	213 N HAYFORD AVE
City	LANSING
State	MI

Zip Code	48912
Email	mike.dombrowski@protonmail.com
Gender	Gender
Ward	1
Precinct	4
Best phone number to contact you	5175079547
Last 4 digits of social security number	
In what year did you move to Lansing?	2015
Additional information regarding experience and credentials	I have lived in Lansing for almost three years. I am an active member of the Tri-County Bicycle Association Advocacy board. My wife and I have been organizing the Lansing Bike & Seek (a bicycle-based scavenger hunt in the city) for the last two years (~70 bikers each year). I have spoken at City Council meetings regarding parks and roads in the city. I volunteered for the Michigan Audubon society and built a Chimney Swift tower at the Capitol City Bird Sanctuary. I bike to work year round and engage with public officials regarding safety and design concerns.
Occupational Background	I have worked as an engineer in the software industry since I graduated in 2008. Please see my resume for additional details.
Educational Background	I graduated with a BSE in Aerospace Engineering from the University of Michigan in 2008. Please see my resume for additional details.
Please attach a resume if available	Mike Dombrowski Resume Lansing Boards.pdf
First choice for board to serve on	Planning Board
Second choice of a board to serve on	Parks Board
Third choice of a board to serve on	Michigan Avenue Corridor Improvement Authority

Fourth choice of a board to serve on	Public Service
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	Serving on the Planning Board would allow me to actively contribute to developing Lansing into strong, vibrant city. I believe that small, incremental changes will allow Lansing to make the best use of its land for its citizens. I believe that properly developing the local economy will allow to flourish and improve residents' lives. My background as a father, engineer, coach, and bicycling advocate will enable me to contribute practical, straight-forward solutions to the work of the Planning Board. Serving on the Parks Board would allow me to actively contribute to the improvement of the Lansing Parks that I use almost daily. I believe that Lansing needs to embrace its plethora of parks and continue to connect them to allow residents to truly enjoy them everyday. Green spaces reduce stress and I believe that Lansing needs to focus on linear small pocket parks throughout the city to breakup the larger roads and development in the area.
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	-
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	Michael Dombrowski
Date & Time	1/13/2018 10:15 PM

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

MIKE DOMBROWSKI

517.507.9547 • mike.dombrowski@protonmail.com

WORK EXPERIENCE

Siemens PLM, East Lansing, MI

August 2015 to Present

Senior Applications Engineer, HEEDS Technical Team

- Support sales team by developing and conducting software demonstrations, completing competitive technical benchmarks, and training prospective users to be successful.
- Distribute support cases to team based on availability and skill-set of team members. Provide excellent technical support and work with customers to develop meaningful optimization statements, troubleshoot automated analysis processes, and efficiently utilize their existing hardware resources. Primary support contact for Amesim and STAR-CCM+ projects, Linux systems, job schedulers, and processes requiring advanced scripting.
- Develop quotations for potential services projects. Create timely and comprehensive reports to support customers' product design requirements. Responsible for \$120k in consulting and mentoring revenue in FY2017.

Dassault Systèmes SIMULIA, Providence, RI

January 2015 to July 2015

Technical Specialist, Innovation Lab

- Created engaging and persuasive technical presentations to convey the value of SIMULIA products and services to prospective customers.
 - Spearheaded the technology vision presentation for the 2015 SIMULIA Customer Conference. Collaborated with development, industry growth, and marketing to develop a clear and concise message.
 - Created a presentation on opportunities in renewable energy and delivered it to a group of Rhode Island policy makers.
- Secured funding for the development of augmented and virtual reality experiences for visualization of simulation information. Implemented these experiences using structural simulation data and the Unity development environment.

Dassault Systèmes SIMULIA, Providence, RI

December 2013 to January 2015

User Experience Solutions Manager, Industry Growth

- Ensured SIMULIA provided the right tools to their aerospace and defense customers.
 - Chaired a cross functional team composed of members of development, sales, marketing, and support to capture customer needs and market trends.
 - Coordinated the aerospace hybrid meshing project that provided feedback to development based on customer requirements. Worked closely with customers to understand their workflows and helped prioritize development tasks.
- Accelerated computation fluid dynamics development and adoption by providing feedback to development on usability, developing technical material, and giving technical guidance to support strategic engagements.
- Redesigned and constructed a quadcopter using SIMULIA technology to demonstrate the value of simulation for the 2014 SIMULIA Customer Conference. This hardware and software story telling approach was replicated throughout the company.

MIKE DOMBROWSKI

517.507.9547 • mike.dombrowski@protonmail.com

CD-adapco, Northville, MI

2012 to 2013

Principle Application Engineer, Pre-Sales

- Responsible for the development, marketing, training, and support of Optimate, an automation and optimization plugin for STAR-CCM+.
- Created Optimate to fill a gap in the product offering at CD-adapco: an automated method to perform multiple analyses for experimental replication, design of experiments, sensitivity analyses, and multi-objective parameter optimization. I worked closely with Red Cedar Technology to embed their tools which provided the required technology.
- Worked with the marketing department to create material to sell Optimate internally and externally based on strengths of the tool and weaknesses of competing solutions.
- Primary application engineer and support team resource in North America for fluid-structure interaction problems using STAR-CCM+ and Abaqus.

CD-adapco, Northville, MI

2011 to 2012

Senior Application Engineer, Pre-Sales

- Primary support team resource in North America for custom scripting work using Java.
 - Developed plugins in STAR-CCM+ for performing common meshing operations, creating attractive post-processing plots, and calculating boundary layer thickness and mesh size. These were distributed internally and are widely used by support engineers.
- Collaborated with sales team to create sales strategies that focused on customer goals, current design processes, and strengths of CD-adapco software.
- Implemented a momentum source model in STAR-CCM+ for studying fuselage-rotor interaction using custom scripts in Java.

CD-adapco, Plymouth, MI

2009 to 2011

Application Engineer, Pre-Sales

- Communicated value of STAR-CCM+ using product demonstrations, technical benchmarks, and customized training sessions. This required extensive domestic and international travel to client sites to provide dedicated technical support.
- Worked with over 100 industry leaders including: Aerojet, Bombardier, Bell Helicopter, Chrysler, Ford, General Motors, Gibbs Sports, Hamilton Sundstrand, and Raytheon.

EDUCATION

B.S.E. Aerospace Engineering, University of Michigan, Ann Arbor, MI

April 2008

Graduated magna cum laude, GPA 3.6/4.0

Minored in Applied Mathematics

COMPUTER SKILLS

Programming: Bash, C++, Java, Python

Engineering Software: Abaqus, Amesim, HEEDS, Matlab, NX, OpenPBS, SolidWorks, STAR-CCM+

Platforms: Linux, Windows

ACTIVITIES AND INTERESTS

Bicycling – avid cyclist and advocate

Hiking – thru-hiked the Pacific Crest Trail in 2013 – <http://pct.mikedombrowski.com/>

Rowing – coached at Ann Arbor Rowing Club from 2008 to 2013

Eagle Scout recipient

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

WHEREAS, the Mayor made the appointment of Mike Dombrowski 213 N. Hayford Ave. Lansing, MI 48912 as a First Ward Member of the Park Board for a term to expire June 30, 2021; 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 April 27, 2020 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment Mike Dombrowski 213 N. Hayford Ave. Lansing, MI 48912 as a First Ward Member of the Park Board for a term to expire June 30, 2021.

From: noreply@civicplus.com
Sent: Wednesday, April 1, 2020 10:13 PM
To: Plummer, Marilyn; Mayor Intern; Tim.Hilton@lansingmi.gov
Subject: [EXTERNAL] 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).

Lansing City Charter, Section 5-104, Ineligibility For Boards, restricts certain City employee activities on some boards: "No person holding another City office or activity employed by the City shall be eligible to be a voting member on any board."

