



MINUTES
Committee of the Whole
Monday, September 12, 2022 @ 5:00 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council 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- arrived at 5:40 p.m.
Councilmember Jeremy Garza - excused
Councilmember Brian T. Jackson-left the meeting at 5:42 p.m.
Councilmember Jeffrey Brown
Councilmember Brian Daniels

OTHERS PRESENT

Sherrie Boak, Council Office Manager
Jim Smiertka, OCA
Lisa Hagen-Lawrence, OCA
Shelby Frayer, Chief Strategy Officer
Mark Lawrence, Mayors Office
Loretta Stanaway
Jane Bias- DiSessa , Deputy Mayor– arrived at 5:05 p.m.

Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM AUGUST 22, 2022, AS PRESENTED. MOTION CARRIED 6-0.

Public Comment

Ms. Stanaway asked the Council to freeze the BWL rates; regarding the impacts of the PILOT's, she asked for consideration for no additional loses for the City.

Presentation

Chief Strategy Office – Shelby Frayer

Council President Hussain provided a background of the creation of the Chief Strategy Officer Position, and the ordinance that created the position and the roles outlined in that ordinances.

Ms. Frayer first spoke on what she has done since she returned back to the city and referenced an outline she has provided the Administration. This was not provided to Council, and Mr. Lawrence was asked to forward the outline. While the Committee waited on the outline, Ms. Frayer outlined some tasks including grants and State funding, project and service vendor contracts, asset and liability analysis, the plan for a good picture in January on where things are.

Mr. Lawrence provided the outlined Ms. Frayer referenced. This document listed overall focus and strategy, public safety millage, performing arts center, legislative asks, new grants/additional revenue sources, vendor analysis, asset/liability analysis, and other duties assigned.

Council Member Wood asked about the vendor contracts noting there are some vendors who do not have current licenses and asked if that was part of her search. Ms. Frayer stated she has focused on the financial impact, and this is not on her list, but will put that on the list for her investigation. Council Member Wood asked for it to include research of their current taxes, current licenses, and other annual requirements.

Council Member Wood asked if she has been working with the State on the retirement system on grants. Ms. Frayer noted last review shows down 54% which would make the City eligible, but things are still going through State Treasury, but one unknown is what year they can take that from. She noted she is working with Treasury on this as well. Council Member Wood noted that currently they have an issue with finance, that information that was supposed to go to the actuary on June 30th, but it has not gone there yet. Therefore, there is potential to not have the report ready for her to utilize.

Council Member Wood asked about the performing arts center and what her role is. Ms. Frayer stated her primary goal is to make sure there are finances for this. Before the City makes any commitments, she is making sure there are funds, because the City was not successful with the RAP grant with MEDC.

Council President Hussain asked what the current capital is. Ms. Frayer stated \$10- \$10.5 million to capitalize on for the performing arts center. Council Member Hussain asked if there was a breakdown of the funds. Ms. Frayer noted there are no GF, however, pegs fees, bond for peg fees, and state appropriation.

Mr. Smiertka stated there are 800 contracts in the system, and impossible to verify licenses and insurances, and recommended that research should be the responsibility of the initiating department.

Council Member Wood acknowledged Mr. Smiertka statement, but her concerns are with reoccurring purchase orders.

Council Member Jackson referenced the 1st item, on potential revenue sources. Ms. Frayer there is a public safety millage, hoping for stimulation for surrounding areas for new revenue with new taxes and driving on new businesses. Council Member Jackson then asked about the item on work with the Chamber and what she was asking for. Ms. Frayer stated it is a regional ask, and the Chamber brought forth an ask to the Legislature on a streamline ask from all areas for LEPFA building improvements, infrastructure improvements, etc. Council Member Jackson asked if that "ask" is signed by all intergovernmental. Ms. Frayer stated they are meeting with representatives from all regions.

Council Member Spadafore asked about City investments and any policies. Ms. Frayer in the past it needed to be updated and in the works with the Finance team.

Council Member Wood noted the reason this position was created was so there was a person to look at the departments and redundancies and look at what they are doing and making things better. She then asked what Ms. Frayer what she is doing on this. Ms. Frayer noted there are certain departments that touch all departments such as Finance, IT, and HR therefore those would be her first focus. Having new improvements on how to charge departments would be one example.

Council Member Brown asked Ms. Frayer if she has a strategic plan since she has come back to this role. Ms. Frayer there are often times a plan is created and it is never used. It is great to create a strategize, but she has spent her time on focusing on asset and liabilities to have ongoing savings for the City. There needs to be common goals but that could come in later months.

