MINUTES
Committee of the Whole
Monday, May 1, 2023 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council President Wood called the meeting to order at 5:30 p.m.

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

OTHERS PRESENT
Sherrie Boak, Council Office Manager
Jim Smiertka, OCA
Lisa Hagen-Lawrence, OCA
Emily Linden, Internal Auditor
Jane DiSessa, Deputy Mayor
Chief Sosebee, LPD
Cheryl Rupprecht, LPD Budget Director
Cathleen Edgerly, DLI
Sharon Frischman, Assessing
Scott Keith, LEPFA
Tristan Wright, LEPFA
Karl Dorshimer, LEDC
Kris Klein, LEDC
Kim Coleman, HRCS
Joseph MacDonald, HRCS
Toni Young, HRCS
Kim Dunbar, HRCS
Willard Walker, HRCS
Jackson Mills, Budget
Desiree Kirkland, Finance Director
Michael Lynn
Nicholas Zande
Erika Lynn

Minutes

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE MINUTES FROM THE APRIL 24, 2023 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment

Mr. Lynn asked Council to ask the following questions to the City Attorney:
How are outside attorneys funded, if the answer is "pulled from other departments" where is the data on that, where does the funds come from for settlements and what is the total thus far, and if that is "pulled from other departments" where is that data, how are judgements paid, if paid by insurance and the deductible is large does it make it harder for the City to be insured, and where are those funds coming from and the data for that. Lastly, he asked why there was no mention of his verdict in the attorney budget information.

Mr. Zande asked about LPD spending and spoke in opposition to the amount spent in the LPD budget.

Ms. Lynn asked the Council ask what funds the City are using when cases go to court, and is there any thought process to risk first reward. She also asked where the funds are being pulled from. Then she asked about the implications of the budget and provided questions for departments such as what their rationale is, how does it align with strategic goals and objectives, ask them for any major risks associated with the proposed budgets, how will the department measure and impacts, and how will the department ensure transparency in the budget and the actuals.

Presentations

Department Budget Presentations

Council President Wood referenced the seven (7) question document in the folder and asked each department to address those and any separate reports should be submitted to Council but not for discussion tonight.

Lansing Police Department

What is the difference with your budget from current fiscal year to the proposed budget?
Chief Sosebee explained that the FY 23 budget was $54 million which is a 5.4% increase.

Are there any changes in services that your department is responsible for and if so why?
Chief Sosebee confirmed there are no new changes in services.

Are there any rate or fee increases and if so why?
Chief Sosebee confirmed there are no changes at this time.

Are there any major equipment purchases proposed in your budget?
Chief Sosebee confirmed there are not proposed changes at this time.

Are there any eliminating, combining or contracting of positions in your budget, and if so provide specifics.
Chief Sosebee confirmed they do not have changes.

Did your department receive any ARPA funding in the current fiscal year, and if so how was it spent.
Chief Sosebee confirmed they received funds and it was spend for record digitization process, technology for training laptops, public safety barriers, and a new record management system.

Does your proposed budget include a carry forward of ARPA funds and if not how will your department programs change because of not having those ARPA funds.

Chief Sosebee confirmed, yes they will carry forward for the digitization which will need funds due to a timeline to complete the project rolling into the next fiscal year.

Ms. Linden asked if the LPD has any plans for where the OPIOD settlement funds will be used. Chief stated they hope to use for the social workers.

Ms. Linden noted a decrease in the Tri- County Metro fund. Ms. Rupprecht confirmed she spoke to the finance department and confirmed that as well and she also wants to know the financial obligations. Ms. Linden stated she could follow up with LPD and Finance. Council President Wood asked Ms. Kirkland if she could provide information on that question, and Ms. Kirkland stated she could not speak to that at this time.

Council Member Jackson asked about the drug forfeiture revenues and how they are collected and enforced, noting that in the Tri County Metro and in Federal Drug Enf. Rev. fund, the actuals in previous years were lower and they are proposing higher. Chief Sosebee stated it is a projected number, and regarding more enforcement to reach the number, that is not true. Council Member Jackson referred to page 72, which had the difference in FY22 actual, FY 23 adopted and FY 24 proposed. Mr. Rupprecht stated the proposal reflects expenditures not the income. She added, that this is another case where she had questions with Finance that they were no able to verify. Regarding Tri County Metro specifically, they agreed to cover the amount and that is why they asked for that amount. In previous years, those revenues only generated $8,000. Council Member Jackson voiced his concern there will be more enforcement required to meet the projected amount and asked the Chief how he is addressing that.

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

Chief Sosebee assured the Council that his stance is that there is an appeal process for every forfeiture per prosecutor's office. If the seizure is not appropriate the funds will be returned. Council Member Jackson noted that he believed the appeal process is very burdensome and encouraged LPD to provide more education on the appeal process.

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

Chief Sosebee reiterated that the appeal process is handled by the County and not the City procedure, but they also do provide information at the time of seizure on who, what, where, and how.

Council Member Garza asked for confirmation that the OPIOD funds will be used for the social workers, and the Chief confirmed.