(Section Break)

Date	4/1/2020
------	----------

First Name	Kimberly
------------	----------

Middle	Field not completed.
--------	----------------------

Last Name	Whitfield
-----------	-----------

Other name(s) by which you have been known, including maiden names	Kimberly Robinson
--	-------------------

Date of Birth	
---------------	--

Address	435 McPherson Ave
---------	-------------------

City	Lansing
------	---------

State	MI
Zip Code	48915
Email	kimberly@kwinspires.com
Gender	Female
Find my ward:	Lansing Neighborhoods Ward Map
Ward	4
Precinct	<i>Field not completed.</i>
Best phone number to contact you	5174885471
Last 4 digits of social security number	
In what year did you move to Lansing?	1969
Additional information regarding experience and credentials	<i>Field not completed.</i>
Occupational Background	Banking Entrepreneur
Educational Background	B.A. - Business Management
Previous Appointments	Parks Board & Board of Zoning & Appeals
Current Appointments	Parks Board
Please attach a resume if available	<i>Field not completed.</i>
First choice for board to serve on	Parks 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

I currently serve on the Parks Board, however, I recently moved and would like to remain on the board. It's a very rewarding experience and I enjoy taking time out to serve.
#LoveLansing

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

Kimberly Whitfield

Date & Time

4/1/2020 10:15 PM

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

March 5, 2020

Mayor Andy Schor
City of Lansing
124 W. Michigan Avenue, 9th Floor
Lansing, MI 48933

Dear Mayor Schor:

I, Kimberly Whitfield, am currently serving on the Lansing Park Board as the First Ward representative.

Effective February 2, 2020, I moved to a new address within the City of Lansing. I am currently residing at 435 McPherson Ave., Lansing, 48915 in the Fourth Ward.

I would like to remain on the Lansing Park Board and serve as the Ward 4 representative or as an At-Large member.

Thank you for your consideration of my re-assignment.

Sincerely,


Kimberly Whitfield

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

WHEREAS, the Mayor made the appointment of Kimberly Whitfield, 435 McPherson Ave. Lansing, MI 48915 as a Fourth Ward Member of the Park Board for a term to expire June 30, 2024; 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 April 27, 2020 and took affirmative action.

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council, hereby, confirms the appointment of Kimberly Whitfield, 435 McPherson Ave. Lansing, MI 48915 as a Fourth Ward Member of the Park Board for a term to expire June 30, 2024; and

**ELEVENTH AMENDMENT TO THE AMENDED AND RESTATED
REAL ESTATE PURCHASE AND DEVELOPMENT AGREEMENT**

This is the Eleventh Amendment (the “Amendment”) to the Amended and Restated Real Estate Purchase and Development Agreement dated _____, 2020, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, Revised Seventh Amendment, Eighth Amendment, Ninth Amendment, and Tenth Amendment (the “Agreement”), by and between the City of Lansing, a Michigan municipal corporation (the “City”), and Continental/Ferguson Lansing, LLC, a Delaware limited liability company (“Developer”).

RECITALS

WHEREAS, the Developer and the City entered into the Amended and Restated Real Estate Purchase and Development Agreement which was amended by the First Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, the Second Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, the Third Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, the Fourth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, the Fifth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, the Sixth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, the Revised Seventh Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, the Eighth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, the Ninth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, and the Tenth Amendment to the Amended and Restated Real Estate Purchase and Development Agreement; and

WHEREAS, the Developer and City are hereby agreeing to amend the Agreement according to the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the parties agree as follows:

AMENDMENTS TO THE AGREEMENT

1. Section 5.1.1 (a), is deleted and replaced with the following:

- (a) A full-service hotel located on Michigan Avenue (“Full Service Hotel”) of not less than five (5) stories and not less than seventy-eight (78) feet above the grade of Michigan Avenue to contain: (i) not less than 152 guest rooms; (ii) meeting facilities; and (iii) at least one commercial space for a restaurant use that is connected to or otherwise residing within the same structure as the foregoing uses comprising the Full-Service Hotel;

2. Section 5.1.1 (e), is deleted and replaced with the following:
 - (e) Housing designed in a manner appealing to a student population (the “Student Housing”), which shall be sited in the eastern portion of the Purchase Property that fronts on Michigan Avenue as depicted in Exhibit C-1 and shall consist of at least 792 beds and consisting of at least four (4) stories above grade;
3. Section 5.1.1 (j), is deleted in its entirety.
4. Section 6.1, is deleted and replaced with the following:

6.1 SCHEDULE. Developer shall promptly begin and diligently prosecute to completion the construction of the Project on the Purchase Property according to this Agreement and the Approved Development Plans, the Approved Park Property Riverwalk Plans, and the Approved Project Schedule. Such construction shall commence no later than sixty (60) calendar days from the date of Closing, and thereafter proceed in accordance with and be completed by the date of completion of construction set forth in in the Project Schedule (the “Project Schedule”) and attached as Exhibit D. For purposes of this Section 6.1, commencement of construction shall include the commencement of construction of Project infrastructure, including roads and utilities, as well as environmental remediation. The Project Schedule may be amended by mutual agreement of the City and the Developer subsequent to the execution hereof.
5. At the end of the Agreement, the Exhibits are modified as follows:
 - a. Exhibit C-1 is replaced with Revised Exhibit C-1, dated March 26, 2020, as attached to this Amendment;
 - b. Exhibit C-2 is replaced with Revised Exhibit C-2, dated April 1, 2020, as attached to this Amendment;
 - c. Exhibit D is replaced with Revised Exhibit D, dated April 1, 2020, as attached to this Amendment.
6. An electronic copy of a signature to this Amendment or the Agreement will be deemed the same as an original.
7. This Agreement may be executed in counterparts, each of which shall be an original and all of which should constitute the same instrument.
8. All other terms and conditions of the Agreement, except as modified herein, remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Developer has executed this Eleventh Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, as of the date signed.

CONTINENTAL/FERGUSON LANSING, LLC:

By: Continental Red Cedar, LLC

Its: Member

By: Franklin E. Kass

Its: Manager

STATE OF OHIO)
)ss
COUNTY OF FRANKLIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020 by Franklin E. Kass, as Manager of Continental Red Cedar, LLC as Member of Ferguson/Continental Lansing, LLC, by him to be his free act and voluntary deed.

_____, Notary Public
_____ County, _____
My commission expires: _____

CONTINENTAL/FERGUSON LANSING, LLC:

By: Red Cedar Investor, LLC

Its: Member

By: Joel I. Ferguson

Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF INGHAM)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020 by Joel I. Ferguson, as Member of Red Cedar Investor, LLC as Member of Ferguson/Continental Lansing, LLC, by him to be his free act and voluntary deed.

_____, Notary Public
_____ County, _____
My commission expires: _____

IN WITNESS WHEREOF, the City has executed this Eleventh Amendment to the Amended and Restated Real Estate Purchase and Development Agreement, as of the date signed.

CITY OF LANSING:

By: *Andy Schor*

Its: Mayor

STATE OF MICHIGAN)
)ss
COUNTY OF INGHAM)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020 by Andy Schor, as Mayor of the City of Lansing, by him to be his free act and voluntary deed.

