



MINUTES

Committee of the Whole Special Meeting Monday, June 22, 2020 @ 5:00 p.m.

Via Zoom Meeting: <https://us02web.zoom.us/j/81780379590>
Meeting ID: 817 8037 9590

CALL TO ORDER

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

PRESENT- via audio/video

Councilmember Peter Spadafore
Councilmember Adam Hussain
Councilmember Carol Wood
Councilmember Patricia Spitzley – arrived on 5:01 p.m.
Councilmember Kathie Dunbar
Councilmember Brandon Betz
Councilmember Jeremy Garza
Councilmember Brian T. Jackson

MEMBERS PRESENT- via audio/video

Sherrie Boak, Council Staff
Mayor Schor
Samantha Harkins, Deputy Mayor
Jim Smiertka, City Attorney
Lisa Hagen, Assistant City Attorney
Heather Shawa, BWL
Calvin Jones, BWL
Dick Peffley, BWL
Judge Cynthia Ward
Captain Backus, LPD
Joe McClure, LPD
Doris Witherspoon, Economic Development & Planning
Don Kulhanek, Economic Development & Planning
Brian McGrain, Economic Development & Planning
Shelbi Frayer, Chief Strategy Officer
Jack Brower, Budget Director
Chief Green, LPD
Breina Pugh, BWL

Minutes

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM JUNE 8, 2020 AS PRESENTED. ROLL CALL VOTE, MOTION CARRIED 8-0.

Public Comment

No public Comment

Presentation

54-A District Court on Domestic Violence-Judge Cynthia Ward

Judge Ward presented on the court policies and procedures, and confirmed there is a grant that allows for a domestic court. The grant was written to be effective in the community, and recently with the LPD STOP grant, and how that supports the work for the domestic court. Judge Ward went on to explain that she worked with LPD and the Ingham County Prosecutors, and they chose to work with the Domestic Violence Court. The STOP Grant allows LPD to have the resources to support the court and the domestic violence probation officer. This officer conducts home visits and was specifically written into the grant. The grant is a competitive grant, with all other law enforcement grants, therefore was worthy of the funding to support the domestic violence court. Council Member Jackson asked if this would benefit just the City of Lansing or if it is a County specialty court, and he also noted that the LPD is a critical support of the Ingham County Prosecutors, so he supported the grant. Judge Ward responded to the question that the grant is only for the 54A Domestic Violence court, and on the City. They do not accept transfers.

Council Member Wood recapped from the last meeting that they did not take action because there was a question on the funding and if the City should use the funding for a police officer or detective in this position. It was also noted that the position was already getting paid for the last 9 months and there is only 3 months left on the grant. She asked Chief Green if the Council chose not to accept the grant, how it would impact the LPD budget since the work was done and already paid. Chief Green noted that the City needs 260 offices based on their population, and based on the number of average investigations, the City needs to double their staff. That being said, Chief Green noted the City is well below what they need, and without this grant they could not sustain this position, and it will have an impact on the LPD. Council Member Wood then asked if it is rejected what the likelihood it would be offered a grant in the future. Judge Ward stated the grant is a 3-year grant with 2 renewable terms. She anticipated they would continue to apply for subsequent years to support the position. Council Member Betz stated at the last meeting he had asked for statistics on what this detective has solved, how many calls, and what that position has done. Chief Green apologized stating he was not made aware of the request but could get those statistics. Judge Ward added to the discussion that the Domestic Violence court is currently only six months old, so she was not sure if there was enough data to report. Currently there was only 1 in violation of probation, no new assaults, so they believe that is a success so early in the program. This item was moved out of Committee at the previous meeting.

Discussion/Action

DISCUSSION-Board of Water & Light Budget for Fiscal Year Ending June 30, 2021 and Capital Forecast for Fiscal Years 2021-2026

Ms. Shawna went through the FY2021 budget by utility and noted the focus on the totals on revenues, operating expenses, with total operating at \$52,924,262 with net income at \$1,498,728. It was noted that they did not factor in a rate increase for the next fiscal year, but the last forecast they did forecast a rate increase. Based on the impacts of COVID they have elected to recommend a rate increase, and after looking at a rate competitiveness with the reduced operating budget by \$2.5 million, and its outcome showing a lower net income then they would normally budget. With the return on assets at 4.14% for 3 of the 4 utilities, they have achieved their target by 2025. There was a brief overview of the high level cash flow with total

sources of cash at \$232,952,670 and ending cash at \$80,090,233. Regarding the Delta Plant, which is currently under construction, they have a 3 year plan, will borrow in the 3rd phase, and have issued revenue bonds for those

