



MINUTES
Committee of the Whole
Monday, January 23, 2023 @ 5:00 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Wood called the meeting to order at 5:00 p.m.

PRESENT

Council Member Carol Wood
Council Member Jeremy Garza
Councilmember Adam Hussain
Councilmember Peter Spadafore
Councilmember Patricia Spitzley - excused
Councilmember Brian T. Jackson
Councilmember Jeffrey Brown
Councilmember Ryan Kost

OTHERS PRESENT

Sherrie Boak, Council Office Manager
Jane DiSessa, Deputy Mayor
Jim Smiertka, City Attorney
Lisa Hagen-Lawrence, OCA
John Dewane, Ingham County Prosecutor
Desiree Kirkland, Finance Director
Shelbi Frayer, Chief Strategy Officer
Tyler Baker, Maner Costerisan
Bill Tucker, Maner Costerisan
Loretta Stanaway

Minutes

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM JANUARY 9, 2023, AS PRESENTED. MOTION CARRIED 7-0.

Public Comment

Ms. Stanaway acknowledged the new Ingham County Prosecutor.

Presentations

Ingham County Prosecutor – John Dewane

The Committee paused for the arrival of Mr. Dewane. At the time Mr. Dewane was not present and therefore the meeting moved onto the next agenda item.

Council Member Brown stepped away from the meeting at 5:03 p.m. and returned at 5:04 p.m.

Auditor Presentation – Maner Costerisan

Council Member Spadafore stepped away from the meeting at 5:05 p.m. and returned at 5:06 p.m.

Mr. Tucker and Mr. Baker began with the presentation in the packet, referenced the CAFR from June 30, 2022, the letter that addressed the estimates in the financial statements, and an internal control letter. The opinions include 9 including each major fund, components, unmodified or clean opinions. A clean opinion means everything is in compliance with accounting principles. Mr. Tucker referenced the statement of net position in the presentation and explained the process of all the funds for GASB.

Mr. Baker went through the rest of the presentation beginning on a copy of page 113, budget revenue and expenditures. Mr. Baker then highlighted 5-year trends. Subsequent to 6/30/2022 there were two draws on the revolving loan, and they pointed that out in the report. It was noted in the prior year there were 7 findings, and in this report and current year there are only 3 findings. The findings include material journal entries, revisions to trial balance and the City has made improvements in entries. This was a continuation of a finding. For the second finding, regarding payroll process, the City has procedures in place to make sure hours and rate are correct. Most of the data entry is mainly manual, and no inappropriate postings was noticed, but it is a systemic issue. The last is a compliance finding.

Council President Wood asked Ms. Kirkland, she referenced the budget amendment of 6/27/2022, the budget amendment does not match the 2022 CAFR report. Ms. Kirkland confirmed it was an oversight in the Finance department, and something like that will not be done in the future. Council President Wood asked how it reflects in the audit that was done, using the OCA budget being off and not spent. Ms. Kirkland confirmed and that created the audit finding, and there is policy being put in place to watch the numbers to make sure all the numbers that are approved. Council President Wood referenced the budget manual, which states budget amendments are done before any expenditures of the budget are done. Ms. Kirkland confirmed, and they are working on it. Council President Wood noted this is a violation of the Budget Act. Ms. Kirkland acknowledged the error again and assured the Council they are aware and will not happen in the future.

Council Member Jackson asked if the OPEB and Pension is funded, what is that impact on the short term and long-term numbers. Mr. Tucker stated when they look at those numbers, they look to get it to 60% for pension. There is grant funding coming out and the city can look at those in the future. Council Member Jackson asked if the city should be higher, and Mr. Tucker stated OPEB should be at 40% and Pension at 60%. Council Member Jackson noted that income and property taxes are over than the projection and asked why. Ms. Kirkland stated the higher could be reflected from collection. With property taxes, the City is conservative with the rate and that is why it appears the way it does.

