



**MINUTES**  
**Committee of the Whole**  
**Monday, April 11 43, 2022 @ 5:00 p.m.**  
**Tony Benavides Lansing City Council Chambers**

**CALL TO ORDER**

Council Vice President Hussain called the meeting to order at 5:00 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**

Sherrie Boak, Council Office Manager  
Jim Smiertka, OCA  
Lisa Hagen, OCA  
Eric Brewer, Internal Auditor  
Mark Lawrence, Mayor Office  
Jake Brower, Finance  
Desiree Kirkland, Finance  
Chris Mumby, IT  
Brian McGrain, EDP  
Interim Fire Chief Mike Tobin  
Jane Bias DiSessa, Deputy Mayor  
Barb Kimmel, EDP  
Lucianna Solis, Mayor's Office  
Doris Witherspoon, HRCS  
DeLisa Fontaine, NCE

**Minutes**

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM MARCH 28, 2022 AS PRESENTED. MOTION CARRIED 8-0.

**Public Comment**

No public present at this time.

**Presentations/Discussion/Action:**

PRESENTATION – Proposed Budget FY2022/2023 General Overview (Fees, Revenues, Fringe)

Mr. Brower went through the presentation in the packet, highlighting budget assumptions, general fund sources and State revenues.

Due to volume/sound issues with viewing off site, the meeting recessed at 5:06 p.m. for City TV to work on the issue. Meeting was called back to order at 5:07 p.m.

Mr. Brower continued with his presentation picking up with State revenues, revenue sharing, property tax changes, and income taxes.

Council Member Spitzley asked for clarification on the \$350,000 in the report for marihuana reimbursement. Mr. Brower confirmed they budgeted for \$350,000, but once receiving word recently that the City got \$900,000, they included the difference in the budget amendment which appears later on the agenda, incorporating it in the current fiscal year.

Council Member Spitzley asked about the \$70 million on rental assistance, and asked what the time frame was. Mr. Brower clarified it was March 2020 from the State of Michigan, and the HRCS is directly administering the funds.

Mr. Brower moved onto the fringe benefits slide in the packet, and an update on the 311 service, which includes public service, taxes, neighborhoods and citizen engagement. In the future it will include the City Clerk and Assessing services also. Mr. Brower spoke briefly on fees changes and the departments that have increases; noted infrastructure highlights, CIP, and federal overall infrastructure funds.

Council Member Garza asked about the \$1.845 million on local street repairs, and asked if there will be more funds from ARPA. Mr. Brower stated ARPA cannot be used for street repairs, but they have been actively working on other grant funding for street repairs.

Mr. Brower took the presentation to staffing changes in the budget including a mechanical inspector, grant administrator, accountant, HR Deputy Director, hiring specialist, health and wellness specialist. Council Member Spitzley asked if Mr. Brower is still the budget director, and if Ms. Kirkland is the Treasurer and Finance Director. Ms. Kirkland confirmed

Council Member Wood asked about the income tax projection increase of \$500,000 to \$37 million, which is an \$8.3 million increase from the adopted budget; asking if the sustainability of the increase is something to bank on as moving forward. Mr. Brower outlined their projection factors and impact of remote work, and confirmed it is sustainable. Council Member Wood asked if they have done research with the larger employers and their remote work. Ms. Kirkland confirmed they did do a trend analysis and took all those into consideration. Council Member Wood then inquired on the fire protection grant, and the reduction of \$500,000. Mr. Brower that is the impact of what received over the current fiscal year. Council Member Wood asked about the marihuana funding distribution, and potential of more funds. Mr. Brower acknowledged there could be additional funding. Council Member Wood asked if the budget presented, what amount is using ARPA funds, and is there any amount being used from the reserve funds. Mr. Brower explained the budget proposed \$9.5 million ARPA in the budget, and there are no funds in FY 2022/2023, but there are some fund balances reserves in the budget amendment later on the agenda, would bring down towards 12%. (\$11.7 million).

Council Member Jackson asked if there will more presentations on the specifics by the departments. Mr. Brower confirmed.

