**MINUTES**
**Committee of the Whole**
**Monday, July 11, 2022 @ 5:30 p.m.**
**Tony Benavides Lansing City Council Chambers**

## CALL TO ORDER

Council President Hussain called the meeting to order at 5:35 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
Jane DiSessa, Deputy Mayor
Jim Smiertka, OCA
Mark Lawrence, Mayor's Office
Lisa Hagen, OCA
Nicole Noll-Williams, Capital Region Airport Authority
Heather Shawna, LBWL
Calvin Jones, LBWL
Scott Taylor, LBWL
Mayor Schor – left the meeting at 6:14 p.m. and returned to the meeting at 6:21
Loretta Stanaway
Pastor Sean Holland
Daphnee Whitfield
Amy Morris Hall, Potter Park Zoo Society
Rachel Eldridge
Joshua Gillespie
PJ Puchalla, YMCA
Heather Kim, YMCA
Dale Copedge
Priscilla Bordayo, YMCA
Michael Mercer
Casey Thompson, YMCA
Cheri Schimmel, YMCA
Theresa Nanasy
Kevin McGraw, River Caddis
John McGraw, River Caddis

**Minutes**
MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM JUNE 27, 2022 AS PRESENTED. MOTION CARRIED 8-0.

**Public Comment**
Ms. Stanaway spoke in opposition to the ballot proposal and asked them to consider buildings in stages designed to expand.

Pastor Holland spoke in protest against the resolution for the ARPA 2nd Tranche demanding that $24 million be released back to the community.

Ms. Whitfield spoke on the ARPA 2nd Tranche Resolution and outlined a program Woman's Opportunity House asking for funding to be provided to the program.

Ms. Morris-Hall spoke on support of the Potter Park Zoo Society and the funding that was proposed to them from the ARPA Resolution which was no longer included, noting to the Committee that their Society is not funded by the Ingham County.

Ms. Eldridge spoke in opposition to the ARPA agenda item and asked them to reinstate the PILOT housing program.

Mr. Gillespie spoke on funding he was promised by the Mayor and voiced his concerns with the withdrawal of that funding.

PJ Puchalla spoke on behalf of the YMCA of Lansing and the funding they expected that they were not getting now.

Ms. Kim spoke on behalf of the YMCA of Lansing and funding that was in the ARPA funding that is no longer there.

Ms. Bordayo spoke on the funding support for the YMCA from the ARPA funds they thought they were getting and is now no longer in the resolution.

Ms. Shimmel spoke in support of the funding for the YMCA

Casey Thompson spoke in support of the funding for the YMCA.

Ms. Nanasy spoke on crime and safety concerns in her area, and then asked Council to vote down the resolution on the ARPA funding.

Mr. Copedge spoke on the ARPA funding and the groups that submitted proposals to the Mayor with their ideas or projects. He then noted his concerns that the funding is proposed to municipal projects and asked for more funding to go back to the projects that went to the Mayor along with youth projects and housing.

Mr. Mercer spoke in opposition to the ballot proposal.

**Presentations**
Capital Region Airport Authority
Ms. Nolls- Williams began going through the presentation in the packet and provided updates on upcoming projects and updates since she began in May 2021.

Council Member Garza stepped away from the meeting at 6:17 p.m.

Ms. Nolls-Williams went through the Authority Board of Directors and the Executive Summary.

Council Member Garza returned to the meeting at 6:18 p.m.

Ms. Nolls-Williams highlighted key priorities, location in three counties, the details for Mason Jewett Field Airport and Port Lansing,

Council Member Daniels stepped away from the meeting at 6:21 p.m.

Ms. Nolls – Williams spoke about container freight station, and then moved to development overview and updates. And cargo ramp expansion in the future

Council member Daniels returned to the meeting at 6:24 p.m.

The presentation moved into site plans and utility infrastructure projects.

Council Member Jackson stepped away from the meeting at 6:29 p.m.

Ms. Nolls- Williams concluded with the master plan update.

Council Member Jackson returned to the meeting at 6:32 p.m.

Council Member Spadafore acknowledged Ms. Nolls-Williams for her presentation and how vital the airport is to Lansing and what it is bringing to the community.

