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MINUTES

Committee of the Whole

Monday, December 5, 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
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-Lawrence, OCA
Mark Lawrence, Mayor's Office
Desiree Kirkland, Finance Director
Loretta Stanaway
Doris Witherspoon, EDP
Barb Kimmel, EDP
Chris Swope, City Clerk
Brian Jackson, Deputy City Clerk
Jennifer Smith-Zande, City Clerk Office
Joe McClure, Budget
Brett Kaschinske, Parks Director
Michael Lynn

Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM NOVEMBER 14, 2022, AS PRESENTED. MOTION CARRIED 8-0.

Public Comment

Ms. Stanaway spoke in support of acceptance of the sale of City property in North Cemetery.

Mr. Lynn spoke on the funds with the HOME-ARP Allocation plan and asked for details on the sources the funds will be used. Mr. Lynn asked for funding for shelters for the homeless.

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Lastly, Mr. Lynn asked where the funds specifically go with the budget and asked for a breakdown on the line items.

Council Member Brown stepped away from the meeting at 5:37 p.m.

Presentations

Substantial Amendment; FY 2020-2021 Annual Action Plan to Include HOME-ARP Allocation Plan

Council Member Spitzley spoke briefly about this presentation that was done at the Ad Hoc on Housing and Resident Safety meeting, and questions to consider are who is the fiduciary office.

Council Member Brown returned to the meeting at 5:38 p.m.

Ms. Kimmel and Ms. Witherspoon spoke on the HOME-ARP allocation the City received from HUD in the amount just over \$2.7 million. It has been allocated as part of the HOME program.

Council Member Spitzley stepped away from the meeting at 5:40 p.m.

There is a narrow window eligibility including HOME-ARP Rental Housing, tenant based rental assistance (TBRA), Supportive Service, non-congregate shelters, non-profit operating and capacity building assistance and administration and planning with a 15% statutory cap.

Council Member Spitzley returned to the meeting at 5:41 p.m.

Council Member Spitzley asked what TBRA is, and Barb stated this is for housing vouchers. The budget does not include vouchers since there are plenty of vouchers out there. Council Member Spitzley asked if there is a way for the City to provide incentives to landlords to provide vouchers. Ms. Kimmel explained that HOME-ARP activities, and what is eligible, it is the spending categories tied to the development. These funds are for development and utilize with MSHDA home allocation, and in this region it is \$3.6 million, and there is another fund HCDF set aside for this region as well.

Council Member Jackson asked about the shelters and supportive services. Ms. Kimmel stated that supportive services can be used widely that will assist residents with support they will need to function including mental health services, employment support, life skills, etc. The funds will stay with the development and will work with the residents in that development. Supportive services are at \$300,000 because they expect the developers to bring funds to the table as well. Council Member Jackson asked about adding funds for congregate shelters or building non-congregate. Ms. Kimmel explained that a non-congregate shelter means there needs to have separate sleeping space and bathroom. While the plan is being reviewed by HUD, after the City approves, the City will then write an RFQP where shelters can respond to that.

Council Member Brown stepped away at 5:48 p.m.

Council Member Garza asked about details on the funding and if it would go to a specific group.

Council Member Brown returned to the meeting at 5:49 p.m.

Ms. Kimmel stated she has not and it is not tied to any back filling.

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Council Member Wood asked if the “development” means someone who is proposing a PILOT could apply, and Ms. Kimmel confirmed. She then asked about the difference between budgeted revenues and expenditures is expected to be covered by ARPA funds”--makes it seem like we don't have a balanced budget. Would our budget be balanced without ARPA funds. If no, what is our projected structural deficit.

Ms. Kimmel moved on to outlined the qualifying populations in the presentation. She then spoke on the consultation with the required groups, the required 15 day comment period which ended November 14, 2022. During that consultation they identified the need including supportive services for homeless, capacity building and organizational development and non-profit for qualifying organizations.

Council Member Daniels asked how the budget was determined. Ms. Kimmel explained that three of the budget items are capped, so those were set at that amount and went with 10% at those.

Council Member Brown referenced the Ad Hoc meeting presentation, and a concern at that meeting was that \$2.7 million would not meet need of the entire City and asked if this budget was approved it would not wash away needs that are funded. Ms. Kimmel stated these funds for supportive services will be tied to the property address and these populations and not mixed with funding through other avenues. The City HRCS department was managing the ESG MSHDA funding and EDP gets funds from HUD ESG funds and now EDP is the fiduciary. They provide fundings with COC – Continuum of Care services. Ms. Witherspoon stated that COC provides funds to organizations such as Holy Cross, Advent House, St. Vincent, Capital Area Housing, etc. Council Member Brown noted that COC asked for a different fiduciary and that is why EDP is now the fiduciary and asked why. Ms. Kimmel stated she could not state why, but a question for HUD. She was not familiar how long HRCS was fiduciary, and Ms. Witherspoon stated HRCS was the fiduciary was regular ESG for several years. The MSHDA ESG funding is \$2.7 million and therefore Council Member Brown asked if EDP been expanded to make sure the City is delivering services and resources to the people. Ms. Kimmel stated that Ms. Witherspoon has worked in HRCS briefly processing the requests for the ESG program, and when the ESG program left HRCS and went to EDP Ms. Witherspoon is continuing to work on those. There are staff members in the department assisting in this process. Ms. Witherspoon clarified that with MSHDA ESG and regular ESG, all go through an application process. The department submitted the MSHDA application for the upcoming year. All funding goes before the COC and review all the applications and make the determine on what is needed in the community. Council Member Brown asked if the people making the decision receive funds, and Ms. Witherspoon stated there are people but some abstain, and Ms. Kimmel confirmed they do. Council Member Brown asked what the waitlist for the voucher is, and Ms. Kimmel stated with these units, they will be going to MSHDA and requesting vouchers. Not the intend to build a 100 unit building for homeless, but looking to qualified developers and building units for the vouchers. The intent is to create an environment where people thrive.

