



MINUTES
Committee of the Whole
Monday, February 28, 2022 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Hussain called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Adam Hussain
Councilmember Carol Wood
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Jeremy Garza
Councilmember Brian T. Jackson
Councilmember Jeffrey Brown
Councilmember Brian Daniels

OTHERS PRESENT

Renee Richmond, Council Office Staff
Eric Brewer, Internal Auditor
Jim Smiertka, OCA
Lisa Hagen, OCA
Elizabeth O'Leary, Labor Negotiator – Arrived @ 6:34
Mark Lawrence, Mayor's Office
Jake Brower, Finance
Linda Sanchez-Gazella, HR
Judy Kehler, CSO

Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM FEBRUARY 14, 2022, AS PRESENTED. MOTION CARRIED 8-0.

Public Comment

No public comment.

Presentation

Human Resources Hiring Process

Linda Sanchez-Gazella informed the Committee of the recruitment cycle from when a requisition for an opening is created in the department that has a need, it then goes through multiple approvals (4), once it passes all of them a meeting is set to create an exam process if necessary and posting the position. The system is designed to automatically identify those that fit the criteria, however, there is a follow up process in HR to review those not selected to make sure nobody is missed.

Councilmember Jackson left at 5:39pm

Once the applicants are selected, pretesting is set up and the candidates are able to select and create their timeline, so it gives them more flexibility.

Councilmember Jackson returned at 5:39pm

Ms. Sanchez-Gazella continued that once they get to the interview process they are scored. The entire process is detailed and takes from beginning to end up to eight weeks, but depends on factors if the manager is on vacation, etc. We encourage if the manager is on vacation to set a secondary to review and follow up with the hiring specialist. She finished stating it's quite detailed and encourages Councilmembers to come in and meet with the hiring specialist to see it and provide recommendations to us.

Councilmember Garza asked when hiring out contract employees who is holding them accountable, Ms. Sanchez-Gazella stated when a manager needs temporary help they go to an agency, and they bring someone in. Councilmember Garza again asked who is holding these people accountable, Linda responded she would have to talk with the Administration on that question.

Councilmember Wood indicated she had a few questions, first let's say a department has five open positions, until the manager/director move on it you (HR) are not involved correct. Ms. Sanchez responded to an extent I do go over things with the manager but until they want to post HR isn't involved. Councilmember Wood asked it is potential that if a manager has a posting with vacancy factor that is within the budget, they can leave that open to use those funds to override additional funds. Ms. Sanchez deferred that question to finance but there is a potential for that. Councilmember Wood asked how long from the hiring manager to find and the mayor to sign off, Linda responded it should go more than three days, but it could go a week. Councilmember Wood also stated that if previous mayoral approval was received prior to the hiring freeze do we still have to go through to have these vacancies approved? Ms. Sanchez responded that this is the way the system is set up for checks/balances for final review. Councilmember Wood's final question was if someone has to come in for testing like a physical, and a drug test and having to set up multiple times/days we have the potential to lose applicants, has that changed. Ms. Sanchez responded absolutely we have streamlined and not splitting up the testing/interview times.

Councilmember Brown inquired about the recruitment process. Ms. Sanchez again stated that it begins with the department creating the requisition and then the hiring specialist getting involved at that point for assistance. She continued as far as HR is they've expanded and are trying other avenues like MSU, Michigan Works, and different organizations throughout the city, but if the Council has suggestions on what they can do better or different they welcome them. She added that in special areas like Mr. Kilpatrick's where they need a plumber or electrician, we always meet with the hiring manger.

Councilmember Jackson stated he had a couple questions, first in her opinion does she think the number one problem is getting them filled, and can you give us an update on the Fire Chief processes, how many have applied. Ms. Sanchez agreed, and said right now it is receiving the applicants, the applicant pool isn't coming in, she added they've gone through the initial phase, and determined those selected and they are going through the background

phase. She added the plan is to do a community survey to see what questions people may want to ask the Chief, and an evaluation will be filled out for the top two candidates for the mayor.

Councilmember Hussain asked how many have applied, Ms. Sanchez replied 19 applied, it then went down to nine. Councilmember Hussain then asked what the realistic time is to have someone in the position, she responded hopefully April.