Council Member Spitzley ask how they are approaching the larger corporations in the City to think about using Capital City Airport and how the cargo expansion will work into the larger master plan. Ms. Nolls- Williams acknowledged the community support is necessary and the coalition is key and part of their policy. Regarding the cargo expansion, she stated they are continuing meetings and discussions with all the carriers.

Council Member Wood asked if Clinton or Eaton counties are contributing to the airport, and which Ms. Nolls-Williams responded that she is having discussions with both, but currently they are telling her they are not ready to put it on the ballot, but she asked for encouraging from the City of Lansing to make people aware that the airport is an economic tool for the entire region and appreciated any support.

**Discussion/Action**

RESOLUTION – Reappointments; Patty Farhat, Samuel Brewster, Trevor Benoit, John Shaski and Diane Sanborn

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENTS NOTING THE APPROPRIATE SIGN OFFS HAVE BEEN MADE BY THE MAYORS OFFICE THEREFORE THEY MEET THE CRITERIA.. MOTION CARRIED 8-0.

RESOLUTION – Lansing Board of Water and Light (LBWL) Return on Equity Agreement, Amendment #6

Council President Hussain recapped that this Return on Equity goes back to 1972 in lieu of taxes, and in 1992 there was a formal agreement that has been amended 5 times for expiration dates, percentages from BWL and most recently set amounts.

Ms. Shawa stated that Amendment 6 is a two year agreement through 6/30/2024, at which BWL recommended quarterly payments instead of biannual, at 6% of gross revenue with no cap.

Council Member Spadafore asked if previous was set amounts and if this was a percentage, and Ms. Shawa confirmed.

Council President Hussain asked if this proposed percentage would exceed the amount they would get if it was a set amount, and Ms. Shawa stated that the forecast has been adjusted for the new battery plan and so the average should be shortly over that.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE LBWL RETURN ON EQUITY AMENDMENT NO. 6. MOTION CARRIED 8-0.

<u>RESOLUTION – Ballot Proposal; Public Safety Building and Equipment Bond Proposal</u>
Council President Hussain summarized that the ballot language is proposing up to $175 million to address fire, police, courts and public safety investments. He then read the language of the ballot from the packet:

for the purpose of: erecting, acquiring and equipping new public safety buildings and the sites for such buildings, including but not limited to, police department facilities and fire department stations and training centers, court(s), detention and other related facilities; rehabilitating and updating existing such public safety buildings; acquiring and installing instructional/public safety technology and instructional/public safety technology equipment for new and existing public safety buildings; equipping and re-equipping existing public safety buildings; and developing, equipping and improving facilities, parking areas, driveways, infrastructure and sites?

Mayor Schor added that the program is a build, design aspects that has to be worked out however the longer the City waits the more expensive it will be. He added that at this time he still does not have a location but once he knows he will make it public.

Council Member Spadafore asked about the costs; cost per square feet of construction, noting there was nothing given to Council on any renovation costs. So in turn he asked Mr. McGraw what kind of investments it will be for the 3 stations that will be renovated. Mr. McGraw responded that they have an audit looking at what problems exist at those stations, but they have not looked at all problems in each and every station. In that case, they anticipate a contingency of the square footage with the same price per square foot giving each one an allowance. Council Member Spadafore voiced his concern that there are no renderings or costs so that Council and the public will know what they are getting out of the money. Mr. McGraw reiterated to Council that in the last 3-4 years the City has gone under space studies looking at facilities and trying to understand for what needs to be done now or in the future. The needs keep on increasing, however he assured the Council that since the last meeting have met with fire, police and court staff, noting their needs are increasing. He also assured them that they have taken a problematic approach to historical data from other cities like Lansing based on other studies done in the past..

Council Member Brown stepped away from the meeting at 6:56 p.m.
Council Member Spadafore again stated his concerns because there will always be daily changes, and Council understands the need, however Councils concerns is that there are no lists of the renovations and funds to explain to the people. At this time he asked for more language for the public. Mr. McGraw attempted to explain that they started with the police, added in a contingency, did the same with fire, but fire at the time they added the contingency and inflation to approach most of the problems.