Council Member Spitzley asked if the \$2.7 million is for an introductory program as a stepping stone to this structure, and asked if funds from HRCS has now been shifted where do those staff go. In turn she asked if they are up to date in paying people back. Ms. Kimmel stated they are up to date with the ESG they have received.

Council Member Jackson asked about the consultation with groups and asked for a list of groups that were required for consultation. Ms. Witherspoon referenced the report noting there are twenty. Council Member Jackson noted that over half of the \$2.7 million is going to the development and why do they think homeless can meet \$500 a month in rent, and should

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the funds be put into shelters. Ms. Kimmel stated affordable housing was the number one need, and any occupants that reside in the development will have vouchers that will cover the majority of the cost. Council Member Jackson asked what the funds will do to offset the development costs for the developer. Ms. Kimmel stated that when they do the RFQP the developers will tell them what they need the funding for.

Council Member Wood asked if this is one time funding and that was confirmed. It was then asked if it should be utilized in one or two fiscal years. Ms. Kimmel stated they have a deadline to spending and it could be close to 2029.

Discussion

RESOLUTION - Substantial Amendment; FY 2020-2021 Annual Action Plan to Include HOME-ARP Allocation Plan

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FY 2020-2021 ANNUAL ACTION PLAN AMENDMENT TO INCLUDE HOME-ARP ALLOCAION PLAN. MOTION CARRIED 8-0.

PLACE ON FILE – FY2022-2023 First Quarter Budget and Vacancy Report

Mr. McClure introduced Mr. Jackson Mills the new budget analyst for the City. Mr. McClure then briefly went through the budget of the first quarter noting there were no major projects that would impact. The budget is on schedule to end the year on track.

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

Council Member Wood noted she had submitted questions ahead of time and asked about the differences between the revenues and asked if the budget would be balanced. Mr. McClure admitted he chose a poor choice of words in the report, and the ARPA funds are in the general funds. Council President Hussain asked if the City did not have the ARPA funds in the GF would the City have the funds to meet the expenses. Mr. McClure stated the City would have the funds carried over from the last year. Council Member Spitzley stated that there is \$10 million in surplus, and Mr. McClure stated \$8.8. Council Member Spitzley noted a statement that the budget would be balanced without the ARPA funds, and Ms. Kirkland noted that the ARPA dollars went to the stabilization funds and were funds that were revenue. Council Member Spitzley then noted the \$8.8 million in the GF reserve is total ARPA funds, and asked again if that wasn't there would there be a reserve. Ms. Kirkland stated there would be, and stated that \$23 million ARPA was lost revenue which met the guidelines.

Council Member Wood asked if there are any state revenue dollars. Mr. McClure stated that funds come in October, but at the time of this report but can get to Council. Council Member Wood referenced the \$0 in the IRS/ACA Bills and asked for the updated amount, and Mr. McClure stated they could provide that. Council Member Wood asked if this report has been updated with the 2021 audit, and that was confirmed. Council Member Wood then reference City Supported Agencies on page 5 which is a (\$1,500), and asked if all those agency contracts were issued already in the fiscal year. Mr. McClure stated he believed so and would provide that confirmation. Council Member Wood then referenced on page 6 for spending for EDP and it appears that department has spent 92.9%, and Mr. McClure stated he was new and not updated on all the allocations. Council Member Wood asked for the details on the percentages. Council Member Hussain noted EDP and Public Service were both high percentages, and asked Mr. McClure stated there are some allocations that are not performed.

Council Member Brown asked for accurate information.

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Council Member Garza noted an error on the top of the report should not be 2019 and asked the effect of the vacancy amount in the report. Ms. Kirkland stated the vacancy factor is allocated to a position.

Council Member Brown asked where his budget experience was, and Ms. Kirkland stated his experience was with the State of Michigan. Council Member Brown stated there was no ARPA funds to meet the budget, per their statement earlier, and what clarification of filling in revenue loss. Ms. Kirkland stated in 2021 those ARPA funds were used towards revenue loss based on income tax, parking and how much did the City lose. It is revenue, instead of income taxes but another source. Council Member Brown asked if there is a breakdown on where the ARPA funds from the Mayor have gone, and Ms. Kirkland stated they do not, it would be provided by the Mayor's office.