_____, Notary Public
_____, County, _____
My commission expires: _____

Approved as to form only:

City Attorney, James Smiertka



- LEGEND**
- A** MULTIFAMILY HOUSING WITH FIRST FLOOR RETAIL
 - B** SENIOR VILLAGE
 - C** HOTELS (2 - DUAL BRAND) WITH FIRST FLOOR RETAIL
 - D** STUDENT HOUSING WITH FIRST FLOOR RESTAURANT
 - E** RESTAURANT
 - F** STUDENT HOUSING
 - G** AMPHITHEATER
 - H** SURFACE PARKING
 - I** VEHICLE ACCESS POINT
 - J** NON-VEHICLE ACCESS POINT
 - *** RESTAURANT & RETAIL LOCATIONS

**RED CEDAR DEVELOPMENT
CONCEPTUAL MASTER PLAN**

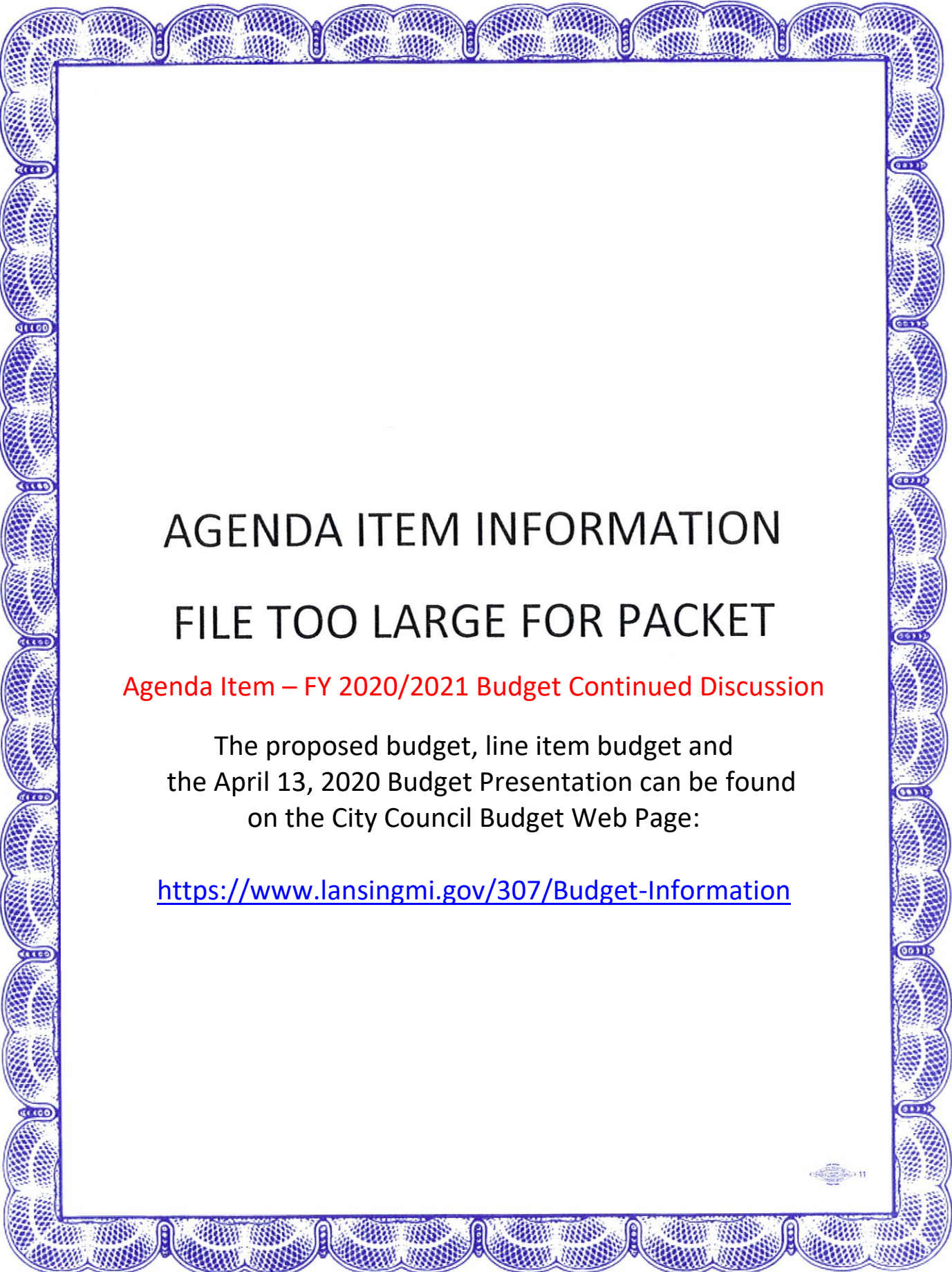
LANSING, MI
March 26, 2020

Exhibit C-2: Red Cedar Development – Lansing, Michigan

As of April 1, 2020 (per _____, 2020 Red Cedar Development “Conceptual Master Plan”)

Master Developer: Continental/Ferguson Lansing, LLC

Construction Type	Construction Description	Investor
Vertical Construction	Structure and Exterior Materials	Ownership/Building Developer
Full Service Hotel (78 feet above Michigan Ave., 5-stories, 152 Keys, First Floor Restaurant {6,000 SF} and Ballrooms with Supportive Space)	Structure – steel frame and concrete with engineered metal stud. Exterior – EFIS, masonry and decorative metal exterior finishes with aluminum and glass window systems.	Concord Hospitality Enterprise Company / Continental Real Estate Companies and Continental/Ferguson Lansing, LLC
Select Service Hotel (78 feet above Michigan Ave., 5-stories, 128 Keys)	Structure – steel frame and concrete with engineered metal stud. Exterior – EFIS, masonry and decorative metal exterior finishes with aluminum and glass window systems.	Concord Hospitality Enterprise Company / Continental Real Estate Companies and Continental/Ferguson Lansing, LLC
Restaurant Building (6,000 SF)	Structure – steel frame and concrete with light gauge metal stud. Exterior – EFIS, masonry and decorative metal exterior finishes with aluminum and glass storefront and windows.	Continental/Ferguson Lansing, LLC
Multifamily Housing with First Floor Retail (10,500 SF) (55 feet above Michigan Ave., 5-stories, 150 Market Rate Units)	Structure – steel and light gauge metal stud; wood stud with engineered wood floor/roof structure. Exterior – EFIS, masonry and decorative metal exterior finishes with aluminum clad and glass window systems	Continental/Ferguson Lansing, LLC
Student Housing with First Floor Retail (13,050 SF) (55 feet above Michigan Ave., 5-stories, 792 Beds/235 Units)	Structure – steel and wood stud with engineered wood floor/roof structure. Exterior – EFIS, masonry and decorative metal exterior finishes with aluminum clad and glass window systems.	Hallmark Communities/ Continental Real Estate Companies and Continental/Ferguson Lansing, LLC
Senior Village – Assisted Living / Memory Care Facility (27 to 50 feet above Michigan Ave., 2 to 4-stories, 120 Units)	Structure – steel frame and concrete with engineered metal stud. Exterior – combination of masonry and fiber cement siding.	Continental Senior Housing
On-site and Off-Site Improvements		
Privately Funded Improvements	Public and Private Infrastructure, environmental remediation, asbestos abatement, demolition and site preparation.	Continental/Ferguson Lansing, LLC-Tax-Exempt/Taxable Revenue Bonds and Private Lender Financing
Lansing Board Water & Light Improvements	Public infrastructure in public rights-of-way and easements.	Lansing Board Water & Light



AGENDA ITEM INFORMATION

FILE TOO LARGE FOR PACKET

Agenda Item – FY 2020/2021 Budget Continued Discussion

The proposed budget, line item budget and the April 13, 2020 Budget Presentation can be found on the City Council Budget Web Page:

<https://www.lansingmi.gov/307/Budget-Information>

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

WHEREAS, the City of Lansing Department of Public Service will be partnering with McLaren Greater Lansing and the Lansing Board of Water & Light to construct underground utility improvements in the Forest Road right-of-way; and

WHEREAS, these utility improvements, including new potable watermain and new sanitary sewer, are necessary to support and serve the forthcoming, new McLaren Greater Lansing Hospital Development; and

WHEREAS, this sanitary sewer work is atypically deep (i.e., an average of approximately 18 feet deep) resulting in complete removal of the roadway and the full closure to vehicular traffic of this City major street, Forest Road; and

WHEREAS, in accordance with the construction contract, the contractor, E.T. MacKenzie Company, is required to complete a large amount of work in a short timeframe prior to the mid-September completion date; and

WHEREAS, for the period May 12, 2020, through September 19, 2020, E.T. MacKenzie Company has requested a waiver of the noise ordinance on Saturdays from 8:00 AM to 4:00 PM; and

WHEREAS, the City of Lansing Public Service Department recommends that the contractor be granted the requested noise waiver in order to:

- limit the amount of time local access for property owners is impacted;
- limit the amount of time that vehicular traffic will be detoured; and
- keep the project on-schedule.

