



MINUTES
Committee of the Whole
Monday, August 8, 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- excused
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
Amanda O'Boyle, OCA
Mayor Schor- arrived at 5:50 p.m.
Brian McGrain, EDP Director
Elaine Fischhoff
Loretta Stanaway
Barb Kimmel, EDP
Robert Ruich

Council President Hussain explained that Council received word at 4:52 p.m. that the live stream is not working, however all other sources are working. Ms. DeSessa confirmed. Council Member Spitzley asked if the public was made aware, and Ms. DeSessa stated no, and Council President Hussain confirmed that he spoke to the Mayor about an immediate press release. Council Member Spitzley asked how long they have been working on this, and Council President Hussain confirmed he was informed it was an issue they have been working on but thought they would have it fixed. Council Member Wood asked the Administration to make decisions in the future by 1 pm at the latest to inform the public.

Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM JULY 25, 2022 AS PRESENTED.

Council President Hussain noted that the issues with the BWL Rules of Procedures was sent back to BWL with a cover letter.

MOTION CARRIED 7-0

Public Comment

Ms. Fischhoff spoke on budget priorities and asked an item to recognize a climate emergency.

Ms. Stanaway spoke in opposition to the annexation of township properties from Lansing Township.

Mr. Ruich spoke in opposition to the annexation from the township.

Presentations

US Department of Housing and Urban Development Letter of Findings for Non-Compliance with CDBG Housing Rehabilitation Requirements of CDBG Program-

Council President Hussain referenced a letter from the State dated November 12, 2021, which Council was never aware of, and since then invited Mr. McGrain to attend this future meeting.

Mr. McGrain detailed the audit and the finding letters from January 31, 2022, and March 16, 2022.

Council Member Wood asked Mr. McGrain to explain the corrective actions.

Ms. Kimmel went through the findings beginning with finding 1 on procedures. The review exposed relaxed oversight, evaluating the quality of work, management, changes to include annual staff training, tracking performance of the contractors. The department corrected those items by updating and/or produced new policies for review.

Council Member Spitzley asked what was changed in policies for the contractors since there are issues with work at some residencies. And what was changed for contractor selection, and did a policy have to be established. Ms. Kimmel stated they updated the policy for solicitation of contractors, ongoing training, quarterly meetings, and created a contractor complaint process and practice. This includes tracking ongoing complaints.

Council Member Brown asked how long the program has been in existence and are these continual findings or have the standards changed. Ms. Kimmel stated the program has been in place since the 1970's in some form or another. HUD monitors CDBG, ESG, etc., and they can monitor certain issues and then issues findings and/or concerns that the City would need to respond in writing. She was not able to confirm or deny they have been monitored on these same items in the past.

Council Member Wood stated that Council should be informed that HUD is looking at something, and doesn't mean the Department is doing something wrong, but with Council approving the budget for CDBG, and not having this audit information until after they approved the budget. She recommended in the future Council be notified, because in this case Council was not aware of this until a constituent provided this to them until the budget was approved. Council Member Wood then spoke on the complaint process that was instituted, and someone that is consistently having issues with their work product, is the EDP setting aside a portion of the payment, or what is being done. Ms. Kimmel stated no final payment is not being paid until final sign off by homeowners, building safety and EDP. Council Member Wood asked what the guaranteed process. Ms. Kimmel stated a one-year warranty on workmanship, and sometimes extended for product. Council Member Wood asked what steps are done when contractor does not make repairs, and Ms. Kimmel stated they find a way to make repairs.

Council Member Wood asked how many contractors were deemed not satisfactory, and Ms. Kimmel could not provide exact numbers, but they are doing what they can to make sure the workmanship is high standard.

Ms. Kimmel outlined Finding #2 and what they did to correct the finding. This included register all rental units and they worked to rectify it. Council Member Spitzley asked for details on this program itself. Ms. Kimmel outlined the program for CDBG housing rehabilitation on rental properties that are privately owned, and the program works with developers to invest funds to create affordable housing and are required to monitor those units to allow affordability for a period. They monitor to make sure landlord is not over charging, and the occupant qualifies per AMI. Council Member Wood asked with monitoring do they accept the landlord info, or what is the process. Ms. Kimmel stated they collect information from the tenants and then they verify with a 3rd party, in addition they get copies of leases and done annually. Currently they are working on getting all rental certification in-line, to do in June every year.

