MINUTES
Committee of the Whole
Monday, July 25, 2022 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council President Hussain called the meeting to order at 5:31 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
Heather Shawa, BWL Chief Financial Officer
Mark Mattus, BWL General Counsel
David Price, BWL Board of Commissioners
Calvin Jones, BWL
Scott Taylor, BWL Finance Director
Kevin McGraw, River Caddis
John McGraw, River Caddis
Loretta Stanaway
Elaine Fischoff
Michael Lynn
Mayor Schor – arrived at 5:43 p.m.
Chief Sosebee, LPD
Chief Sturdivant
Chief Judge Buchanan, 54-A District Court
Anethia Brewer, 54-A District Court

Minutes
MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM JULY 11, 2022 AS PRESENTED. MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM JULY 19, 2022 COMMITTEE AND BWL BOARD JOINT MEETING, AS PRESENTED. MOTION CARRIED 8-0.

Public Comment

Ms. Fischoff spoke on the BWL Rules of Procedures and her objections to those, particularly the rule that spoke to the notice of the agenda to the public. Ms. Fischoff then spoke on the Ballot Bond Proposal and endorsed the comments on lack of specifics.

Ms. Stanaway spoke briefly on the BWL budget and proposed prices and the changes for costs on water lawns and flowers. Ms. Stanaway then spoke on the Bond Proposal Ballot language and lack of specific on location, structure, who would construct, number of facilities, and the option of tax-free buildings that already exist.

Mr. Lynn spoke on ARPA funding and $1.9 million for the Mayor to allocate, and asking for more to be done on more accountability. Mr. Lynn then spoke on the ballot proposal and that even though it is obvious the facilities need to be addressed, but there still needs to be clarification on what needs to be fixed.

Council Member Spitzley stepped away at 5:41p.m.

Presentations

BWL Annual Report, Budget for Fiscal Year 2023 and Capital Forecast for Fiscal Years 2023-2028

Mr. Taylor and Ms. Shawa presented to the Committee the plan and highlights to the budget and forecast. Mr. Taylor began with the highlights but first spoke on the funds and reinvestment on the infrastructure. Erickson will cease in December, and Delta is up and running. The forecast is done by looking at actual results and future loads, determining the sale volumes.

Council Member Spitzley returned to the meeting at 5:43 p.m.

A public rate hearing will be in September, so they have not been approved but the forecast is to take effect in December. For the 2023 cash flows, some highlighted included gas pipeline refund which came at $7,001,546 for the first refund in the first year. Additional another item is the decommissioning of the Eckert facility at ($2,850,000).

Council Member Wood noted they mentioned a potential rate increase, and what that would be. Electric at 2%, water and steam at 9.5-9.95%, and chilled water at 4%, needed for the return, but reiterated the public hearing will be held and after the hearing the Board of Commissioners will take all that into consideration.

Council Member Wood asked about a separate watering meter for water grass and flowers mentioned in public comment, and Ms. Shawa stated that option is still available.

Discussion/Action

DISCUSSION – Board of Water and Light Rules of Procedure

Council President Hussain noted the rules are done by the BWL board, then vetted by the OCA before taken to City Council. Per charter if Council does not act, they are adopted, and they were referred at the last meeting. This gave the BWL Board an opportunity to come in an explain the changes, and if there are changes Council can reject some changes and send back to BWL Board.

Mr. Price outlined their process which they have been looking at for 5- 6 years but never got around to looking at them line for line, addressing non-voting members and their voting in closed session, and changes to other Committees. The first step was to speak to the Board Members and compiling the recommended changes, went to the Executive Committee to review, and then taken to the BWL Committee of the Whole at which point each change was voted on. It was then put to the full Board where it passed unanimously.

Mr. Mattus confirmed the City Attorney was present for the process with the BWL Board and he then spoke on the issue raised by Ms. Fischoff in her public comment. He noted that the 18 hour notice speaks to the Open Meetings Act minimum requirement and BWL publishes their agendas more than 3 days before the meeting.

Council Member Spitzley asked if the previous version said 3 days under the agenda item why was it changed to 18 hours if 3 days is their standard practice. Mr. Price believed it was changed to be in compliance with the Open Meetings Act, and their practice would be 3 days, but they did not want to put themselves in jeopardy if they did not meet 3 days. Council Member Spitzley stated it does reflect a lack of transparency.

Council Member Jackson stated the reason the citizens want to have the agenda earlier than 18 hours is to review the agenda items and if they want to come to the meeting along with research the items. Council Member Jackson asked for these sections to be re-examined. Mr. Price stated if City Council would be interested in making those changes they can send it back to the BWL Commission and he would work to make it happen.