NOW THEREFORE BE IT RESOLVED that a public hearing be held on Monday, May 11, 2020, at 7:00 PM in the City of Lansing Council Chambers, 124 W. Michigan, in consideration of the request for granting a waiver of the noise ordinance on Saturdays from 8:00 AM to 4:00 PM for the period May 12, 2020, through September 19, 2020.

BE IT FURTHER RESOLVED, due to COVID -19, the public hearing may be held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number and Meeting ID provided on the May 11, 2020 meeting agenda. Michigan Executive Order 2020-48 provides for temporary authorization of remote participation in public meetings and hearings.

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

RESOLUTION APPROVING APPLICATION TO MICHIGAN DEPARTMENT OF
TRANSPORTATION FOR LOCAL BRIDGE PROGRAM FUNDING

WHEREAS the Michigan Department of Transportation (MDOT) is currently soliciting applications for candidate projects for the Local Bridge Program to be funded in the 2023 fiscal year; and

WHEREAS May 1, 2020 is the anticipated deadline for submitting the applications; and

WHEREAS up to five funding applications per agency for bridge projects can be submitted in accordance with the MDOT Call for Projects; and

WHEREAS multiple preventative maintenance projects can be bundle together as one application; and

WHEREAS the City of Lansing, Public Service Department, intends to submit Local Bridge Program funding applications to MDOT for the following five projects listed in the order of priority and funding category:

Priority	<u>Project</u>	<u>Funding Category</u>
1.	Aurelius Road over Pawlowski Creek	Replacement
2.	E Elm Street over Red Cedar River	Replacement
3.	Enterprise Drive over Pawlowski Creek	Preventative Maintenance
4.	Pennsylvania Avenue over Jackson and Lansing RR (bundle)	Preventative Maintenance
4.	E Cesar Chavez Avenue over Grand River (bundle)	Preventative Maintenance
5.	Beech Street over Red Cedar River	Preventative Maintenance

WHEREAS, if successful, the City would receive state or federal funding to finance 95% of construction cost, and the City would fund 5% of the construction and 100% of the engineering costs for any bridge project selected; and

WHEREAS, in order to demonstrate the need to replace the Aurelius Road Bridge over Pawlowski Creek, the City would fund 10% of the construction and 100% of the engineering if the bridge is selected; and

WHEREAS the estimated construction cost of the above listed projects and City's share of construction and engineering costs are tabulated below; and

#	Project	Estimated Construction Cost	City's Share		
			Match 5% (10% for Aurelius over Pawlowski)	Engineering 25%	TOTAL
1	Aurelius Rd over Pawlowski Creek	\$1,379,000	\$137,900	\$344,750	\$482,650
2	E Elm St over Red Cedar River	\$2,554,000	\$127,700	\$638,500	\$766,200
3	Enterprise Dr over Pawlowski Creek	\$411,000	\$20,550	\$102,750	\$123,300
4	Pennsylvania over J&L Railroad E Cesar Chavez over Grand River	\$140,000	\$7,000	\$35,000	\$67,800
		\$86,000	\$4,300	\$21,500	
5	Beech Street over Red Cedar River	\$46,000	\$2,300	\$11,500	\$13,800

WHEREAS, any one or any combination of the above five projects could be approved for 2023 funding: and

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council approves the submittal of the FY 2023 funding applications for the MDOT's Local Bridge Program as listed in the priority above.

BE IT FURTHER RESOLVED that upon grant award, the Mayor is authorized through the Public Service Director to administratively appropriate the necessary accounts for City costs associated with any bridge project selected, which will be budgeted with Act 51 funds.

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

WHEREAS, during the COVID-19 crisis the Lansing Police Department and Lansing Fire Department have continued responding to emergencies for Lansing residents every day; and

WHEREAS, the George F. Eyde Company recognizes this dedication and coordinated donations from area restaurants in the amount of \$1,000; and

WHEREAS, the George F. Eyde Company requests for those donations to be distributed to the Lansing Police Department and Lansing Fire Department for meals and refreshments to show their gratitude for the work of first responders; and

WHEREAS, the City Charter requires such donations to be accepted by the Lansing City Council and the contribution appropriated;

NOW, THEREFORE, BE IT RESOLVED that the Lansing City Council hereby accepts the \$1,000 donation to the City of Lansing to be distributed to the Lansing Police Department and Lansing Fire Department for meals and refreshments and thanks the George F. Eyde Company for their donation to Lansing; and

BE IT FINALLY RESOLVED that the Administration is authorized to create appropriation accounts and to make the necessary operating transfers for control of the expenditures in connection with the donation.

A black and white photograph of a diverse group of people, including men, women, and children of various ethnicities, smiling and looking towards the camera. They are standing in a line, possibly at a community event or meeting.

DEPARTMENT OF NEIGHBORHOODS + CITIZEN ENGAGEMENT ANNUAL REPORT

FISCAL YEAR-2019



DEPARTMENT OF NEIGHBORHOODS+ CITIZEN ENGAGEMENT

Neighborhoods are a top priority. In January 2018, Mayor Schor issued his first executive order by creating a Department of Neighborhoods and Citizen Engagement (DNCE).

This new Department places neighborhoods front and center in the administration. He appointed Director Andi Crawford to lead the DNCE and the Executive Order was unanimously passed by City Council.

ENGAGING CITIZENS ADVANCING PEOPLE BUILDING NEIGHBORHOODS

ENGAGING CITIZENS

Citizens Academy

Housing & Neighborhood Resource Summits

LOVE Lansing Celebration

Neighborhood News

Neighborhood Roundtables

Participatory Budget Nights

SERVE Lansing

Walking Wednesdays

ADVANCING PEOPLE

Office of Financial Empowerment

Building Civic-Minded Professionals

BUILDING NEIGHBORHOODS

Neighborhood Clean Ups

Neighborhood Grants

Neighborhoods of Focus



Launched the inaugural City of Lansing Citizens Academy. Participants met weekly for 10 weeks beginning Wednesday, September 5, 2018.



Participants toured City Hall, the BWL grid control room, and other City facilities including a behind the scenes look of Cooley Law School Stadium. They also spoke one-on-one with City staff, City Council members and the Mayor.

Citizens Academy provided an opportunity for City of Lansing residents to learn more about the role the City plays in their everyday lives and how they can be involved and engaged citizens.

24 participants representing all four City Wards.



Housing & Neighborhood Resource Summits

The summits were designed by neighborhood groups to provide citizens direct contact with City and community resources in their neighborhood.

Summit partners have included: Capital Area Housing Partnership, Ingham County Land Bank, Home Depot, Ace Hardware, City of Lansing Human Resources, City Clerk's Office, State of Michigan Attorney General, McLaren Health Systems, City of Lansing Economic Planning & Development Office, and other civic and community organizations.

Pizza is provided and local businesses generously provide raffle items.

Thank you to the Lansing School District for generously hosting these quarterly events serving hundreds of Lansing residents.

9/25/18: Forest View

11/27/18: Pleasant View

2/26/19: Sexton High School

4/30/19: Pattengill Biotech



ENGAGING CITIZENS



South Side Community Coalition -
2019 Recipient of the Mayor's Cup for Civic Excellence

LOVE stands for Local Organization & Volunteer Excellence and is an annual volunteer celebration to recognize neighborhood leaders and watch captains/coordinators for their efforts in creating safe and vibrant communities across Lansing.