Council Member Jackson asked about their training budget. Mr. Peffley confirmed each department manages their own training budget, there is an enhancement training, refresher training, new employee training and immersing trainers training. Council Member Wood asked if there were utility payments put on hold for non-shut off during COVID, and if so what that figure was. She also asked what the impact will be with companies putting employees on furlough, and reducing staff. Mr. Peffley confirmed they worked with people even before the Governor's orders on any shut offs, and have suspended it for the entire service territory. Recently they have sent out letters to 6,000 customers, and 80% of those have responded with an interest in a payment plan. Council Member Wood asked if there were any projections the commercial side due to COVID. Mr. Peffley noted that their experts say that 25% of the commercial industry will not back, and in the City 20% of the customers are commercial.

RESOLUTION – Board of Water & Light Return on Equity Agreement; Fifth Amendment

Mr. Smiertka noted that on return on equity, there is a lot of case law that supports it, and that the Idea is that the City, through the GF or other sources, has funded the capital investment of the utility. Case law states that the municipality is entitled to get a return on that. The BWL agreement was negotiated with a fixed rate, and the current document is a 2 year agreement, which the OCA supports. Ms. Frayer noted there is a fixed portion of the contract, and in the years past there was a variable payment. Council President Spadafore asked if the BWL Board had approved the agreement yet, and Ms. Shawa confirmed they did on May 26th.

Council Member Hussain referred the Committee to the 4th WHEREAS, asking that “2020” be removed. Ms. Frayer agreed there was no projection for 2020, and going forward they would be doing a fixed and both parties agreed to 3% and fixed for the next 2 fiscal years. Council President Spadafore referred to the agreement itself noting the same as Council Member Hussain in the resolution that there are 2 years, and concurred with removal of 2020 from the Resolution.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE BOARD OF WATER & LIGHT RETURN ON EQUITY AGREEMENT FIFTH AMENDMENT WITH THE REQUESTED CHANGE TO THE 4TH WHEREAS REMOVING “2020”. ROLL CALL VOTE TAKEN, MOTION CARRIED 8-0.

RESOLUTION – Citizen Participation Plan for Community Development Block Grants (CDBG), HOME and Emergency Solutions Grants (ESG) Programs

Mr. Kulhanek stated that they were asking to amend the Citizen Participation Plan, because as part of the CARES Act they received additional funding. HUD wants the funds to be programmed as quickly as possible, and they have waived normal regulations, one being the time period for public comment to 5 days. Therefore, HUD has now requested the City amend the citizen plan to reduce that time period 5 days.

Council President Spadafore noted that on the July 13th Committee and Council meetings they will see and take action on the passage of the amendment itself.

Council Member Jackson asked when people will get to decide how it is spent. Mr. Kulhanek stated at the July 13th meetings, in addition the public can make comments any time on the plan. Ms. Witherspoon added that they sent out notices and it was posted on the website. Since HUD was looking at getting it done in 5 days, they did not have time to publish in the paper, but did send out to list of interested parties, and noticed to contact her.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE CDBG AND ESG PROGRAM CITIZEN PARTICIPATION PLAN. ROLL CALL VOTE TAKEN, MOTION CARRIED 8-0.

RESOLUTION – Declaration that Racism is a Public Health Crisis

Council President Spadafore set the guidelines that the Committee would begin review of the document at this time (6:00 p.m.) and continue until 6:40 p.m. at which point if there is no action they will move it to the next agenda. He then shared the document on the screen for the Committee and public. Council Member Spitzley voiced the question on if the City Council even had the authority to declare a “public crisis” or if they should call it “call for action”. She then went through the document she draft with Council President Spadafore using the recent Ingham County declaration as their template.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION ON DECLARATION THAT RACISM AS A PUBLIC HEALTH CRISIS.

Council Member Betz asked the document be changed to reflect “Equity, Diversity and Inclusion” where ever it stated “Equity and Diversity”.

Council Member Wood that it include what the Ad Hoc on Diversity and Inclusion that was created in 2013 was able to accomplish. This would demonstrate that it was initiated in 2013 and that they addressed LPD and LFD hiring practices, discussion on ICW, trainings for City employees on diversity, worked with the administration on diverse board appointments, and work on the amendments to the Human Rights Ordinance.