Council Member Brown asked Ms. Kirkland about the earlier statement of incorrect numbers in the report and asked what the priority of the Finance department if it is not the budget. Ms. Kirkland stated checks and balances, good accounting system in place, general ledger system is accurate. Currently they are switching from one system to another with better reporting.

Council Member Brown asked the following question for Council Member Spitzley:

To the City Attorney is this: We have submitted a document to the State of Michigan that has an accounting error of approximately \$3.5 million. We have been told by the Finance Director that no amendment to the document is needed. Are there any legal ramifications to have an official document that we know is incorrect submitted to the State? Don't we have to certify that the document is accurate?

Mr. Smiertka stated the question should be directed to the Finance Director and asked if the statement was correct. Ms. Kirkland state the audit reports what was in the general ledger at the time, and the Finance department did not update it. The State only asked for a process going forward. Mr. Tucker stated that getting information from Finance is how to do their audit, and that information what they use. Mr. Smiertka stated if a document is in error, then if the State said there is no correction, the city needs that State document. Ms. Kirkland stated she will submit a priority to the State to reflect they are addressing the incorrect.

Council President Wood asked Ms. Kirkland if she was aware of the Internal Audit report on Human Resources on August 23, 2021, drafted November 5, 2021, and feed back from HR on December 10, 2021 and after review the final report was sent to Council December 15, 2021 with recommendations for corrective action plan. Ms. Kirkland confirmed she saw that report. Council President Wood asked if any of those recommendations were implemented. Ms. Kirkland stated she would follow up on that.

Council President Wood asked Ms. Kirkland about general expenditures in 2021 where the City had \$119 million in general fund, and in 2022 the City had \$146 million, asking what she attributed the additional \$27 million in expenditure to, what caused such a significant increase. Ms. Kirkland could not provide an answer at this time.

Council President Wood noted that the long term during the quarterly budget report Ms. Kirkland noted the City is adding to the fund balance, but it appears to be decreasing by \$6 million. (page 34 of the audit) Therefore how has the audit impacted the current year (2023) budget projections and will they take that \$6 million from the fund balance this year, and Ms. Kirkland stated they have not decided what to do.

Council President Wood asked if there is an expenditure plan for the \$7.6 million in fringe fund balance on page 162, and Ms. Kirkland was not able to provide an answer at this time.

Council President Wood asked if there was a plan for the \$5.6 million in unrestricted services in fleet and Ms. Kirkland stated she was not ready to respond to that yet.

Council President Wood asked why the library rental line on page 113 so far off and Mr. Tucket stated they use the budget and actual based on the chart of accounts provided. Based on departments, there is a line item within the number of library rental, and estimated due to requirements for state requirements, so it is grouped to the account number which is within that subgroup.

Council Member Wood asked if the City was on track for having the required uniform chart of accounts implemented by June 30, 2023, as required by the State of Michigan Treasury, as mentioned on page 61 in the presentation. Ms. Kirkland stated they are working towards that but that will also require a conversation with the State Treasury. It was noted by Council President Wood that this has been going on for years, and Ms. Kirkland confirmed however they are looking at a new system now and would like to look at options, so they don't have to do it now and then again when they start the new system.

Council President Wood asked what was happening with the ARPA interest, where is it shown in the documents and if the funds were invested, how much was invested and how is it being used. Ms. Kirkland stated it was not moved to the General Fund yet but can be moved anytime and made available to the City. At this time Ms. Kirkland could not provide the interest amount.

Council Member Jackson stepped away at 5:42 p.m.

Council President Wood asked what the plan is for the parking system; if they have a financial analysis of the frequent parking holidays and how they have impacted the fund. The impact of

the “free Fridays”, and what does the parking fund mean for future financial projections given the net position is currently negative. Will or is the General Fund supporting the parking fund. Ms. Kirkland stated she does not have a plan currently but will get back with Council.

Council Member Garza noted the three (3) findings in the audit and asked which department went over budget and what their corrective action is. Mr. Baker referred to page 129 in the report.