#### RESOLUTION – Set Public Hearing; Budget FY 2022/2023

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR THE FY2022/2023 BUDGET FOR MAY 9, 2022. MOTION CARRIED 8-0.

## PRESENTATION – CDBG 5 Year Plan 2022-2026 and Annual Acton Plan 2022-2023

Council Member Jackson stepped away from the meeting at 5:38 p.m.

Council President Hussain outlined the CDBG and HUD plans and the process for approval.

Ms. Witherspoon provided a brief overview, and noted they do not have the final allocations, but they are planning over \$2 million including activities, rehab, economic development, and HOME dollars,

Council Member Jackson returned to the meeting at 5:42 p.m.

Ms. Witherspoon confirmed there were public input meetings.

Council Member Wood asked if 5 year plan has to be passed the same time as the CDBG budget. Ms. Witherspoon confirmed it is in the process to approve at the same time.

Council Member Jackson asked how many people made comments during the public input. Ms. Witherspoon noted there were meetings held in each ward, special population meetings, and had a survey in which there were 137 comments. During the public input meetings there were an average of 5-6 comments from the residents.

## RESOLUTION – Set Public Hearing; CDBG 5-Year Plan and Annual Action Plan

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR THE CDBG 5 YEAR PLAN AND ANNUAL ACTION PLAN FOR APRIL 25, 2022. MOTION CARRIED 8-0.

## PRESENTATIONS

Council President Hussain went through the process for the budget season, noting that there were five (5) questions each department was asked to answer, and any presentations or reports were asked to be submitted ahead of time and were included in the packets. No presentations would be shown on the TV.

### Information Technology

Mr. Mumby confirmed the proposed budget is \$68,000 more from last year, there are no changes in services, there are no rate or fee changes, there will be \$235,000 for laptop and computer changes, and lastly there are no position changes.

Council Member Wood asked about the department calculations, how they calculate per department. Mr. Mumby explained all expenses are paid by other departments. IT will take the budget and remove the specifics to certain departments, then the remaining balance is split in half, charged to the department by employees with computer logins and then charged per devices.

Council Member Wood asked if IT is responsible for the new 311 service. Mr. Mumby stated they did assist it launching it, but the funds are from the parking ramp proceeds and support is in Neighborhood Arts and Citizen Engagement. IT will only provide tech support.

### Economic Development & Planning

Mr. McGrain noted for the Committee that most line items were unchanged, but there is a LEPFA increase in the General Fund, and a reduced debt service in parking. He then noted the big changes are in positions where they will hire a mechanical inspector and another code enforcement officer. Regarding the LEDC, with the recent changes from leaving LEAP; that staff will report directly to this department and their Board. Regarding the other questions, Mr. McGrain confirmed there are no services changes, no rate or fee increases proposed, there is software conversation planned, and they have not proposed contracted services.

Council Member Spitzley inquired for more information on the increase of LEFPA subsidy. Mr. McGrain confirmed there is an increase, but LEFPA would be better to speak to that during their budget presentation. Mr. Brower added it is \$600,000, which is the difference between operation expenditures and operating revenues.

Council Member Spitzley asked for a clear definition of the LEDC role within EDP. Mr. McGrain confirmed that LEFPA and LEDC went through this department in the past, so there are no fund changes. Instead of a contract between the City and LEAP and then a contract with LEAP and LEDC, the LEDC will now be self-supporting directly with the City. Mr. Dorshimer will be the lead and LEDC answer to their LEDC Board, which are members appointed by the City Council.

Council President Hussain noted there is \$300,000 and Council Member Spitzley asked about the noted \$100,000 from ARPA and Council President Hussain confirmed.

Council Member Wood asked how they were going to cover the new mechanical inspector and code officer without changing the fees. Mr. McGrain stated that Code is a general fund allocation and will pay for itself. The mechanical inspector position will be covered because the work load for that position has increased, and there are permit fees to cover those inspections.