Council Member Wood acknowledged Ms. Frayer, noting the Council will finalize their budget priorities to adopt 9/26/2022 and asked her if she has anything the Council to look at. Ms. Frayer noted her interest would be to back the Economic Development (EDC) and put resources on a team to bring in new businesses and residents.

Discussion

DISCUSSION – Board of Water and Light Proposed Rate Changes

Council President Hussain informed the Committee that they had invited the BWL representatives to speak however were not able to attend and have their own process. He then added he spoke to Ms. Shawa from BWL for a breakdown on the proposed rate changes for 2023 and 2024. Per her conversation with Council President Hussain, she stated it is for the four (4) utilities, with an electric 2.5% increase with seven (7) customer classes. Residential will be 4.5% 2023 and 2024 effective November 1, 2022. Council Member Daniels asked Council President Hussain to forward the notes he is reading from his conversation with Ms. Shawa and Council President Hussain stated he would provide that.

Council Member Wood clarified that the usage you pay for the water, is tripled for the sewer which continues to increase because of the CSO.

Council President Hussain noted 9.9% increase for steam usage and 4% increase both years for chill water users. He then stated there is a power point before the BWL Board of Commissioners and uploaded to their website. The Board of Water and Light Commissioners will take action on the rates and the City Council does not take any action on the rates. He then provided dates of the upcoming BWL meetings where rates will be discussed.

Council Member Wood acknowledged Council President Hussain for his conversation with Ms. Shawa and reporting back on her behalf, but was disappointed that a BWL representative would not attend this meeting. This would have allowed the public to hear the information from BWL and ask questions.

Mr. Lawrence stated the BWL is hosting two community resources fairs and provided dates and locations. Council Member Wood clarified that the resource fairs are not to discuss the proposed rate increases.

Council Member Spadafore noted there is going to be a 40% increase in natural gases. The inflation reduction act allows governments to look at benefits by leveraging resources.

Council Member Spitzley arrived at 5:40 p.m.

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

Council Member Jackson left the meeting at 5:42 pm.

Council Member Spitzley noted comments she has heard from residents on the rates.

DISCUSSION – Payment in Lieu of Taxes (PILOT) Impacts

Council Member Hussain confirmed MSHDA officials were invited to this meeting to provide details on the impacts on the cities, MSHDA programs, etc. The document in the packet is from the Assessor and the impact of PILOTs on the City.

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

Council Member Wood clarified that MSHDA chose this date and she was disappointed that that they chose not to appear at the meeting.

Council President Hussain referenced the spreadsheet from the City Assessor on the PILOTS with the amount from the PILOT at \$1,022,09.84.

Council Member Wood noted if all the PILOT's were 30 years, because with most of these they continue to apply, \$94,000,000 for a 30 year process.

DISCUSSION – Fiscal Year 2023/2024 Budget Priorities

Council President Hussain noted that per Charter, this document needs to be adopted by September 26, 2022. He then asked all Council Members forward suggestions for Committee of the Whole by September 20, 2022 at noon to Council Office Manager.

DISCUSSION – City Attorney Overview of Status of Lansing Township Annexation Ballot Issue

Mr. Smiertka noted he has asked the Council not to hold a Closed Session because there is no longer any information on this matter to discuss. In the future there will be a document in writing on what has occurred with this litigation. Mr. Smiertka briefly spoke on the litigation process on the recent Council action for ballot language on township annexation. He spoke briefly on the Township Act, and the provision for the ballot language for a portion in the township considered "an island". The City was not forcing an annexation, it was a request from the residents. The Township lawsuit stated it was not under the right section of the Township Act since the properties are not surrounded on all 4 sides. Mr. Smiertka provided the information on the decision by the Judge and the timeline of the process with the courts so far. There was a hearing today, 9/12/2022, and the deadline for the temporary restraining order was not filed and the order was dissolved. The discussion included if the Township or City has invested right in residents or boundaries, and at the end of the hearing today, and Judge Canady stated his decision was made permanent for this upcoming election. Therefore the case is closed and the matter will not be on the ballot for residents this November.

Other

CLOSED SESSION

Council President Hussain amended the agenda and removed the Closed Session based on the statements by the City Attorney.

Mr. Smiertka briefly introduced a new City Attorney, Matt Staples.

Adjourn

The meeting adjourned at: 5:55 p.m.

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

Approved by the Committee September 26, 2022