Council Member Wood referenced 2.1 which speaks to 3 days, but then under 10.2 three days was removed and changed to 18 hours from the previous 3 days, which was reference earlier.

Council President Hussain reference 1.2.1 and the change to four members. Mr. Price referenced the Roberts Rules of Order and the status of quorum, noting the Chairperson can call a special meeting, so the change does not stop a Special meeting from being called.

Council President Hussain referenced 6. Annual Organization which spoke to added language of a Chair or Vice Chair not being able to serve as Chairperson of Standing Committee. Mr. Price explained the reasoning for the change.

Council President Hussain asked the OCA to take the proposed changes back to the BWL Board of Commissioners.

MOTION BY COUNCIL MEMBER WOOD TO HAVE THE CHAIR WORK WITH OCA ON ISSUES PROPOSED TONIGHT AND SEND BACK TO THE BOARD WITH THOSE ISSUES. MOTION CARRIED 8-0.

<u>RESOLUTION – Ballot Proposal; Public Safety Building and Equipment Bond Proposal</u>
MOTION BY COUNCIL MEMBER WOOD TO REMOVE THE ITEM FROM THE TABLE. MOTION CARRIED 8-0.

Mr. Kevin McGraw initially apologized for the last presentation and the vague information provided because he was not sure what direction on information he was given to release, and therefore this time they will fully answer all questions. In addition to the presentation, he noted Council also has been given a written response to their questions. He briefly summarized projects listed in their responses in Michigan, their time spent thus far, and assured the Council they will have control of the project and will assist with hiring a construction manager, promote and educate the public.

Mr. John McGraw went through the presentation which included their approach, looking at existing facility approach and new facility approaches. The presentation detailed the renovations including MEP system updates, Health and Safety Issues, Accessibility Updates, Functionality Updates and Building Code Updates. Regarding the next steps, it includes the land location, put out a competitive process with assistance from the purchasing department for contractors, engineers, and local work force. Next they would formally engage Grass Roots for campaign focus on ballot questions to educate citizens on the process and the project. River Caddis will assist financially or other wise to make this happen. They are also asking for groups to work with Council on the process and make sure they deliver what they say they will deliver. Once construction drawings are completed they can line item the budget that will show and explain each item, and then they can issue bonds. Finally once that occurs they can immediately start the initial renovations. Regarding he question on waiting another year for the ballot, Mr. John McGraw stated the issues are critical and prices are not going down, and if the need is there they are providing a solution that will bring this project to a reality.

Council Member Spitzley noted to Mr. McGraw that this ballot proposal just came before Council even though they, River Caddis, has been working with the Administration for years, and that is why Council has questions. She then asked why they have listed such a high cost for Station 1 if they are only removing the administrative offices.

Council Member Spadafore stepped away from the meeting at 6:25 p.m.

Mr. John McGraw said in Station 1, the Executive Administration will be moved, and that number was from a square footage base that was utilized as a budget number.

Council Member Spadafore returned to the meeting at 6:26 p.m.

Council Member Spitzley referenced projects where they have listed their role as the construction consultants and asked if they will be more involved in the City of Lansing project or just a construction consultant. Mr. Kevin McGraw confirmed they will assist the City and they responded with the list of projects and construction consultants because that was the question they were asked.

Council Member Spitzley noted they stated “we are currently getting private property”, then asked who “we” was. Mayor Schor responded to that question noting the City is speaking with McLaren on the vacant parking lot next to SWOC and if this passes on the ballot in November they will work with McLaren. He added that “we” is the City of Lansing.

Council Member Wood reiterated to the Chiefs that Council understands their needs, and their questions have to do with the information Council has received to make sure they are making a decision related to the public and they are getting the information they need to make a decision on the vote. Council Member Wood went to the Q & A letter from River Caddis, page 1 where it states “indirect” and “soft costs” asking what those are. Mr. John McGraw stated the hard costs are building and soft costs will include fixtures, furniture, equipment, architects, engineering, technology and design.

Council Member Spitzley stepped away from the meeting at 6:31 p.m.

Mr. McGraw added that they typically consider 20-30% for soft cost and this is at 22%.
Council Member Wood asked for specifics on what the “owner contingency” was since the City is the owner and this is a City project.

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

Mr. John McGraw stated this contingency is a construction contingency and since they are planning for the future and there is no total cost without the plan, they have projected this amount at the top of the inflation rate and been an issue for 20 years. Council Member Wood recapped that they stated earlier they used the figures based on square footage, but yet they estimated the contingency so high. It is noted the inflation is 10.4% but they are projecting 12%. Mr. Kevin McGraw confirmed they would rather project high then lower and not have the contingency. Council Member Wood asked if the municipal projects they noted were older than 20 years and Mr. McGraw stated they were not.