Council Member Wood asked how much parking reserve fund had to be utilized in the current fiscal year. Mr. Brower referenced page 23 of the budget book, noting last year, operating \$5 million operating deficit for the current fiscal year, and they are projected to use \$5 million ARPA to support the parking fund. In the next year for revenue recoveries, the operating deficit will be at \$1 million. Council Member Wood asked how they were making the revenues, and Mr. McGrain stated they do anticipate State and downtown workers coming back. Council Member Wood questioned the \$700,000 spent for artistic lights on the outside of the N. Capital Ramp, and Mr. McGrain explained that was designed and forecasted in 2019.

Council President Hussain asked for the number of code officers, and was told 11 code and 4 premise inspectors. He was then asked if they are considering shrinking districts or reducing rentals per inspector since they will be adding another inspector, and Mr. McGrain admitted they are looking at both models

Council Member Wood asked for the number of anticipated retirements this year.

Council Member Brown stepped away from the meeting at 6:06 p.m.

Mr. McGrain admitted there is an inspector eligible to retire, but they have also gained new employees so it is hard to tell what he turn over will be.

Council Member Garza asked if code is fully staffed, and Mr. McGrain clarified that there is one employee out, but there is an out of class premise officer in that position until the code officer comes back.

#### Fire

Council Member Garza stepped away from the meeting at 6:07 p.m.

Interim Chief Tobin noted their budget does have a \$1 million increase, with the majority in personnel bringing it into alignment over the last couple years.

Council Member Garza returned to the meeting at 6:08 p.m.

He continued noting there are no changes in services or rate increases; admitted they did look at an increase for ambulance charges but did not follow through on that, noting that they have not received a Medicare increase in 20 years. For equipment purchases, Council will see that under Public Service in the Fleet line item. Other equipment costs have flattened in turnout gear, and EMS gear.

Council Member Brown returned to the meeting at 6:09 p.m.

Council Member Wood asked if there are any major equipment items the Fire Department is wanting. Interim Chief Tobin stated there are 2 new ambulances, and funding to re-chaise which is a savings of \$100,000. The last ambulance that was purchased was in 2020 and to order the same model and same features it went from \$217,000 to \$281,000. A fire truck purchase 2 years ago was \$500,000, and now even to downsize it is \$620,000. Chief Tobin also noted that turn around on an ambulance is 14-16 months and a fire truck 22-30 months.

Council Member Wood asked about the collection rate on their services was told 30-31%, admitting ambulance billing is troublesome.

Council Member Spitzley stepped away from the meeting at 6:15 p.m. and returned at 6:16 p.m.

Interim Chief Tobin admitted he understood peoples' concerns on the billing, however the last thing they want is someone not to call 911 because time is critical.

Council Member Spitzley asked the Chief if there were any structure needs or repairs. Interim Chief Tobin confirmed there is nothing in the current proposed budget, it is specific to turn out gear and EMS, however they are currently working through the Administration to improve and replace for operational needs to accommodate the size of the vehicles. Council President Hussain asked about the status and future of the station at Pleasant Grove, and Interim Chief confirmed they are looking at it to determine what needs to be done and if they can consider co-locating somewhere.

Council Member Garza asked for any impacts that the new McLaren location has caused them, and Interim Chief Tobin confirmed it has increased calls by 11 minutes, and 15-20% increase of miles on vehicles, which increase wear and tear and fuel. Council Member Garza asked if they would consider a new fire station near McLaren, and he was told that having it closer to the hospital does not help the patients; it just puts the calls further away from the patient.

Council Member Wood made a statement that if the station at Pleasant Grove was proposed to be sold the resident would be upset.

#### City Council & Internal Auditor

Mr. Brewer confirmed there was an increase in Council and auditor budget in the miscellaneous operating. There are no changes in services, no fee increases and no major purchases. Council Member Spadafore explained the increase added was to address repairs that need to be done to the 10<sup>th</sup> floor and building maintenance now allocating funds to Council to repair the water damage from the roof.

Mr. Brewer added that the Internal Auditor position is a contracted position.

Council Member Wood asked the Administration to prepare details on the new 311 service; breaking out what each department is charged and what that service does for each department.