Councilmember Spitzley said back to the recruitment as part of the ongoing chief diversity officer, what is her goal and what has she changed in the recruitment process to find the most diverse pool. Ms. Sanchez said there is a review process they include the DEI Officer in but not the hiring process. Councilmember Spitzley said what she is looking for is a change in how they recruit and what they are doing to attract the most qualified, that after the fact is too late and encourage HR to look at how they can get the most qualified and diversified pool. Councilmember Spitzley finished that as Councilmember Jackson asked why it's taking so long, and you said HR isn't getting the applicant pool. Councilmember Spitzley added she believes that predates COVID and if they want to get back to normal, they need to look at how they can attract them.

Councilmember Jackson left @ 5:57pm

Ms. Sanchez again stated that when they do have a position, they put it out to a number of others like, Ingham and Eaton Counties, Michigan Works, and many organizations. Councilmember Brown said he was under the impression that the DEI officer worked with HR with policy and procedures and HRCS. Ms. Sanchez indicated the position is still new and they are working on how everything works and will come together, but she is involved with many HR processes.

Councilmember Spadafore asked if there was anything policy or budgetary wise this body can do to make this process better.

Councilmember Jackson returned @ 6:00pm

Councilmember Hussain informed everyone that the budget schedule will be released tomorrow, and in order for Council to understand what they can do to help HR is to understand what they do and need. HR is doing more with less and what are the best practices. Ms. Sanchez finished by reiterating the offer for Council to visit HR and see the process.

Update from City of Lansing Chief Strategy Officer

Ms. Kehler gave a brief explanation on how the CSO position came about in 2020 and part of that was to look at OPEB (other post employee benefits). She shared a PowerPoint and on page 3 that went over the Police & Fire System with 699 retirees and beneficiaries, 12 terminated plan members entitled to but not collecting benefits, and 344 active plan members for a total of 1,055 for a percentage of 67 retirees. Moving to the ERS, she pointed out the total number of 1,431 which accounts for 70% retiree and 30% active. Ms. Kehler noted page 4 that the OPEB assets are held in a healthcare reserve in the Pension Trusts. As of 01/01/2021 there was 38 million and 45 million for ERS and P/F respectively and have 37 million for ERS in a VEBA account. She continued the VEBA is a pay as you go, what can the employee afford type plan. The city's goal is to fully pre-fund OPEB, which would entail healthcare benefits to be paid from the trust. Ms. Kehler had Council look at page 5 and what they took from CAFR liability and assets from FY 19, 20, and 21 so they could view three years and the next page was for Police & Fire. Ms. Kehler noted that in speaking with Councilmembers Hussain and Wood and so many numbers thrown out there is a concern when looking at a snapshot, it was 593 million when she first started, it is now 293 million. She added they are always looking at how to impact and decrease the cost and strategically reduce without disruption to the residents, there are a lot of different opportunities to look at,

one is to bond for it, they do not currently but other municipalities are, and they are exploring. Ms. Kehler stated the reduction initiatives they are looking at are engage Greg Stump the City's Actuary, competitive contract bidding, changed medical/RX plans and carriers, look at ways to reduce cost and liability while providing the benefits, another reason is it's important to provide an attractive benefit and salary package to entice people to come work at the City. She continued that they need to be agile and flexible, and mentioned what if there is another pandemic or the City of Lansing boom economically, they have to have a plan and another plan for backup. Lastly, Ms. Kehler noted the Funding Progress slide with the actuarial liability at 154 million and 195 million for ERS and P/F respectively, assets at 75 million and 45 million respectively, and finally a ratio of 49% and 23% respectively. Ms. Kehler completed her presentation that funding continues to improve and both pension systems and OPEB systems are in line to be 100% funded by 2041.

Councilmember Jackson left @ 6:25pm

Ms. Kehler continued that there are goals, and they have an action plan, they cannot just assume things are going to work, and there are always areas for improvement.

Councilmember Hussain reminded that there is a closed session still tonight. Councilmember Spitzley commented that it was great to hear from Ms. Kehler, but one of the reasons she was brought on was to look at the departments and city holistically to find efficiencies and appreciate that this has taken a lot of your time, as it is critical that we take care of our employees. The other thing is departments and HR, is there a plan to look at other areas in the City of Lansing as you've looked at OPEB, and lastly she would like to have her report out on a more consistent basis, maybe quarterly.