Council Member Wood asked if the River Caddis or the McGraw had any personal relationship with Grass Roots Midwest, and Mr. Kevin McGraw stated they did not.

Council Member Wood asked them to explain their statement of “financially help support the campaign” to educate the public. Mr. Kevin McGraw stated the City cannot lobby, so River Caddis will be, and at this timed they are at risk and incentivized to get this done. Council Member Wood asked if the ballot passes will they get paid. Mr. McGraw stated they would get paid, she then asked if they would take the funds paid to them to then pay for the campaigning they did. Mr. Kevin McGraw stated will not. Council Member Wood asked what the cost of the campaign would be, and Mr. John McGraw stated he was not sure if he could talk about that. It was stated the advocacy team was separate.

Council Member Wood noted the reports state the funds spent so far are at $150,000 and she asked what line item those funds were budgeted in. Mayor Schor was not able to provide that information but thought it was a certain amount per month. Mr. Smiertka stated this was a contract with the Lansing Building Authority with an agreement which was the result of an RFP by the Building Authority, and therefore not funded by the City line items.

Council Member Wood asked if this passes, will the City have to pay back the Lansing Building Authority. Mr. Smiertka stated it was not discussed, and the Mayor added the intention that if it goes through, it will be recaptured.

Council Member Wood asked Mr. McGraw what they were getting paid, and Mr. John McGraw stated that agreement with the City has not been finalized, but have agreed to market rate which is similar to what they do with county and school programs. They are assuming the fair market will be 2.5% - 4.5% of the $175,000,000.

Council Member Spadafore explained that this is authorizing up to, if they do not spend up to that there is no need to issue the bonds, and if the project comes in within the assessed costs, they won’t be spending as much.

Chief Sosebee reiterated the importance of this bond.

Chief Sturdivant concurred with the importance of this action to address specific needs of the work and home place of their officers, and he noted health and safety concerns

Judge Buchannan spoke on the effect this would have on the courts.

Council President Hussain asked the Committee if their questions have been answered of if there was an interest to table action until the August 8, 2022 Committee and Council meeting.

Council Member Spadafore stated his questions have been answered.

Council Member Spitzley acknowledged the conditions of the buildings for police, fire and courts and their concerns. However, some of the questions she felt were still not answered and Council has been put in a position to make a decision in a short period of time. It is appropriate for Council to ask the hard questions and speak to the residents who will be paying the additional costs. Council Member Spitzley noted that there are residents who still remember the last millage and the promises that were not met. She supported sending it to the people for a vote so they can speak and have their questions answered.

Council Member Daniels informed the Committee he utilizes Grass Roots for his current campaign. Mr. Smiertka asked if he had ownership in Grass Roots, at which he stated no, and therefore Mr. Smiertka stated there is no conflict.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION WITH THE BALLOT PROPOSAL LANGUAGE FOR THE PUBLIC SAFETY BUILDING AND EQUIPMENT BOND PROPOSAL. MOTION CARRIED 8-0.

<u>RESOLUTION – Process for ARPA Fund Allocation</u>
Mayor Schor asked if the River Caddis representatives should stay for Council and Council determined if they could stay for public comment and be available to respond.

Council President Hussain recapped that this resolution speaks to the ARPA funds 2nd tranche, and tonight at Council is the supplemental appropriation of those funds. The uniform budgeting act requires a yes or no vote on the resolution with no power to amend the resolution. It was noted that if the resolution fails, the Mayor would to bring something new for Council to consider. Council President Hussain finalized that no funds have been received, they are scheduled to be received in August, with no funding cut, no funding taken away, but it was told to Council it was a proposal to organizations; not a done deal as portrayed to the community.

Council Member Wood suggested amending the resolution to add:
Whereas, City Council asks the Mayor to provide Council a report on the process of awarding the grans and who received the grants.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE AMEND TO THE RESOLUTION. MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE PROCESS FOR ARPA FUND ALLOCATION WITH THE AMENDMENT.

Council Member Jackson asked about taking the fleet fund and giving that amount to the Mayor's allocation to address the COVID costs and in response to health and safety.

Council President Hussain stated this resolution is on the process for spending, and the ARPA funds resolution is on the Council agenda for action, reminding Council however the only thing Council can do is vote for or against the ARPA spending resolution; they cannot vote to amend.

MOTION CARRIED 8-0.

<u>Other</u>
No other topics discussed.

<u>Adjourn</u>
The meeting adjourned at: 7:00 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee August 8, 2022