2019 peer nominated award winners:

The Community Builder Award - Melik Brown

The Emerging Leaders Award - Rawley Van Fossen

The Neighborhood Impact Award - Dr. Stan Parker, After School Action Program

May 14, 2019 at the South Washington Office Complex - 250 Neighbors attended



“Thank you LOVE for such a wonderful event. It was a fantastic night and hearing about all the fantastic things the neighborhood groups and individuals do to help and promote Lansing was amazing. The nominees were all wonderful and my congratulations go to the very deserving winners and to all the nominees. Lansing sure knows how to do great things!!!” from Facebook

SERVE Lansing

**SERVE Lansing connects citizens, organizations, partners, and the City of Lansing to:
Increase Citizen Engagement - Build Community Response and Preparedness -
Clean & Beautify the Community**



**Program Launch- Press Conference (9/6/18) – City Hall Lobby
7 lead community partners (United Way, Michigan State University (MSU), DoIThing, Lansing Board of Water and Light, American Red Cross - Mid - Michigan, YMCA of Greater Lansing, and Michigan Community Service Commission)**

MSU has selected SERVE Lansing as the partner for the MSU Community Scholars program. MSU students are assigned to each partner organization and work to coordinate SERVE Lansing events.

**Sample SERVE Lansing events (see Spring Neighborhood Cleanup Summary for more):
Cleanup event held at Cristo Rey (9/7/18)
Baker Neighborhood Leaf & Stormdrain Cleanup (11/3/18)
Mayor's Inaugural Coat Drive (12/1-12/10/18)
Trashtag Challenge (5/2019)**



The City of Lansing is a proud member of the international Cities of Service Coalition. Cities of Service helps Mayors and City leaders tap into the knowledge, creativity, and service of citizens to solve public problems and create vibrant cities. City of Lansing selected as a mentor city for the next 10 funded cities in the Cities of Service Love Your Block grantee cohort.

ENGAGING CITIZENS

City of Lansing - Neighborhood News

Distributed weekly each Friday highlighting City of Lansing events and providing community partners direct communication with Lansing neighborhoods.

650+ on distribution list and growing weekly



Neighborhood Roundtables

Monthly meetings to connect with neighborhood leaders and discuss issues in Lansing neighborhoods.



LANSING

July 2019

Neighborhood Roundtables

Thursday, July 25 6 PM
Friday, July 26 8 AM

Network with Neighborhood Leaders and Public Service as we discuss the Basement Backup Protection Plan (B2P2) as well as instructions on how to file a claim.

FOSTER COMMUNITY CENTER ROOM 209
200 N. FOSTER AVENUE LANSING, MICHIGAN 48912



Andy Schor, Mayor

participatory budget nights



PURPOSE

The purpose for hosting Participatory Budget Nights in the City of Lansing were to empower citizens to come together and provide input on the City's budget priorities.

"We're beginning to prepare our budget, which will be program based," said Mayor Schor. "This is a great opportunity for the public to learn more about the City's budget and get involved in decision making."

Participatory budget nights are part of furthering Mayor Schor's goal of maintaining transparency in City operations and encouraging civic engagement.

Phase II of Participatory Budget Nights will provide more budget specifics and strategies for citizens to influence the process.

- 2/20/19
Cristo Rey Community center
- 2/27/19
McLaren Hospital Dawe auditorium
- 2/28/19 Nuthouse Bar & Grille
- 3/5/19 Fenner Nature Center

BY THE NUMBERS

Four participatory budget nights were held:

- 11/13/18
Letts Community Center
- 11/28/2018
Foster Community Center
- 11/29/18
Kelly's Downtown
- 12/6/18
Schmidt Community Center

- **60** total participants from all four sessions.

Facilitated by:

- **Mayor Andy Schor**
- **Angela Bennett**,
Finance Director,
City of Lansing
- **Andi Crawford**,
Director of Neighborhoods
& Citizen Engagement,
City of Lansing

CITIZEN FEEDBACK



"I **actually** enjoyed a talk about budgets!"



"Great to have the **Mayor** here!"



"Very well organized, great preparation - I like the Lego exercise"





Andy Schor, Mayor

participatory budget nights



PURPOSE

The purpose for hosting Participatory Budget Nights - Phase II in the City of Lansing were to provide more budget specifics and strategies for citizens to influence the process.

“The first round of participatory budget nights identified four clear priorities for citizens: economic development, infrastructure, neighborhoods and public safety. This round of events provided additional information and opportunity for discussion in these areas.”

Participatory budget nights are part of furthering Mayor Schor’s goal of maintaining transparency in City operations and encouraging civic engagement.

Phase II a deeper dive into priority areas.

BY THE NUMBERS

Four participatory budget nights were held:

- 2/20/19: Economic Development
Cristo Rey Community Center
 - 2/27/19: Infrastructure
McLaren Hospital
 - 2/28/19: Neighborhoods
Nuthouse Bar & Grille
 - 3/5/19: Public Safety
Fenner Nature Center
- **58** total participants from all four sessions.

Facilitated by:

- **Mayor Andy Schor**
- **Angela Bennett**,
Finance Director,
City of Lansing
- **Andi Crawford**,
Director of Neighborhoods
& Citizen Engagement,
City of Lansing



Walking Wednesday Series

Walking Wednesdays are co-designed with neighbors and bring the Mayor, City officials, Lansing Police Officers, and community members together to explore the assets and opportunities in Lansing neighborhoods.

April 10th - June 5th, 2019



Walking Wednesdays 2019
All events begin at 6 p.m.

April 10 - Baker Neighborhood - Bethlehem Lutheran - 549 E Mt Hope Ave

April 17 - Red Cedar Neighborhood- Kircher Municipal Park - 301 Clippert

April 24 - Eckert Power Plant - 601 Island Ave

May 1 - Downtown Lansing - Capital Area District Library - 401 S Capitol

May 8 - Colonial Townhouses Co-Op, Inc. - 3818 Pleasant Grove

May 15 - Greencroft Park Neighborhood - 2700 S Washington Ave

May 22 - Life O'Riley - 6726 S Washington Ave

May 29 - Fulton Park Trails - 3914 Seaway Drive

June 5 - Scott Woods - Scott Woods Park- 2605 Clifton Ave

For more information: Department of Neighborhoods & Citizen Engagement
517-483-4051 | <https://lansingneighborhoods.info/>

Walking Wednesdays can also be arranged throughout the year by citizens to address a particular need or topic.

ENGAGING CITIZENS



OFFICE OF FINANCIAL EMPOWERMENT

Housed in The Department of Neighborhoods and Citizen Engagement, the Office of Financial Empowerment is home to four initiatives: The Financial Empowerment Center (FEC), Lansing SAVE, the Offender Success Program, and BankOn.

The Financial Empowerment Center (FEC)

In partnership with the Cristo Rey Community Center, since 2013, FEC has helped clients achieve:

\$11,000,000 REDUCED HOUSEHOLD DEBT

\$2,000,000 SAVED BY HOUSEHOLDS

2019 PROGRAM OUTCOMES

of Sessions Completed = 1,244

Safe, affordable bank accounts opened = 77

Total Clients served = 600

Client Debt Reduction (non-mortgage) = \$1,214,989

Client Increased Savings = \$195, 857



Office of Financial Empowerment's 5 Year Birthday Party (7/19/18)

ADVANCING PEOPLE

CLIENT STORY

The client started about a year ago and his situation was pretty bad. The client has child support that was taking 50% of his income and over \$50,000 in child support arrears and student loans that equaled \$6,500, which were in collection. He was working at a low-wage job and was barely able to cover his portion of rent. While the client was incarcerated, his identify was used to open credit in his name and he was left to pay the debt. He also did not have a bank account.

The first step was to get him on a budget. Once he started following his budget, he concentrated on his student loans and child support arrears. The Counselor referred him out to get some assistance with his child support. Then the Counselor got his student loans on the rehabilitation plan, paying \$5.00 a month. Once he started paying on his repayment plan, the Counselor wrote several letters to dispute the debt that was not his. The dispute letters were successful because Experian removed the debt. Currently, the client has opened a bank account with Lake Trust Credit Union, reduced his debt by \$20,000 and secured a job making three times as much as before.



The client came to the Financial Empowerment Center accompanied by her 40-year-old son. This client felt completely overwhelmed by her monthly expenses and felt plagued by credit card debt. She stated that she has never budgeted in her entire life and that her late husband of 40 years took care of the finances and she had no clue what to do.