#### City Attorney

Mr. Smiertka first noted there is an additional \$70,000 for a part time position person to help with District Court prosecution. The office will also have a software change to a case management system to integrate evidence and process FOIA. In addition to changes in the budget the OCA is now fully engaged with BWL and they have continued the utilization of a Deputy City Attorney/City Council Liaison, but still have two vacancies.

Council Member Wood noted the budget book on page 28 says the proposed budget will include an assistant City Attorney/City Council Legal Assistant, but that positions has already been done. Mr. Smiertka stated this is new for a full year.

Council Member wood asked if the cost of insurance and bonds in the OCA budget covered the boards/commissions she has inquired about in the past. Mr. Smiertka stated this is legal costs across all departments. She then asked if the liability coverage for the boards and commissions falls under the policy. Mr. Smiertka explained the City is a member of the Michigan Municipal Risk Management Association (MMRMA) under statue, and the indemnification includes advisory boards, the only issue is if the \$1million deductible covers the boards. He then referenced a budget polices he referred to council for them to consider adding to the budget policies to cover the advisory boards. Council Member Wood reiterated her concerns to OCA about boards that make decisions needing to be covered under that budget policy.

#### Finance Department

Ms. Kirkland started with Treasury noting the combination of Treasurer and Finance Director, and the change to convert a part time Customer Service Representative to full time. There are no rate increases, no equipment purchases, and the only contracted employees are seasonal staff for income tax.

Regarding the Finance Department, there is an increase of \$80,000 for an accountant position, there are no service changes, no fee increases, no equipment purchases and the only contact position is for one individual for audit findings and bank reconciliations. Council Member Spitzley asked how long the contact has been, and Ms. Kirkland acknowledged it was last year during the audit. Council Member Spitzley acknowledged the effort of the staff since that was part of two of the audit findings.

Council Member Spadafore asked where things stood with electronic filing of income taxes. Ms. Kirkland explained that they had hoped to add from the last year's Easy form, but ran into program snags, and so hope to be on track in 2023 for the 2022 tax season.

#### RESOLUTION Budget Amendment FY 2021/2022

Mr. Brower noted the income tax was an uncertainty in the development of the budget process, but when it was finished it did not materialize as bad as they thought. There is a \$7.8 million increase in income tax, and they have received \$550,000 from the State on the recreational marihuana, and the amendment also includes a school election reimbursement of \$150,000. The overall return on equity on sewer fund, which was discontinued in the past years, is back to the general fund, taking the revenue loss included in the adopted budget to sustain it and by using reserves to spread-out Federal funds over the next fiscal years.

Council Member Spitzley asked why if where not using the \$18-19 million in ARPA, and spreading it out, what that time frame is, and why. Mr. Brower stated they have until 12/2024 to allocate and by 12/2026 spend so they have decided to spend the \$19 million over 3 years. Council Member Spitzley asked if they plan to use it for a budget deficit or anything else. Mr. Brower said the funds support government services for revenue loss, and for 2020-2021 they recognized \$30 million available to be claimed.

Council Member Spadafore asked what rationale they used for backing out ARPA funds that have line items and restrictions if they can use it in the General Fund. Mr. Brower noted they could use, but the benefit in the last year was maximized, using dollars for staffing and that resulted in operational savings. Council Member Spadafore asked if the 12.5% is all general fund, and Mr. Brower confirmed.

Council Member Wood asked if the City has received all the ARPA funds, and Mr. Brower stated the City got \$24.9 million, and expect to get the other in August, 2022. Council Member Wood asked if the funds received are being invested or sitting in an account and Mr. Brower confirmed they are invested and the US Treasury will not claim the interest, so it will be applied to the City. Council Member Wood asked if the resolution is approved was there a mechanism that has to come back to Council, so they approve where those funds go. Mr. Brower said the benefit to the resolution is that all appropriations are locked up to pay for services, however with the second ARPA amount they will be providing a spending plan and appropriation amounts.