Council Member Garza asked what the process is for finding a contractor, status of frequency of complaints, and how many contractors have one -two strikes on them. Ms. Kimmel stated the HUD requirement of a policy has steps, and regarding issues with contractors there has been 2-3 over the last year, and regarding recruitment is sending recruitment postcards to all licensed to the three counties, reached out to unions, done cold calls to address the issue. Council Member Garza asked about tracking performance and if that is being shared with other communities. Ms. Kimmel stated when getting a contractor application, they reach out to other communities for work experience, background on better business bureau to find best contractors.

Ms. Kimmel spoke on Finding #3 stating there was a general complaint process, and HUD determined it was not strong enough and they developed a new practice to satisfy HUD, and instituted quarterly contractor meetings. Council Member Spitzley asked about the disposition statement and resolve. It was referred to the March letter which stated it was resolved. Ms. Kimmel stated they verified with HUD they did meet with contractors, they had to verify all contractors were trained, and provided with a contractor handbook. The city rehab staff was also trained, and evidence of that was provided to HUD.

Ms. Kimmel spoke to Finding 4 and solicitation of bids. In this case they adopted a policy and procedures to outlines the yearly contractor solicitation plan.

Council Member Wood noted that an earlier statement on how they tried to reach contractors and asked if they did a survey to ask them why people are not applying or wanting to work for the city. She then asked if the Builders Exchange, and Ms. Kimmel stated she has not, and was encouraged to network with them. Council Member Wood encourage them to look into apprenticeships.

Council Member Garza asked about life threatening situations and asked if the contractors are trained in safety. Ms. Kimmel stated HUD and the City is licensed and properly trained. Council Member Garza asked if anyone inspects if the actual person on the job site is qualified, and Ms. Kimmel stated they do.

Discussion/Action

RESOLUTION – Reappointment; Kenric Hall, CVB Designee; LEPFA; Term to Expire June 30, 2025

Council President Hussain confirmed he is with the Radisson hotel and qualified to serve in the CVB Designee.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENT OF KENRIC HALL TO THE LEPFA BOAD WITH A TERM TO EXPIRE JUNE 30, 2025. MOTION CARRIED 7-0.

RESOLUTION – Appointment; Eric Schertzing; At Large Member Board of Review Term to Expire June 30, 2025

Council President Hussain briefly summarized the roll of the Board of Review.

Mr. Schertzing briefly spoke on his other Board appointments with the Landbank, Ingham County Treasurer and Drain Commission office. He then spoke on serving to give back to the community and with the Board of Review was an interest for their roll and with his 21 years with County Treasurer he feels he can bring his experience to the Board.

Council President Hussain asked for confirmation on when he moved to the city and asked the OCA to speak to residency in the city in a year. Mr. Smiertka stated duration of residency for Boards and Commissions, and there is an exemption for the Board of Review does not have a duration of residency.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF ERIC SCHERTZING AS AT LARGE MEMER OF THE BOARD OF REVIEW WITH A TERM TO EXPIRE JUNE 30, 2025. MOTION CARRIED 7-0.

RESOLUTION – Ballot Proposal; Lansing Township Residents Request Annexation to the City of Lansing, Area A

Council President Hussain stated that recently a request from the 119 residents of the Township to become part of the city. This is area is unique because it is completely surrounded by the city. For this ballot language to appear on the November ballot, Council has to take action by August 16, 2022. This would allow the people in that area to vote on the annexation but not residents of the City of Lansing. Questions from constituents, social media questions, and Council questions.

Mr. Smiertka confirmed the annexation law does not have a lot of activity in the courts and has its roots in the Home Rule City Act. Some issues common; land must be adjacent, there must be proportional, and in this case the request by the residents was a general petition, and what is controlling is the Charter Township Act. There are 4-5 sections in the Township Act, and what applies here it speaks to land surrounded by the city.

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

Mr. Smiertka stated it does not require a petition but a resolution by Council by a 5 vote, it would be then submitted to the County Clerk for placement on the ballot.

Council President Hussain referenced the resolution language and if there is a method for City residents the opportunity to weigh in on the annexation. Mr. Smiertka stated under 42.34 under Michigan Townships Act under petitions for a provision where the Twp and City could agree together, options of 20% of the area and electors of the City. There is an option with the State boundary petition, which is a resolution from Council or petition or 20% of the registered voters, or 10% of the entire population. A legal hazard with State Boundary Commission they can do other things with the property so there is a possibility to get things they did not intend. This is set forth out of the Michigan Townships Act, subsection 3 of 42.34.

Council Member Wood returned to the meeting at 6:35 p.m.

Council President Hussain voiced his concerns that Council is being asked to act in a short time period without educating the city residents.

