MINUTES
Committee on Ways and Means
Monday, December 3, 2021 @ 3:30 p.m.
City Council Conference Room

CALL TO ORDER
The meeting was called to order at 3:30 p.m.

PRESENT
Council Member Carol Wood, Chair
Council Member, Adam Hussain, Vice Chair
Council Member Peter Spadafore, Member

OTHERS PRESENT
Renee Richmond, Council Staff
Jim Smiertka, OCA
Heather Sumner, OCA
Joe Abood, OCA
Amber Paxton, Financial Empowerment
Eric Brewer, Internal Auditor
Lori Welch, Public Service
Andy Kilpatrick, Public Service
Jake Brower, Finance

Minutes
MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM NOVEMBER 29, 2021, AS PRESENTED. MOTION CARRIED 3-0.

Public Comment
No public present.

Presentation
Internal Auditor Report on Robert W. Baird & Co. Contract
Councilmember Wood moved the Presentation to the end of the agenda.

Discussion/Action:
RESOLUTION – Grant Acceptance; Financial Empowerment Fund
Ms. Paxton stated the CFE is an organization trying to spread around the country and teach other cities, and the City of Lansing was selected as an expert City. The funds will go to the CFE at Cristo Rey, with the City as the applicant. Councilmember Wood asked if being part of the City of Pueblo, is travel time or ZOOM time part of it. Ms. Paxton indicated in the past it had been

travel but because of 2020 it became virtual and she believes it will stay virtual. Councilmember Wood asked if Mr. Brewer had any questions and Mr. Brewer stated he no comments.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE GRANT ACCEPTANCE FOR FINANCIAL EMPOWERMENT FUND. MOTION CARRIED 3-0.

<u>RESOLUTION – Grant Acceptance; Recycling Quality Improvement Grant for the Public Service Department</u>
Ms. Welch stated to the Committee the grant was going through EGLE and like other recycling grants, it involves "feet on the street" auditing and recycling parts to address contamination. This is not about removing but an education-based grant. The City will do an audit before and after.

Councilmember Wood asked what it means when the grant states "tagging". Ms. Welch responded it will be developed as the programs progresses to see what is successful. She continued that it's different than CART drivers and they try to minimize litter and any eye sores. Councilmember Hussain asked what the current process is. Ms. Welch indicated when the drivers notice something they leave a tag but it's only when they physically see something, so this grant is more ambitious.

Mr. Brewer noted a discrepancy with the amounts in the letter and the resolution. Ms. Welch confirmed the award letters did state an amount of $144,000. Mr. Kilpatrick confirmed the resolution could be amended to reflect the $144,000.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION AS AMENDED TO $144,000 FOR THE GRANT ACCEPTANCE FOR RECYCLING QUALITY IMPROVEMENT GRANT FOR THE PUBLIC SERVICE DEPARTMENT. MOTION CARRIED 3-0.

<u>RESOLUTION – Grant Acceptance; Department of Natural Resources Community Forestry Grant for the Public Service Department</u>
Ms. Welch informed the Committee that this grant is for the urban tree canopy assessment. This will set a sustainability plan to hire a consultant to assess plantings, forestry, working with forestry and parks. Councilmember Wood asked if a goal is to work with BWL as well and Ms. Welch confirmed BWL would be important to bring in.

Mr. Brewer had no comments.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE GRANT ACCEPTANCE FOR THE DEPARTMENT OF NATURAL RESOURCES COMMUNITY FORESTRY GRANT FOR THE PUBLIC SERVICE DEPARTMENT. MOTION CARRIED 3-0.

Mr. Kilpatrick to the discussion that the goal is to have a standard in place to replace a tree that is an asset to the City if it is trimmed and not damaged or removed. Councilmember Wood stated one of her concerns is the effect on resident's property if there are sewer repairs, cracks in the sidewalks or tree roots. This costs the owner money, and if the City is going on personal property there needs to be an understanding of who has the lead. Mr. Kilpatrick agreed, and Councilmember Wood asked if it could be part of any agreement

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PLACE ON FILE – Sole Source Purchase; Economic Development and Planning Department request for Public Sector Consultants as the vendor for a consultant for assistance in the Management Staffing of the City's COVID-19 Community Response Cabinet

Mr. Brower informed the Committee he was here on behalf of Mr. McGrain and could assist in answering some questions that they may have. He continued that in late 2020 funded through EDP contract put out twice and received no bids. Public Sector responded to serve in the role and a contract extended in December 2020, to develop strategic funding opportunities for the City and institutions within its boundaries. Mr. Brower read from a memo that the work done under this contract will be in addition to ERRC work already undertaken and funding will provide additional staffing to support strategies beyond traditional economic development work, and asked for any questions. Councilmember Wood asked if they already entered into an extension and are they providing services. Mr. Brower believed they are and we are continuing their services, at that time Mr. Smiertka answered yes. Councilmember Wood's next question is that the first part was under EDP and we pay into LEAP so why isn't LEAP doing for us and contracting with someone else. Mr. Brower said he believed LEAP is the overall, Councilmember Spadafore interjected that it's a pretty broad contract. Councilmember asked if there were any questions from Committee or Mr. Brewer, Mr. Brewer had no additional comments.