Council Member Brown returned to the meeting at 6:59 p.m.

Council Member Spitzley asked for the same details that Council member Spadafore asked for.

Mayor Schor acknowledged the serious needs and the administration will specify and share with the public. He assured Council they would have the list, be specific and can have both the fire and police Chief's in to talk more about it.

Council Member Daniels concurred with Council Members Spadafore and Spitzley on the concern of not knowing what the funds are going to and how important transparency on where every dollar is.

Council Member Garza supported earlier comments from other Council Members. He then asked Mr. McGraw to provide names of other projects they have done that are similar and if they use local labor. Mr. McGraw briefly provided historical data on their company which was started in 2008, and noted they have done developments in several states from retail to office, mixed use, student housing, affordable housing, public housing, and have done State, local and Federal projects. He then assured Council Member Garza they would use local labor. They added they did Fresh Thyme on Trowbridge in East Lansing, and were involved in the early 1990's with TIFA projects and MEDC projects. Lastly they assured Council again that they will know what the costs are before the bonds are issued. Council Member Garza again asked for a list of projects and if they use union labor. He then asked the Mayor if this will fall under the universal agreement, and the Mayor stated that it is a City project and the City will not sign a universal agreement with itself.

Council Member Wood noted that the ballot language speaks to equipment, and asked the Mayor if that equipment included vehicles. Mayor Schor confirmed it was equipment for the buildings.

Council Member Wood asked Mr. McGraw to confirm that when they speak to Station 1 of the LFD, that the Station is not going anywhere, it is the administrative portion is moving from that station and Mr. McGraw confirmed.

MOTION BY COUNCIL MEMBER WOOD TO TABLE ACTION UNTIL THE COMMITTEE OF THE WHOLE MEETING ON JULY 25, 2022. MOTION CARRIED 8-0.

Mayor Schor asked Council to send a list of questions to Ms. Boak to forward to his office so they can get them to the contractor for responses.

DISCUSSION – US Department of Housing and Urban Development Letter of Findings for Non-Compliance with CDBG Housing Rehabilitation Requirements CDBG Program
This discussion was moved to the July 25, 2022 Committee of the Whole meeting.

RESOLUTION – American Rescue Plan Act (ARPA)2nd Tranche Budget Appropriation
Council President Hussain spoke briefly to the public on what the ARPA funds are, the amount awarded so far in $24,962,332 and the balance of $24,962,332 the City will get. The Mayor's office referred their spending plan and it went before the Committee on Ways and Means. After review by the Committee the Mayor amended his referred resolution and that is what is front of the Committee today.

Council Member Spadafore presented to the Committee the time line of this resolution which began April, 2022. The original resolution accepted the funds and place them in general fund. He then noted that the Committee on Ways and Means met on May 4, 2022 and he listed the people in attendance and the request given for more details; May 23, 2022 and the people in attendance; June 6, 2022 and the people in attendance and June 13, 2022 and the people in attendance. People in attendance included representatives from Finance, Budget, Mayor's Office, Public Service, the Fire and Police Chief's and union steward representation on the fleet. Council Member Spadafore then noted that on June 16, 2022 the Mayor proposed a counter proposal which is what Council has in front of them now, and the OCA has informed Council that under the uniform budgeting act, since this is a supplement appropriation, Council's options are to accept or to reject. The original proposal Council did not believe was passable, and in the spirit of compromise the Mayor sent Council another option, the document in front of them now. Council Member Spadafore assured the public that what was sent to the Mayor from the Committee on Ways and Means was a working document proposal and no funds were cut or promised. Council Member Wood made it clear to the public nothing was removed, but they stated there were things that they could not support. Council Member Spadafore went through a spreadsheet in the packet speaking to ever item from what was originally proposed by the Mayor for programs, what Ways and Means considered and what the Mayor's 2nd proposal was. Council Member Spadafore noted the revenue losses that are ARPA eligible expenditures, with a few adjustments from the original, because of how the budget passed out, in all intensive purposes the City will be spending $20.8 million for GF revenue loses for FY 2022/2023 and FY 2023/2024 in parking fund to allocate $5 million for FY 2023/2024. City Council projects originally was proposed at $2 million for Council to provide input on, and Committee instead provided input on the overall proposal and so removed that $2 million, but instead provided the Mayor with $1.09 million for him to determine what that should be spent on with the hopes he uses the same process he has done in the past for the original proposal.