Council Member Brown asked Ms. Kirkland if the audit covers the compliance measures the City takes for Federal and State level when they receive grant funds for services. Ms. Kirkland stated that is covered under the single audit that is being performed right now, and not reflected in the audit in front of them. Mr. Brown stated the single audit is due March 31, 2021 to the Federal Clearing House.

Council Member Jackson returned to the meeting at 5:46 p.m.

Council President Wood concluded the discussion by requesting Ms. Kirkland attend the meeting on February 27, 2023, with answers to the questions, and the auditors do not need to attend.

Council Member Hussain stepped away from the meeting at 5:47 p.m.

Ingham County Prosecutor – John Dewane

Mr. Dewane introduced himself and apologized for being late

Council Member Hussain returned to the meeting at 5:48 p.m.

Mr. Dewane spoke on his experience background. This included his education, legal aid, private practice then in 2001 hired as assistant prosecuting attorney office working in multiple divisions. Mr. Dewane concluded by briefly speaking on his community involvement including teaching trial skills for 6 years and volunteer work.

Upon the request of Council Mr. Dewane spoke on his policy intentions, beginning on this first day in office. The focus was on reducing gun violence in the Lansing community and Ingham County. Several policies implemented included addressing habitual repeat offenders, considering prior conduct, charging individuals with felony firearms, charging convicted felons on firearms, and taking a hard stance on carrying illegal guns in a motor vehicle. Mr. Dewane acknowledge his belief that there needs to be responsible gun owners purchased legally, registered, licensed with criminal background checks. He voiced his concerns with carrying illegal guns that should not be carried and noted the policies he is implementing are not unique or unusual.

Council Member Jackson asked Mr. Dewane if he plans to take into account the people who are ignorant to the law, registered but not in a lock box, but away from occupants. And also, if someone has a felony fire arm, will they charge felony on CCW. Mr. Dewane stated they cannot charge a felony firearm for concealed. With regards to the first question, they will charge with discretion and take each case differently. If someone is doing the right thing but no concealed, they will take into consideration. He added he is concerned with multi round clips, stolen guns, no serial number, repeat offenders or on bond getting another gun. Council Member Jackson asked at what point the gun was obtained in an illegal search is a violation of the 4th amendment. Mr. Dewane stated if there is an illegal search, they will not charge for that, but they have the duty to see if a violation was present. His office will always use discretion and common sense.

Council Member Hussain asked what was currently in place under the former Prosecutor will remain in place, such as the obstruction policy, video cameras. Mr. Dewane stated that is still

in place and being reviewed to see if it needs to be amended. They will review body cam videos, but some agencies do not have body cameras. Council Member Hussain asked if they would keep the second chance policy allowing them to plead down. Mr. Dewane noted his office will take violent crime seriously,

Council Member Jackson stepped away from the meeting at 5:59 p.m.

Mr. Dewane acknowledged he will look at the second chance policy and they have specialty courts to work with, but again he will be very serious on violent crime.

Council Member Hussain asked for his plans for the policy on not to prosecute traffic stop searches and weapons. Mr. Dewane stated if the person gave consent for the proper search, it will be reviewed.

Council Member Jackson returned to the meeting at 6:00 p.m.

Council Member Garza asked what his policy will be on secondhand felonies when a search is done and they find illegal fire arms. Mr. Dewane noted there were different variables in that policy, and he will review with his deputy. He noted that it comes down to if consent for the search was given, but once again he stated he is strong in taking guns off streets.

Council President Wood asked about his stance on violent crimes and how his office will deal with the victims and victims' family during the process. Mr. Dewane acknowledged he does have staff that deal with victim rights and a victim coordination unit. By law they have the duty to discuss with the victims the status on the negotiation, they consult before a plea is made, and before homicides he will meet with the victims' family before the pre-trial. They discuss the pros and cons with them and listen to how they want to address it, taking it into consideration. Council President Wood asked his thoughts on interceding on early outs from prisons and parole. Mr. Dewane said he is allowed to provide parole review and opinion, but he might consider a reform in the future on that.