Councilmember Jackson returned @ 6:27pm

Councilmember Wood stated part of what they are talking about when making payments from the gen fund into OPEB is currently right now healthcare is being paid for out of gen fund, there for retirees. There's nothing coming out of the trust, that's why there is so little being put into the trust. The goal will be to determine how much we are paying out of the gen fund for healthcare, for retirees, and moving that over to OPEB, and then making payments out of that. This will be able then to be cost neutral through this process. Also, the fact that we continue with our investment strategies, those dollars continue depending as indicated how the market fluctuates, it will end up increasing in that arena as well. One thing we caution about with the retirement board is that if you close the system, that means there is no employee paying into the system, and all you have is the money that is currently in the system to pay out to the retirees. You saw the pyramid and how many people are on the bottom rung. Councilmember Wood acknowledged she was aware that was one of the recommendations that came out of the FHT was to close the system, that is not something the retirement boards want or believe is beneficial. They were extremely thrilled when we heard Councilmember Garza was there, he's known on the ERS board, as Mr. Stump was going through how to potentially pay for this, and what it would look like. They saw some reality there that would move us forward. Even though the assumption, the rate is 7% and they are earning 9.7, Mr. Stump also peered that down using the 7% so anything above that is a benefit as well. Councilmember Wood stated she just wanted to bring that to everyone, so they had a clear understanding of where they are as they move forward.

Councilmember Garza stated to Ms. Kehler that they are definitely trending in the right direction and Ms. Kehler mentioned that by 2041 completely funded, where are they right now. Ms. Kehler mentioned PA 202, there is a category they have to report if they are not over 60% funded with your pensions or 40% funded with your retirement or OPEB, then you have to fill out PA 202. She continued that this year they are only having to fill out for three because one is considered funded by PA 202 definition. Ms. Kehler asked if she could get that to them as she didn't have it available.

Councilmember Hussain agreed with Councilmember Spitzley, and they would like to bring Ms. Kehler in more consistently.

Fiscal Year 2021-2022 Vacancy Positions Report and General Fund Status Report -2nd Quarter

Councilmember Hussain informed Council that Mr. Jake Brower has been understanding to allow us to push Item D to the next meeting as the presentations went longer than expected.

Discussion

CLOSED SESSION- 6:34 p.m.

MOTION BY COUNCIL MEMBER WOOD AT 6:34 P.M. PURSUANT TO MCL 15.268(C) OF THE OPEN MEETINGS ACT, HEREBY MOVES THE CITY COUNCIL TO RECESS INTO CLOSED SESSION FOR STRATEGY AND NEGOTIATION SESSIONS CONNECTED WITH THE NEGOTIATION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LANSING AND THE UNITED AUTO WORKERS LOCAL 2256 AS REQUESTED BY THE CITY. ROLL CALL, MOTION CARRIED 7-1.

RECONVENE

Council President Hussain reconvened the meeting at 6:51p.m.

Other

RESOLUTION – Collective Bargaining Agreement; United Auto Workers Local 2256 Memorandum of Understanding regarding Extension of Voluntary Opt-In Deadline for the Healthcare Saving Plan

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO APPROVE THE CBA WITH UAW 2256 ON THE MOU FOR AN EXTENSION OF VOLUNTARY OPT-IN DEADLINE FOR HEALTHCARE SAVINGS PLAN. MOTION CARRIED 8-0.

RESOLUTION – CBA; Teamsters Local 243 Supervisory Unit; Period covering February 1, 2022, through January 31, 2025, summarized in the Tentative Agreement Document

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO APPROVE THE CBA; TEAMSTERS LOCAL 243 SUPERVISORY UNIT; PERIOD COVERING FEBRUARY 1, 2022, THROUGH JANUARY 31, 2025, SUMMARIZED IN THE TENTATIVE AGREEMENT DOCUMENT. MOTION CARRIED 8-0.

RESOLUTION – CBA; Teamsters Local 243 Clerical, Technical Professional Unit; Period covering February 1, 2022, through January 31, 2025, summarized in the Tentative Agreement Document

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO APPROVE THE CBA; TEAMSTERS LOCAL 243 CLERICAL, TECHNICAL PROFESSIONAL UNIT; PERIOD COVERING FEBRUARY 1, 2022, THROUGH JANUARY 31, 2025, SUMMARIZED IN THE TENTATIVE AGREEMENT DOCUMENT. MOTION CARRIED 8-0.

Adjourn

The meeting adjourned at: 6:53 p.m.

Respectfully Submitted by,

Renee Richmond, Recording Secretary,
Lansing City Council

Approved by the Committee as presented March 14, 2022.