Meeting recessed at 7:41 p.m. due to building alarms and evacuation.

Meeting reconvened at 8:10 p.m.

Council Member Spadafore summarized the spreadsheet he was going through before the recess.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE 2ND TRANCHE OF ARPA FUNDS.

Council President Hussain noted this would be an up or down vote, and in Committee it will require 5 votes to move out of Committee, but at Council it will need 6 votes to be approved.

Council Member Jackson arrived back to the meeting at 8:13 p.m.

Council Member Jackson asked about the fleet spending and eligible funds, and pre-COVID there were fleet issues already, should these funds be instead spent on household assistance PILOT program. Mr. Smiertka stated the funds are bound by Federal Law and Michigan Constitution and cannot "lend" a public credit. Council Member Jackson asked what "lend" is. Mr. Smiertka stated "lend" is a give away funds without any consideration unless there is a authority under the State statue. Council Member Jackson then spoke in support of the work done by organizations in the City, and since ARPA reads it can assist small businesses, households and non-profits, he stated his struggle that these groups met with the Mayor, vetted and brough forth and was told to him that some of these organizations were going to rely on what they were told by the Administration they would get.

Council Member Spitzley acknowledged the Committee on Ways and Means work and supported what they had proposed, but noted her strong concern is the misinformation that was given to the community, because Council cannot pick "winners" or "losers", and there are more than 1,000 people who need assistance in the City. The proposals are worthy, but Council has to be careful, and she questioned if the organizations were not told Council had to approve this, and disappointed that these groups were told it was approved. She noted she has received calls from groups asking why Council is cutting their budget, and being told by the Administration that Council is taking money away was disappointing and misleading. She continued that there were groups that were not included in that original proposal that do worthy outreach, and when they reach out to the Administration they are directed to Council because being told it is Council doing this. The Mayor can distribute and allocate as he sees fit, and the money has not been washed away, and the statements being told to the groups are being told that Council is taking away their budget is wrong. The Mayor still has a funding source where organizations can appeal to the Mayor for funding an the Mayor in his discretion can allocate funding. Council Member Spitzley voiced her concern that funding groups but there are low income population that have Section 8 housing that can't find landlords to accept them, and funding the Lansing School Districts when they too got ARPA funding also.

Council Member Spadafore responded to Council Member Jackson inquiry on appropriated of funds from COVID funding which were distributed to rental assistance, BWL waiving shut off fees, CDBG funds, COVID 19 testing and vaccination clinics, and Council did act for a fiduciary for the region. These funds are one time investments, there have been deferred spending for infrastructure, and this was not binding, but Committee work after comprise. He concluded his belief that a vote against this is a vote against every single priority. Council Member Jackson restated that he believes Council does pick winners or losers, and he looks at this as partnerships where they do services for the residents in Lansing.

Mayor Schor addressed the process; they did a public forum and took input. After the input they reached out to anyone who came to them, telling them they were able to give funds to them even though they could not give them as much as they wanted. They did inform them of the funds that Finance determined they could be given. When Ways and Means passed their plan, they contacted the groups informing them of what Ways and Means removed and they provided them the Ways and Means resolution, agreeing there would be dollars available to them.

Council President Hussain recapped that the groups were under the impression they were "given" the funds. Council Member Wood stated that immediately after the Committee on Ways and Means passed their resolution, they were informed they could not pass a resolution, that this was an up or down decision, and since the Mayor did not agree with it, then it was a matter of an up or down on his original proposal. The OCA should have told the Mayor that the Committee resolution was not worth it. Council Member Spadafore there was debate before but it was a "late in the game" discovery in Committee by OCA.

Council Member Wood asked for clarification. Council President Hussain stated a vote to in support is out of Committee to Council for action.,

MOTION CARRIED 7-1.

**Other**
No other topics discussed.

**Adjourn**
The meeting adjourned at: 8:35 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee July 25, 2022