Council Member Wood spoke on a handout from the Administration at 5:25 p.m. today before the meeting, which did not allow Council time to review.

Mayor Schor stated once they got the questions from Council, they worked on it up until the Committee meeting today.

Council Member Spitzley concurred with Council Member Wood, and noted it was referred two weeks ago and is in supportive of it, and the questions asked were reasonable questions and should have been information that should have been researched.

Mayor Schor stated they originally anticipated paying off the debt in 3 years, and debt repayment is over 18 years, per the County Treasurer. According to that Treasurer, there is an anticipate \$33 million total township debt that stays with the residents in addition \$13 million DDA TIFA that does not move with the residents. This area interested is 20% of the township, which makes it \$6.6 million, that over 18 years \$250,000 annually.

Mayor Schor then went through the questions and answers which is included in the packet. In his earlier communications he used "escrow" but confirmed that is not the correct language, so the questions and answers reflect the correct language and answers.

Council President Hussain referenced the rentals and the registration and inspections, and currently the city is struggling already with staffing and funding with what we have currently. Council Member Wood stated there could be legal issues if these properties are not treated the same as the currently rentals. And so there could be 100+ rentals not registered and inspected, so would need to be migrated in immediately. Mayor Schor said it would need to be inspected, and the same process. Council Member Wood acknowledged the figures, but Council needs a plan, if it passes that "December letters will go out to all rentals, they have until January to pay for registration and inspections, and then inspections will be coordinated by February" to demonstrate that the City is not treating these new residents differently then current City residents. Mayor Schor stated they will have a plan to notify and inspect.

Council Member Spitzley stepped away from the meeting at 6:56 p.m.

Council Member Daniels asked if communications with the Township that mutual aid will continue, and Mayor Schor acknowledged they have not spoken to them, but have not heard about any cancellation of those agreements.

The discussion continued with the question-and-answer sheet.

Council Member Spitzley returned to the meeting at 6:58 p.m.

Council Member Wood noted the County and the roads and asked if the Administration has reached out to the County for future billing. Mayor Schor stated it does not change unless the ACT 51 formula changes, and right now the roads are the County roads and therefore no City funds. He concluded by stating that all in all the numbers in revenues are in favor of the City, but there are other issues they understand. Ms. DeSessa concurred that the Administration worked diligently on the project since they received the questions. Council President Hussain acknowledged the work, however noted that the Administration came out strongly supporting this and expected this research ahead of time.

Council Member Wood asked for clarification that this would be Lansing Township ballots and only these listed residents could vote on this, not any Lansing City residents. And if this is approved, it would be a month after the approval, that this would switch over to the City of

Lansing. She also asked the OCA, if someone decided they wanted to leave the City, is it reversible. Mayor Schor stated there is a law called "detachment" which is extremely extensive.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION WITH THE BALLOT PROPOSAL LANGUAGE FOR THE ANNEXATION OF LANSING TOWNSHIP PROPERITES IN GROESBECK AREA A.

Council Member Spitzley asked what Ward these properties will be in, and it was confirmed Ward 1.

MOTION CARRIED 7-0.

RESOLUTION – Ballot Proposal; Lansing Township Residents Request Annexation to the City of Lansing, Area B

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION WITH THE BALLOT PROPOSAL LANGUAGE FOR THE ANNEXATION OF LANSING TOWNSHIP PROPERITES IN GROESBECK AREA b. MOTION CARRIED 7-0.

CLOSED SESSION

MOTION BY COUNCIL MEMBER WOOD TO GO INTO CLOSED SESSION AT 7:09 PM PURUSANT TO MCL 15.268 (e) TO CONSULT WITH THE CITY ATTORNEY IN CONNECTION WITH THE FOLLOWING SPECIFIC PENDING LITIGATION. AN OPEN MEETING WILL HAVE A DETRIMETNAL FINANCIAL EFFECT ON THE LITIGATING OR SETTLEMENT POSITION OF THE CITY OF LANSING CONCERNING THIS CASE. ROLL CALL VOTE, MOTION CARRIED 6-1.

RECONVENE

COUNCIL PRESIDENT HUSSAIN RECONVENED THE MEETING AT 7:20 P.M.

Other

DISCUSSION- Fiscal Year 2023/2024 Budget Priorities

Council President Hussain stated this is something done annually per the Charter due adopted by October 1, 2022. This will appear on all Committee agendas to review and work on.

Adjourn

The meeting adjourned at: 7:21p.m.

Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council

Approved by the Committee August 22, 2022