The Counselor immediately started the budgeting process with the client and found out that over 60 percent of her income was going into her monthly prescriptions. Client stated that she sought out help with other agencies to help with her prescription coverage but she made \$10 above the limit and could not qualify. Consequently, client had to spend \$575 a month on her prescriptions.

The Counselor knew immediately that in order for this client to make ends meet she would need help with her medications. The Counselor walked the client to the prescription assistance program and asked for an appointment for her. Two months later the client received approval for assistance with her medication. Client is now receiving her medicine free of charge.

On the following session, the Counselor updated the client's budget with the new adjustments and were able to see a positive cash flow. Client reported that she sleeps better and no longer has anxiety. The client is hopeful and does not feel overwhelmed anymore. The client stated, "All I needed was for someone to help me navigate through the mess and show me how to budget. Yes, I am 69 years old and should know all that, but I did not."

Offender Success Program

The City of Lansing - Office of Financial Empowerment serves as the Administrative Agency for the Offender Success Program in Clinton, Eaton, and Ingham counties. The Offender Success Program is funded and administered by the Michigan Department of Corrections and serves reentry citizens who are returning to the community following prison.

Through providing wrap-around services the City of Lansing is reducing recidivism and increasing public safety in our neighborhoods.

The program served ~450 individuals from July 2018 - June 2019.

PROGRAM SERVICES

The City of Lansing contracts with Peckham Industries, Housing Services Mid Michigan, Mid-Michigan Recovery Services Inc. and Prevention & Training Services (PATS).

These partners provide job readiness, job placement, job retention, housing, behavioral health counseling, and social supports such as bus passes, clothing vouchers and identification.



BUILDING PARTNERSHIPS FOR SUCCESS

Offender Success Employer Breakfast - 3/14/19 | 8 AM— 10 AM | The View at Cooley Law School Stadium

The purpose of the Offender Success Employer Breakfast was to increase awareness and understanding of the Offender Success Program among local employers by highlighting the benefits to public safety and employers, as well as recognizing successful experiences with reentry citizens.

More than twenty employers attended the event and heard from Mayor Schor, Police Chief Yankowski, and MDOC Administrator Kyle Kaminski on the positive impacts of the program. In addition, employers had the opportunity to learn about fidelity bonding, Work Opportunity Act Tax credit information, Vocational Village, and several aspects of the wraparound services offered through the Offender Success Program.

ADVANCING PEOPLE

Lansing SAVE

The City of Lansing partners with the Lansing School District and MSU Federal Credit Union to provide Children's Savings Accounts. Lansing SAVE is a post-secondary education savings program for students in the Lansing School District. All incoming kindergarten students are automatically enrolled in an account. Accounts are seeded with \$5 and children and families can make deposits into the accounts at school or at MSUFCU branches.

SAVE TOTAL DEPOSITS (IN-SCHOOL & IN-BRANCH)

Total Deposits = 1,030

New Depositors = 495

Total Deposit Amount = \$7,925

SIGNIFICANT MILESTONE

FIRST LANSING SAVE ACCOUNT SURPASSES **\$1,000**



COMMUNITY CHAMPIONS PROGRAM

Bethlehem Lutheran Church

In the spring of 2019, during a Baker Neighborhood Partners Meeting, Pastor Matt Smith and Parish Administrator Laurey Wyble of Bethlehem Lutheran Church learned of the Lansing SAVE program. They immediately approached the program partners with an idea — to take a special collection with their congregation whenever there is a 5th Sunday in a month, and donate the offering to be deposited into the accounts of Lansing SAVE students who live in the Baker Neighborhood. Because of their creativity and generosity, the Lansing SAVE Community Champions Program was born.

The church has held two offerings which raised a total of \$2,692.

Their contribution was divided into equal deposits in the 121 Lansing SAVE accounts in the Baker Neighborhood.

We look forward to replicating this program with other faith-based partners and civic organizations throughout Lansing.

ADVANCING PEOPLE

City of Lansing - A National Leader in Municipal Financial Empowerment

**WHAT WORKS CITIES ECONOMIC MOBILITY GRANT (1 OF 10 CITIES SELECTED)
FUNDED BY GATES FOUNDATION, BALLMER GROUP, BLOOMBERG PHILANTHROPIES**

**CITY OF LANSING SELECTED BY THE NATIONAL LEAGUE OF CITIES FOR
THE 10 CITIES OF OPPORTUNITY PILOT PROGRAM.**

\$30-40K SELECTED AS 1 OF 6 CITIES FOR CAFFE PROJECT WITH NATIONAL LEAGUE
OF CITIES TO RESEARCH THE IMPACT OF MUNICIPAL FINES AND FEES

\$10,000 SELECTED FOR US CONFERENCE OF MAYORS DOLLARWISE INNOVATION
GRANT FOR THE KROGER REWARDS PROGRAM GRANT TO SUPPORT
LANSING SAVE PROGRAM.

\$10,000 SELECTED TO SERVE AS AN FEC EXPERT TO BALTIMORE, MD AND
WASHINGTON DC



- OFE Director serves on the National League of Cities' Economic Opportunity

Peer Network

- Recognized in Urban Development's publication, "A Scan of Financial Capability Efforts at the Municipal Level" for Lansing's work on connecting returning citizens to safe and affordable bank accounts.
- OFE Director co-presented on Municipal Financial Empowerment with Shekeria Brown, Vice President, Office of Nonprofit Engagement at JPMorgan Chase and Jonathan Mintz, President and CEO, Cities for Financial Empowerment at the Engaging Local Government Leaders (ELGL) Conference in Durham, North Carolina.
- OFE hosted City of Akron Site Visit - OFE serves Akron through technical assistance
- Provided technical assistance to the City of New Haven, CT on Financial Empowerment for Reentry Citizens
- Completed white paper on 2-year Bank On for Reentry Pilot

Building Civic-Minded Professionals

The City of Lansing Department of Neighborhoods and Citizen Engagement leverages the talents and energies of undergraduate students, graduate students and young professionals to expand the department's capacity.

This year we hosted student interns from Michigan State University, The University of Michigan - Ann Arbor, and Harvard University.

The department also hosts AmeriCorps VISTA members serving a year of national service.





SPRING NEIGHBORHOOD BEAUTIFICATION & CLEANUPS

2019
Neighborhoods
in Bloom


10,000
Flowers planted
during Neighborhoods
in Bloom

39
Participating
Neighborhood &
Civic Organizations


5,760
Square feet planted
across the
City of Lansing




100+
City of Lansing
trashbag rolls
distributed for the
Trashtag Challenge



Southwest Lansing
&
I Love My City
Edgewood cleanup
60 Volunteers
80 Bags of Trash

South Lansing
Business Association
Team Up 2 Clean Up
50 Volunteers
20 Bags of
trash



Cherry Hill Park
Cleanup
15 Volunteers
40 Bags of Trash
Two truckfulls of brush



Neighborhood Grants



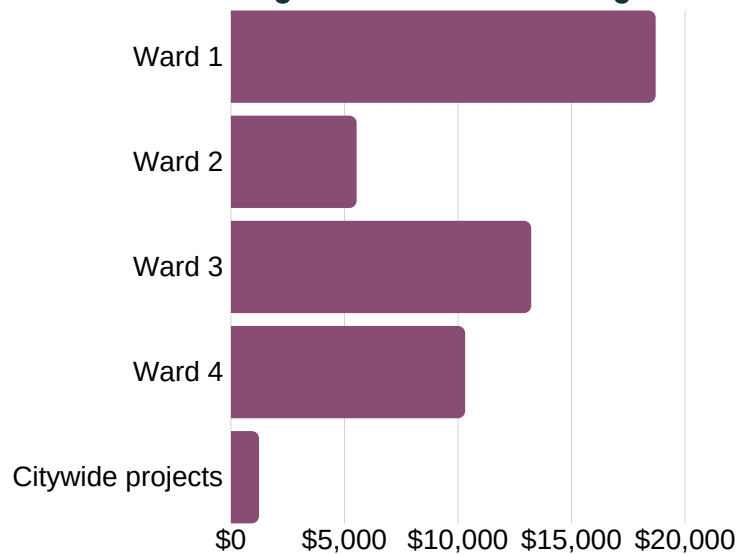
The Department of Neighborhoods and Citizen Engagement administers the Neighborhood Grant program and provides administrative support to the Mayor's Neighborhood Advisory Board.