Council Member Wood referenced the vacancy factor of \$700,000 projected in the budget, but this report shows that in the first quarter alone the City has achieved \$757,401, and how did the department come up with \$700,000 for the budget since there are still 3 quarters. Mr. McClure stated in the past 2 years was \$700,000.

Council Member Hussain looked to have HR back in for hiring and vacancies in their department. He then asked them about the income taxes and the funds in the first quarter. Ms. Kirkland stated income taxes are brought in around January – May and that is why this quarter is low. Mr. McClure stated the budget income was \$37 million and the first quarter was 23% of the budget and on target. Council Member Hussain asked about property taxes and if the City loses a lot of tax appeals. Ms. Kirkland referenced a better source would be the assessor, however she could state there could be a 4-5% increase.

Council Member Hussain then asked Mr. McClure to provide State Revenue numbers, the line items updated.

MOTION BY COUNCIL MEMBER WOOD TO PLACE ON FILE THE FY2022-2023 FIRST QUARTER BUDGET AND VACANCY REPORT. MOTION CARRIED 8-0.

RESOLUTION -Reappointment; Jennie Gies, CATA Board; Term to Expire September 30, 2025

Council Member Hussain acknowledged that the application was from 2018, but Council offices contacted the Administration to confirm in writing everything was accurate and that confirmation was in the packet as well.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE REAPPOINTMENT OF JENNIE GIES TO THE CATA BOARD WITH A TERM TO EXPIRE 9/30/2025 BASED ON FACT THAT THE ADMINISTRATION HAS VERIFIED ALL VETTING. MOTION CARRIED 8-0.

RESOLUTION – Voter Approved Sale of City Property; Portion of North Cemetery

Council Member Hussain recapped the ballot language in August, 2022 and it passed, and it was then put up for sale and the sale price was \$8,500 and the funds will be used to make improvements.

Mr. Kaschinske was available for any questions.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR EH VOTER APPROVED SALE OF A PORTION OF THE NORTH CEMETERY. MOTION CARRIED 8-0.

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RESOLUTION – Issuance and Sale of voter approved Unlimited Tax Obligation Bonds for Public Safety Facilities

Ms. Kirkland noted an RFP went out the week of November 28, 2022 and due back December 19, 2022. The public safety millage will be on July tax bill on 2023 and funds will be kept separately to be accounted for. Council Member Spadafore asked if they would be borrowed in different series, and Ms. Kirkland confirmed.

MOTION BY COUNCIL MEMBER WOOD MADE A MOTION TO APPROVE THE RESOLUTION FOR ISSUANCE AND SALE OF VOTER APPROVED UNLIMITED TAX OBLIGATION BONDS FOR PUBLIC SAFETY FACILITIES.

The action and discussion will appear on the Council meeting on January 9, 2023.

MOTION CARRIED 8-0.

ORDINANCE – Amending Chapter 1300, Marihuana Operations; Section 1300.02, 1300.04, 1300.09 & 1300.11 and Add Section 1300.17

Council Member Hussain noted there was a public hearing on November 14, 2022 and there did not appear to be any issues at that hearing. He then outlined the changes to the Sections listed.

Council Member Spitzley asked if all the license have all been issued. Mr. Swope confirmed all licenses have been issued.

Council Member Daniels asked if there are people who have licenses they are not using, and Mr. Swope stated there are some that had time limits and they are discussing with them to open or step aside.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE ORDINANCE TO AMEND CHAPTER 1300 MARIHUANA OPERATIONS. MOTIONC CARRIED 7-1.

CLOSED SESSION

MOTION BY COUNCIL MEMBER WOOD AT 6:58 p.m. Pursuant to MCL 15.268(c) of the Open Meetings Act, the City Council will recess into closed session for strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement between the City of Lansing and the Capitol City Labor Program, Inc., Non-Supervisory Unit, and Lansing City Unit, Local 2256 of the United Auto Workers as requested by the City.

With Ms. Elizabeth O’Leary Labor Negotiator, LPD Assistant Chief Backus, HR Assistant Courtney Roberts, LPD Chief Sosebee, Budget Director Joe McClure and Mr. Mark Lawrence with the Mayor’ s office.

ROLL CALL VOTE, MOTION CARRIED 7-1.

RECONVENE

Council President Hussain reconvened the meeting at 7:14 p.m.

RESOLUTION – Ratification of the Tentative Agreement; CBA between the City of Lansing and the Union, Capitol City Labor Program, Inc., Non-Supervisory Unit for a period of 7/1/2022- 6/30/2026

Council Member Wood outlined the tentative agreement.

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MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR RATIFICATION OF THE TENTATIVE AGREEMENT AND CBA WITH CCLP 7/1/2022 – 6/30/2026. MOTION CARRIED 7-0.

RESOLUTION – Ratification of the Tentative Agreement; CBA between the City of Lansing and the Union, Local 2256 UAW.

Council Member Wood outlined the tentative agreement.

Council Member Spadafore returned to the meeting at 7:15 p.m.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR RATIFICATION OF THE TENTATIVE AGREEMENT AND CBA WITH UAW Local 2256. 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