Council Member Wood stated her frustration with no payments to first responders yet, and noted she would not approve a resolution if those first responders are still waiting. Mr. Brower assured the Committee that the Administration is close and getting a list of employees from the unions on who can receive the funds, but they want to make sure the union has input on how the funds are administered. Council Member Wood suggested adding a clause to the resolution that the funds to the first responders would have to be taken care of within 30 days. Mr. Brower could not confirm that would be possible without speaking to the labor negotiator. Council Member Wood asked for an answer by the Council meeting. Mr. Brower stated he hoped for August. Council Member Spitzley concurred with Council Member Wood stating she would not vote for the budget amendment resolution, and is concerned there are millions of dollars that could be released but they are not able to confirm what or when. Ms. Kirkland assured the Committee that they have every intent of utilizing the funding they are just waiting on the list from the unions.

Council Member Garza asked what the City saved in the Work Share, and Mr. Brower stated it was \$500,000 net benefit to the fund reserve and they are using in this amendment. Again he reiterated they are hoping to get premium pay out ASAP.

Council Member Spitzley asked how much the front line workers received in 2020, and was told \$1,000. She voiced her concern that it is now April, 2022 and the administration keeps saying they can't disburse because they are talking negotiations, yet some of those front line workers from 2020 have now left. She continued with her concern that the Administration is proposing spending ARPA funds on other things immediately, but they cannot agree how to pay front line workers that should have been a priority. Mr. Brower explained that the premium pay through ARPA is not part of the bargaining agreements. They received notice in August 2021, but did not get the rules on disbursement until March 2022, and they have no intention of holding any funds back.

Council Member Wood made a statement that there were employees who have now retired, but during the pandemic risked their lives and now since the Administration continues to delay, they will not get the pay they deserve.

**MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE BUDGET AMENDMENT FOR FY2021/2022.**

Council Member Wood noted that if the answers to the questions were not provided at the Council meeting she would make a motion to table or deny.

**MOTION CARRIED 6-2.**

RESOLUTION – Setting Public Hearing; Fourth Amendment for the Lease Agreement with Lansing Shuffleboard LLC 325 Riverfront

Council President Hussain stated there would be a presentation at the Council meeting.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR APRIL 25, 2022. MOTION CARRIED 8-0.

RESOLUTION – Rejection of Elected Officers Compensation Commission Recommendation for the Mayor

Council President Hussain outlined the Commissions charge and process they take in their recommendations, and noted their determination is 5% increase for the City Clerk through 2023, 3% increase for the Mayor through 2023 and a \$1,000 bonus.

Council Member Jackson noted that the Charter speaks to the Commission so that Council does not determine their raises, benefits or the other elected officials. Part of that process is for them to review and do comparisons of other similar communities.

Council Member Spadafore asked where it was noted the \$1,000 bonus in the determination. Council President Hussain corrected his earlier statement, noting there is no bonus.

Council Member Wood voiced her concern that there a number of vacant positions in the City, and Council is being told they are not be able to attract employees because of the pay rate; therefore these funds could be used to increase the pay scale on those open positions. She concluded that these are elected positions, and as an elected public servant herself, they do not come into this position for the pay rate. Council Member Spadafore concurred with the statement on the challenge of filling positions, and would have liked to see a recommendation consistent with the percentage that was offered to the unions in their contract ratifications.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO REJECT THE ELECTED OFFICERS COMPENSATION COMMISSION RECOMMENDATION FOR THE MAYOR. MOTION CARRIED 6-2.

RESOLUTION – Rejection of Elected Officers Compensation Commission Recommendation for the City Clerk

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION TO REJECT THE ELECTED OFFICERS COMPENSATION COMMISSION RECOMMENDATION FOR THE CITY CLERK. MOTION FAILS 5-3.

PLACE ON FILE – Executive Order 2022-01; Renaming the Department of Neighborhoods and Citizen Engagement to Department of Neighborhoods, Arts and Citizen Engagement.

Ms. Fontaine briefly spoke on the name change.

MOTION BY COUNCIL MEMBER WOOD TO PLACE EXECUTIVE ORDER 2022-01 ON FILE. MOTION CARRIED 8-0.

**Adjourn**

The meeting adjourned at: 7:16 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary,

Lansing City Council

Approved by the Committee April 25, 2022