Other

Council Member Hussain asked Ms. DiSessa for an update from a request on 1/9/2023 where Council was informed there were 40 applicants not eligible for the Mayor's ARPA funding and his office was going to reach out to all of those that did not get funds and provide them feedback. Ms. DiSessa stated she did not have the exact number of people that they have spoken to so far, but Ms. Whitfield is working on that, adding for the public that if someone did not get funds and they have not heard from them to reach out to Ms. Whitfield and Ms. DiSessa offered to provide contact information to Council. Council Member Hussain then reminded Ms. DiSessa that Council also asked for the scores of the matrix and the applications. Council President Wood confirmed that that information was not provided yet either. She then added that in the past when she was President, she had all outstanding questions added to the next Committee agenda until answers were provided, and she will be implementing that process again in 2023 starting with the next agenda. Ms. DiSessa stated she would be providing the answers to their questions shortly. Council Member Hussain noted he has spoken to some applicants that did not get funds and they wanted to know why the matrix/rubric was not included as part of the application so they knew how they would be ranked. Ms. DiSessa acknowledged that the matrix was an afterthought, but that all questions in there were based on the application itself.

Council Member Brown asked if Ms. Whitfield was documenting the follow up questions. Ms. DiSessa explained that when Ms. Whitfield got the applications, she reviewed to make sure it was complete and all questions answered. She would then call applicants to inform them of missing items and then it was up to them to comply. Council Member Brown asked if there was an appeal process and Ms. DiSessa stated there is not an appeals process; they made recommendations for the best applications. Council Member Brown then asked if they have

compiled any of the responses, they have gotten from the applicants that did not get the funds. Ms. DiSessa stated that they have attempted to note when they hear concerns. Council Member Brown asked for the log since Council is only hearing back feedback and then asked if they could meet with the applicants that did not get the funds and provide them with information on other opportunities. Council Member Garza asked if all the funds have been allocated, and Ms. DiSessa stated they are meeting with the awardees now to make sure they comply with the contract then they will receive the funds. Council Member Garza asked if they do not comply with the contract will the mayor open up the application process again, and Ms. DiSessa stated she would have to ask the Mayor on how he wants to proceed. Council Member Brown asked if the contract is standard and Ms. DiSessa stated that there is a contract for capital items if they applied for that, and if they applied for services there would be other requirements so that contract would focus on that type.

Ms. DiSessa then responded to an email that Council Member Hussain had provided to her before the meeting on Public Services. She stated that Council Member Spitzley at the last meeting asked that someone go to Cooper Street per the public comment on 1/9/2023.

Council Member Jackson stepped away from the meeting at 6:23 p.m.

Ms. DiSessa confirmed Public Service did visit Cooper and at the time there were more leaves than gravel in the gutter pans, and the area will be swept in early spring.

Council Member Jackson returned to the meeting at 6:24 p.m.

Ms. DiSessa stated the department is changing all future contracts to address this type of work, but in the contract on record for this specific project there were no performance standards specific to this and therefore the company is fine. The contractor was made aware the city is not pleased and we are waiting on their response. Again, the department will work with OCA for future contract. Regarding the potholes on Sheldon, they have been filled, but it is not a long term fix for road. After looking into Lansing Connect for the area, there are no violations. Regarding the comment at the 1/9/2023 of the "bump" in the recent new asphalt on near Miller that is under review. Regarding the chip and seal, and gravel in the roads on Cooper, Council President Wood asked if that contractor would be allowed to bid again in the future on City projects, and Ms. DiSessa stated she would have to speak to the Public Service Director and OCA to see what is allowed, noting again that the issue that keeps getting mentioned was not a standard in contract for that project, so they had no violation. Council Member Garza asked about Route 19, which is an area in the city that Public Service has labeled Route 19, has a large amounts of stones. Ms. DiSessa stated she would speak to the Public Service Director on the sweeping schedule again and why spring. Council Member Garza asked if the contract was local or even from the State of Michigan and Ms. DiSessa stated she did not know that but would get that information.

Discussion/Action

No topics.

Adjourn

The meeting adjourned at 6:31 p.m.

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

Approved by the Committee February 13, 2023