2019 Neighborhood Grant Projects

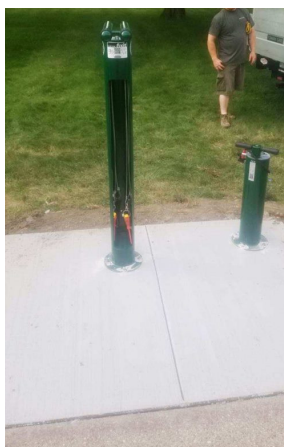
- Clean ups and Beautification
- Communications and Social Events
- Signage
- Other

70 grant funded projects designed and executed by Lansing neighborhoods

Distribution of Neighborhood Grant funding



Total amount funded: \$52,021.85



BUILDING NEIGHBORHOODS

Neighborhoods of Focus

The City of Lansing has selected two neighborhoods as 'Neighborhoods of Focus'. The City of Lansing works with city departments, community partners, law enforcement, community-based organizations and residents to work in partnership to improve the neighborhood. The City of Lansing's primary roles is to convene, capacity-build and connect to resources. This is a multi-year commitment to sustained community development.

BAKER NEIGHBORHOOD

Press Conference celebrating one year of focus held on February 14, 2019 (outcome sheet below)
Lansing SAVE investor program launched with Bethlehem Lutheran Church (see Lansing SAVE section)
Three year commitment from Habitat for Humanity to focus Rock the Block home improvement projects in the Baker Neighborhood.
Convene monthly partner meetings



BUILDING NEIGHBORHOODS

Neighborhoods of Focus



Andy Schor, Mayor

Baker Neighborhood: Neighborhood of Focus

**Convene
Capacity Build
Connect to Resources**

Rehabbing Homes and Buildings



Habitat for Humanity Capitol Region

\$100,000+ investment Rock the Block
Poured concrete pad under pavilion
and created accessible pathway at
Caesar Donora Park



Lansing Board of Water & Light Hometown Energy Savers

Served 35 homes
Installed 1,300+ energy saving items;
achieving annual savings of nearly
\$8,000 for residents



Capital Area Housing Partnership

Walter French donated to CAHP in 2017
Development for restoration and reuse
REO Town Art Attack mural installation

Mikey23 Foundation

Rehabbing home on Linval St.
and teaching skilled trades to
local youth

City of Lansing

Emergency repairs completed at 2 homes including furnace and water heater replacement, roof repairs and repairs to the interior.
Remediated lead-based paint in 2 homes.
Designated the area as a high-risk area for Childhood Lead Poisoning and has offered \$25,000 per rental unit for lead-based paint remediation to all landlords.

Community Beautification



538 Isbell Lot

(Former party store turned
community gathering space)
on Ingham County
Land Bank Lot

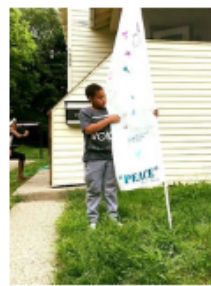


SERVE Lansing Leaf Cleanup



Greater Lansing Association of Realtors

With neighbors, built Little Free Library,
picnic table, and provided sports
equipment and games for the 538 Isbell Lot
Provided 200+ meals



Peace Flag Art Installation

Created by Baker neighbor
artist Eric Schantz and
funded/installed by Sycamore
Creek Church members

Neighborhoods of Focus

Community Building



Potter Park Zoo

Provided 5 programs with 80+ attendees
Provided FREE zoo passes to 114 Baker neighbors



Bethlehem Lutheran Church

Faith Family Fun Day serving 700+ families
Hosts monthly Baker Partner meetings



Head Start

Housed City of Lansing
AmeriCorps member
Hosted Baker Coffee Hours
Community Resource & Wellness Fair



YMCA

Partners with Bethlehem Lutheran Church to provide physical activity and lunch in the Summer
Provides breakfast, physical activity and lunch at Caesar Donora Park



Cedar Street Art Collective

Art Dedication in Caesar Donora Park
Baker neighbor, Jeffrey Handley Jr Art Show
Baker neighbor, Corey Kroskey Halloween theatre event
'Sunday Dinner' performance from IDream Dance Studios LLC
More than Fine Photography
Pop-up 517 Coffee



Walking Wednesday

200+ visitors
activating 9 vacant lots with art and activities



Mike Yankowski, Chief

Victim crimes and property crimes both declined 33% from 2017 to 2018.



Jacob Kocan
Community Police Officer
517-483-2522
jacob.kocan@lansingmi.gov

Join partners 2nd Thursday of each month at Bethlehem Lutheran Church



Cedar Street Art Collective



Neighborhoods of Focus

PLEASANT VIEW NEIGHBORHOOD

Michigan State University Design Project, a 3 day design event held in neighborhood
Community Development Block Grant (CDBG) funding opportunity for Town Square identified
City of Lansing (1 of 10 cities) selected for Round Three Invest Health funding
Purchased 3 parcels from the Ingham County Landbank to create a new park
Beacon Park created on southeast corner of intersection
Negotiated land sale of homeowner by Beacon Field to open access to park from Pleasant Grove
Beacon Field SouthWest soccer facility was built



PLEASANT GROVE & HOLMES PROJECTS AT A GLANCE



BUILDING NEIGHBORHOODS



DEPARTMENT OF NEIGHBORHOODS+ CITIZEN ENGAGEMENT

Chief Innovation Officer | Director - Andi Crawford

Administrative Assistant - DeLisa Fountain

Director, Office of Financial Empowerment - Amber Paxton

Operations Coordinator, OFE - Zach Etzin

Financial Education Coordinator, OFE - Ben Thompson

Community Coordinator, Offender Success - Yolanda Botello

Program Manager, Financial Empowerment Center

- Velma Kyser

Financial Counselors, Financial Empowerment Center

- Tammy Beckwith

- Sonia Diallo

Draft Budget-- AFTER COVID								
22-Apr-20								
					2 Months Loss of Revenue FY21		3 Months Loss of Revenue FY21	
Revenues	FY 2019	FY 2020	FY 2020	FY21		COVID Assumptions		COVID Assumptions
	Actuals	Approved Amendment	FINAL PROPOSED BUDGET	Proposed	COVID BUDGET		COVID BUDGET	
Property Taxes	40,594,677	43,360,000		45,342,000				
Income Taxes	37,021,436	37,000,000	*	39,226,000	(6,537,667)	Assumes TWO month Loss (1/6) or 16%	(9,806,500)	Assumes THREE month Loss (1/4) or 25%
Return on Equity	21,110,884	23,100,000		25,000,000		Assumes \$2M negotiated Increase		Assumes \$2M negotiated Increase
State Revenues	18,330,556	19,747,000	(1,645,583)	20,144,100	(3,021,615)	Assumes 15% Loss from FY20	(3,949,400)	Assumes 20% Loss from FY20
Charges for Services	9,089,169	9,351,800	(1,558,633)	9,709,223				
Fines & Forfeitures	2,050,717	2,149,200	(358,200)	1,967,200				
Licenses & Permits	1,407,477	1,889,000	(314,833)	1,882,800				
Interest & Rent	226,344	415,000	(69,167)	425,000				
Other Revenue	531,597	403,000	3,000,000	753,000				
Total Revenues	130,362,856	137,415,000	136,468,583	144,449,323	134,890,041		130,693,423	
Total Expenditures	137,657,877	140,624,145	140,624,145	144,184,754	141,807,450	Health care (1.9M) & P/C Insurance (400k)	141,807,450	Health care (1.9M) & P/C Insurance (400k)
Beginning Fund Balance	17,326,512	10,031,491	10,031,491	6,822,346	5,875,929		5,875,929	
Ending Fund Balance	10,031,491	6,822,346	5,875,929	7,086,915	(1,041,479)	Does not include IRS penalty (+2.5M)	(5,238,098)	Does not include IRS penalty (+2.5M)
FB as % of Revenue	7.30%	4.90%	4.31%	4.91%	-0.77%		-4.01%	
FINAL FY20 Changes:								
Loss in funding- One Month (1/12)								
Added back Sewer Law Suit/Ramp Sale								
*Income Tax to date down								

FY 2021 Budget Hearing Question/Answers for Follow up

Budget Presentation: 04.13.2020

CDBG Presentation

- There were no questions that required follow up during the CDBG Budget Presentation.