Council Member Jackson asked that the document be changed to reflect “and brown” everywhere “Black” was noted, except where the slavery clause is stated.

Council Member Hussain asked that the 7th WHEREAS, 3rd sentence to be changed to: “Black citizens across the state of Michigan have been limited to areas with restricted access to healthy foods, clean water, and other essential resources, in addition to being subjected to a disproportionate amount of convenience and liquor stores, leading to a variety of other health issues, including reduced life expectancy, higher rates of infant and maternal mortality, and higher rates of lead poisoning; and”

COUNCIL MEMBER SPITZLEY ACCEPTED ALL ADDITIONS AND AMENDMENTS TO THE DOCUMENT AND HER MOTION. ROLL CALL VOTE TAKEN, MOTION CARRIED 8-0.

RESOLUTION – Budget Amendment for Fiscal Year 2019/2020

Mr. Brower presented on the budget amendment dated June 18th, noting there was a fee change that was missed in the earlier version, and the budget reflects the recent 4-day work week work share program. Council President Spadafore asked if the current budget could be amended with a fee change for the next fiscal year budget, and Mr. Brower stated it could however the OCA was asked for their opinion. It was determined to remove the fee change and create a separate resolution for that change to take action on. Mr. Brower confirmed they had been in discussions with the FHT on the budget and it still projects a fund balance to \$6.8 million. Council Member Spitzley asked Mr. Brower what the change was from the 6/8/2020 version and the recent 6/18/2020 version. Mr. Brower responded stated there was a change in the Downtown Lansing fund subsidy. It was noted that the assessment was missed earlier. Mr. Smiertka added to the explanation that the question to be asked is if this budget is consistent with government accounting standards. Mr. Brower informed the Council that they looked at research and contacted an auditing firm, and there is a possibility to take revenue received after July and accrue it back to the current (previous) fiscal year. This comes with

consideration into the timing. The method to make this happen is informal, not a loan but in advance of the subsidy they would have received. This Downtown Lansing subsidy of \$178,000 the City would receive back in the FY 2020/2021 under a separate resolution. Council Member Spitzley asked Mr. Brower if this is the standard accounting practice, and Mr. Brower replied by stating it is an unusual circumstances, but he believed it did follow it. Council President Spadafore asked Mr. Brower if there were other assessments not assessed, and Mr. stated he was not aware of any. After no further questions on that amendment, Mr. Brower briefly outlined the expenditure changes with a savings of \$1,330,000, which makes an increase from the projected ending fund balance by \$71,895 from the March budget amendments.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR BUDGET AMENDMENTS FOR FISCAL YEAR 2019/2020, WITH THE REMOVAL OF THE FEES FOR THE NORTH GRAND RAMP.

Council Member Wood noted her concerns with Downtown Inc. budget portion and her opposition to keeping it in.

ROLL CALL VOTE TAKEN, MOTION CARRIED 6-2.

RESOLUTION – Establish the Equity and Anti-Racism Fund

Mayor Schor explained the resolution creates funds for the next couple months and are funds from the current fiscal year that would be distributed. Council President Spadafore asked if action needed to be taken at this meeting, and Ms. Frayer confirmed they were from the current fiscal year and need appropriation by June 30. However, if they were not, those funds would move into the fund balance and carry forward into FY 2020/2021.

Mr. Smiertka noted to the Committee that with the 6-2 vote of the previous item, there needs to be a balanced budget. Council President Spadafore added that since that action was taken, if they passed this the budget would not be balanced, therefore continue the discussion at the July 13, 2020 meeting and do a resolution to appropriate out of the general fund.

Council Member Hussain concurred. Council Member Jackson asked if the funds can be taken from the LPD budget instead of multiple departments as proposed. Council President Spadafore asked for more details when it is reviewed at the July 13th meeting.

MOTION BY COUNCIL MEMBER SPITZLEY TO TABLE ACTION ON THE RESOLUTION FOR DISCUSSION ON JULY 13, 2020. ROLL CALL VOTE TAKEN, MOTION CARRIED 7-1.

Council Member Wood stated to the Committee that the only way to make changes to that budget is if the Mayor brings it to Council as a budget amendment. Council does not have prerogative to do anything once the budget has passed.

Other

No other topics of discussion.

Adjourn

The meeting adjourned at 7:15 p.m.

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

Approved by the Committee July 13, 2020