MOTION BY COUNCIL MEMBER SPADAFORE TO PLACE ON FILE. MOTION CARRIED 3-0.

PRESENTATION

Internal Auditor Report on Robert W. Baird & Co. Contract

Mr. Brewer stated he received a couple questions from Councilmember Wood but hadn't done a deep dive at that time and asked for additional information in which Mr. Brower provided. He continued that independent fiduciary issues with conflict of interest with nature of how they advise and get fees from advisory fees, it's a fine line. Mr. Brewer summarized that as a municipal advisor to the City, Baird has fiduciary duties, including a duty of care and loyalty in which Baird is required to act in the City's best interests without regard to its own financial and other interests and to use reasonable diligence to know the essential facts about the City and the authority of each person acting on the City's behalf. Councilmember Wood commented that this currently is not in the recommendation that it would be in the report to council and Mr. Brewer said it was in COW, as long as it's disclosed upfront with an invoice for a certain amount, for example if you have a $10 million fee, is there other fees the City has out there we don't know about, if it is all disclosed on services rendered. Councilmember Wood mentioned if another group is doing a 10mil bond and Baird, Mr. Brewer said yes/no because some confidentiality on certain bids but it's so they don't double dip so it's important to have fiduciary fee because they are supposed to look out for what's best for the City. Mr. Brewer continued that it prevents escalating and it's disadvantageous to the City. Mr. Brewer again summarized that the monthly retainer is $1,500 and that is deducted if additional outside services are needed or rendered. If special projects are requested that require an hourly fee, the minimum monthly retainer of $1,500 is credited as they need to be agreed to prior to work being completed. Mr. Brewer finalized concerning a project or financing, a fixed fee determined prior to the commencement of a potential project or potential financing upon agreed terms and then informed the Committee they could see the Scope of Services in the packet and he was unaware of any other services of this scope of contract. Mr. Brower had no additional information to the content it is very thorough, he believes we could fulfill his recommendation to the cost of going forward, it's a responsible request. Councilmember Spadafore asked Mr. Brewer in reviewing all bases were covered, but that there may be a conflict of interest yes, Mr. Brewer concluded from what he received it is possible.

MOTION BY COUNCIL MEMBER HUSSAIN TO PLACE ON FILE. MOTION CARRIED 3-0

Mr. Smiertka asked if there was an issue and Councilmember Wood stated she just had a concern since an issue was raised in East Lansing.

OTHER

CLOSED SESSION

MOTION BY COUINCIL MEMBER HUSSAIN TO GO INTO CLOSED SESSION AT 4:04 P.M. FOR PURSUANT TO MCL 15.268€ RECESS INTO CLOSED SESSION TO CONSULT WITH THE CITY ATTORNEY IN CONNECTION WITH THE FOLLOWING SPECIFIC PENDING LITIGATION. AN OPEN MEETING WILL HAVE A DETRIMENTAL FINANCIAL EFFECT ON THE LITIGATION OR SETTLEMENT POSITION OF THE CITY OF LANSING DEFENDANTS CONCERNING THESE CASES: ARNOLD V. FIELDER AND CITY OF LANSING
ROLL CALL VOTE, 3-0.

RECONVENE

Council Member Wood reconvened the Committee at 4:14pm

OTHER

Councilmember Wood noted for the record that in 2003 Ways and Means authorized the OCA to settle cases up to a limit but over then it had to come to this Committee for a report after settlement. She then added that Mr. Smiertka mentioned if the committee wants to make a recommendation to Council they come before a settlement is made, then Council would need to change the resolution. Councilmember Hussain asked what OCA utilizes to determine a settlement, but added he was also okay with the way things are currently. Councilmember Spadafore concurred with Councilmember Hussain, and suggested a presentation at a future Committee of the Whole meeting. Councilmember Wood suggested it be part of the annual Council training and the Committee concurred.

ADJOURN

Adjourned at 4:24 p.m.
Submitted by,
Renee Richmond, Council Staff
Lansing City Council
Approved by the Committee December 20, 2021