FY 2021 Budget Presentation 04.13.2020

- Q: Council Member Betz: Ordinance requires putting \$500,000 into rainy day fund. Is this wise to do during a recession? Should the ordinance be changed?
 - A: Jake: it's a decision between the administration and Council.
 - A: Mayor Schor: willing to have that conversation moving forward.
- Q: Council Member Jackson: Changes to budget based on COVID-19 is not yet fully integrated. What specifically are you looking at for impact on future budgets?
 - A: Looking from FY20-FY22. Information provided during a call from department of treasury indicates: 1) constitutional revenue sharing June and August will be reduced (estimating half) 2) statutory revenue sharing is also going to be reduced, likely 15-20% reduction 3) Income tax. Delay in when City will receive income tax assuming 15% reduction or delay. FY 20 income tax may be reduced since many are working from home.
 - Primary concern is Cash Flow.
 - Until there is an end date, hard to predict.
 - First focus is cash on hand, second is impact on FY 20, then will look to FY 21.
 - How/when to put the updated numbers into the budget? Perhaps during first amendment in June. Will be a discussion between the Mayor and Council President as to how to move forward considering updated figures.
 - [Document provided and presented by Shelbi regarding projected impact on budget.](#)
- Q: Council Member Jackson: Can there be any changes to the budget with the facts that are now known so that Council and the Administration will not have the pressure of amendments?
 - A: Finance is currently looking to see how new information can be incorporated into the budget so that figures can be updated. There may be future changes before the budget is voted in May.
- Q: Council Member Wood: Police: with the addition of 3 new police officers— provide breakdown as to what that will cost as part of the budget and how many potential retirees we may have for this budget?
 - A: [The cost of 3 new police officers will be found in the police budget, the 3251. If you are looking at the line item detail it is 708000 for overtime. Salary combined would be \\$160,000, fringes: \\$60,000, net benefits:](#)

\$88,000 for a total of \$302,000. There is about a \$400,000 reduction in overtime overall.

- A (regarding retirees):
- Q: Council Member Wood: Provide updated projection from BWL regarding projected loss in gross revenues?
 - A: Shelbi: BWL committed to 23M in fixed rate, so there will be no going back or change for this fiscal year. Built in an increase to 25M the next two years.
 - Since this is a fixed rate, the 23.1M committed for this fiscal year and 25M for two subsequent fiscal years, this projection from BWL will not change.
- Q: Council Member Betz: Michigan treasury estimate 1-3 billion lost this year and 1-4 million lost next year. Can you provide a similar estimation as to revenue lost?
 - 15% reduction for state revenue sharing. Looking at what reduction was during last recession.
- Q: Council Member Betz: What about estimation of reduction in income tax revenue?
 - A: Hard to predict at this stage, since no end date. However, once an end date is determined, can model out what was received last year and compare it to this year in order to do projections.
 - A: To date, as of March 31, 2020, we have received 23.2M in income tax representing approximately 60% of year to date expectations. This is in line with what we'd expect to receive at this point. However, based on extension of filing deadline, approximately 22-25% of revenues may be pushed to subsequent fiscal years. Looking into details of this further.
 - Council Member Betz asked for a projection through May for Council to consider. General projections given below:
 - Jake indicated that May-June City typically receives 40% of income tax.
 - Reduction by 15% in Income Tax revenue is 5.8 million. If revenue sharing down 15%, so 3 million.
 - Shelbi provided and presented a budget analysis estimate with considerations given for lost revenue related to COVID.
- Q: Council Member Wood: Can we be tracking unemployment numbers for Lansing?
 - A: We do not receive those statistics, but they are available through the Michigan Labor Market Information Bureau, up to date through March 2020 with preliminary figures, so far, there is nothing clear in their data that goes beyond the onset of this crises where we would start to see impact. Over the next couple of months we can continue to track those figures and incorporate them into the analysis.

Budget Presentation 04.27.2020

Lansing Housing Commission Annual Report/Budget

- Q Council Member Wood: Regarding sharing administrative fees between LHC and the City. How much are those dollars, how are they split, and why?
 - A:
- Q Council Member Wood: COVID-19 concerns. How are you disinfecting? How is this effecting programs?
 - A: Began working remotely. Employees are essential. Units are being turned and move in is happening. Meeting with management by appointment only. Social distancing. South Washington building cleaned. All high touch areas are being cleaned twice a day (once per day on the weekends). (No specific discussion of COVID's effect on programs)
- Q Council Member Wood: Regarding the 183 scattered housing sites. How long has the longest tenant been staying at a residence?
 - A:
- Q Council Member Wood: Regarding the housing audit. It listed deficiencies in internal controls. Can you address how you are looking at/addressing that?
 - A: Deficiencies do not exist anymore. Still a carryover from the previous years when classified as a low performer. Should not see that in audits moving forward.
- Q Council Member Betz: NYC recently switched to RAD program. Some tenants came forward to work on additional protections. How are you engaging the tenant community? How are you making sure they are comfortable with this? How are you ensuring protections tenants need are in place?
 - A: 3rd party consultant has been hired to ensure that all RAD requirements are met. No one will be moved offsite with RAD program. Tenants will move buildings within the same properties. Some tenants will not go back to their exact unit. They will be properly sized, or right-sized. A coordinator will be hired. A resident survey will be conducted to determine need as it relates to moving.
- Q Council Member Betz: Are you working with tenants in the housing space to make sure they are agreeable with this deal as well? We can discuss this in the future.
 - A: We need to talk about what we are doing in Lansing but that conversation can certainly be had moving forward.

FY 2021 Budget Presentation 04.27.2020

- Q Council Member Wood: Looking at police overtime and 3 new officers. Police overtime is normally not because there are less police officers but because there are crimes/issues that come up where we need more officers on the road. When looking at reduction in overtime, what has Chief's information been regarding overtime related to staffing issues and/or overtime relating to crime?

- A: Overtime for road patrol is currently about 6.5 FTE. Discussion with Chief about maximizing the schedule to have more bodies out at one time while decreasing overtime. Not sure what specifically overtime was related to. Chief agreed that additional 3 officers on patrol will be helpful in reducing overall overtime.
 - Q: Council Member Wood asked for statistics to that effect. Council Member Wood and indicated that she would provide information/specific questions to Shelbi.
- Q Council Member Wood: We have not heard about costs because of COVID-19. How much has the City spent?
 - A: Can get a listing of what has been spent from the Emergency Management Team. All expenses/purchases have been tracked.
 - Q Council Member Wood also asked for listing/analysis of what is going to be spent once we reopen. In addition, would like to see costs as related to changes to 54A District Court.
- Q Council Member Wood: The fire department at Public Safety Committee meeting articulated need for equipment: Ladder trucks, defibrillators etc. This equipment was not listed in the budget presented. What is the rationale for why those items were not included?
 - A: Rationale will be provided at a follow up meeting. In addition, Jake worked with Fire to get some updates/preliminary revisions to their budget, which included additional equipment. This will be presented in the coming weeks.
- Q Council Member Jackson: Are these two new columns (estimates regarding two or three months lost revenue) included in the current budget?
 - A: No, but the budget can be changed. The budget as presented did not include anything related to COVID-19.