Council Member Spitzley asked for an update on hiring of the CPO and an update on the Code Case Unit. Chief Sosebee confirmed that hiring in CPO is a priority, and comes down to being able to staff. He is currently holding up some assignments and promotions with a priority to fill the CPO. They want to make sure there are road officers before special assignments for CPO. For the Cold Case Unit he thoroughly understands the restraints, have not asked for more funds, but are attempting to get funds via grants. Council Member Spitzley encouraged them to have CPO filled with summer coming up so they can have interaction with the public.

Council Member Kost asked how many CPO officers there are and Chief Sosebee confirmed 8 of the 12 positions are filled. Council Member Kost then asked if there was a shortage of road officers because he had a concern with speeding in the corridors. Chief Sosebee stated they have 187 sworn officers, 25 less than funded. Patrol is priority and that is why holding off on special assignments and promotions, they do not want to take away patrol function. Council Member Kost asked if they have federal funds for traffic and speed checking. Ms. Rupprecht confirmed they do not but they did receive extended efforts through OSP grant, and they have 6 overtime effort that grants support.

Council Member Jackson how the vacancies effect the budget, and what action would prevent they from converting positions. Chief Sosebee stated they take seriously what they believe they need to staff a city this size. They are funded for 212, and have 187, and agreed he does not believe we are where we need to be to adequately police the city. Opinion on allocation of resources for social worker, and have funded from 1 to 2, and there is a 3rd coming in. Ms. Rupprecht stated they submitted 32 vacancies in budget, with recent recruit efforts they are hoping to put 30 candidates into the academy. It was noted that they believe there is no reallocation from one position to another because it does not solve staffing issues, does not speak to the cost of overtime, because until filling all positions does not eliminate overtime. Chief Sosebee added that overtime covers sickness and mental health. They have been filling positions as they can, and if they had enough qualified and an enough interest, there are only so many things to move out of law enforcement and still keep the trust.

Council President Wood asked how many officers are slated for retirement or potential. Chief Sosebee confirmed 10. Council President Wood then asked if the LPD has considered the $5,000 signing bonus option the LFD is doing. Chief Sosebee stated by working with HR they are not doing the signing bonus but have developed a system to increase the starting pay at a higher rate to draw from other departments, and can offer them a step increase above what a normal recruit would get. Council President Wood asked if they were front loading and the Chief confirmed they are still utilizing and a goal of theirs. Council President Wood asked if they notice any trends where officers coming in, going through basics, then being enticed to other municipalities. Chief Sosebee confirmed they do not face that, but when put people in academy they do not see a trend with people going somewhere else. If they do leave, it is not that there is something wrong, but it could be a family move, distance from the home, etc. Council President Wood asked if there are any comments made during retirement exit interviews that he finds interesting in retention and the Chief confirmed they are usually not negative, but provide the department with what they can do better. Council President Wood asked for the time factor when an officer is a recruit, through the academy before they are on their own, vs. coming in already trained from another municipality. Chief Sosebee explained there is 4 months in the academy, and then a field training program, which can take a year before they are solo. If someone comes in from Ingham county area it is faster, 3-4 months, but if other areas it could take longer.

<u>**Downtown Lansing, LLC**</u>

<u>What is the difference with your budget from current fiscal year to the proposed budget?</u>
Ms. Edgerly said over the last years it has been 600-700, 000, but over last year there were one tiem subsidy. The proposed is over 4.4 million, but anticipate over next two years, back to more traditional.

<u>Are there any changes in services that your department is responsible for and if so why?</u>
Ms. Edgerly explained between the current year and the proposed, there are no changes, however they did have changes in the current year due to State funding.

<u>Are there any rate or fee increases and if so why?</u>
Ms. Edgerly confirmed no changes.

Are there any major equipment purchases proposed in your budget?
Ms. Edgerly confirmed no changes.

Are there any eliminating, combining or contracting of positions in your budget, and if so provide specifics.
Ms. Edgerly confirmed no changes.

Did your department receive any ARPA funding in the current fiscal year, and if so how was it spent.
Ms. Edgerly acknowledged they did get an ARPA allocation, and it was allocated to Old Town and the balance was used for small business report grants.

Does your proposed budget include a carry forward of ARPA funds and if not how will your department programs change because of not having those ARPA funds
Ms. Edgerly stated there may be some carry forward, but looking at sustainability meeting with administration and assessor, so at this time they have not made any changes. They also intend to pursue state funding as possibility to ensure the liability.

Ms. Linden asked for an over view on the $4.2 million in grant money went to; specific one time vs. sustainable. Ms. Edgerly explained that the state funding was specific line items on economic develop under COVID. This included small business grants, space improvements, supplies, marketing, and increase capacity to cover the programs.

Council Member Spitzley asked for an updated on the housing study that was done for the needs of downtown. Ms. Edgerly confirmed they are in the final stages of that market analysis, which should be completed by the end of this FY. Regarding the vacancy rate, the first floor went up to 40% occupancy, and over the last year, as of April it is 20% over the last year. The 2nd floor and above continues to be volatile. They are around 30% but are aware of leases coming up that will not be renewed.

Council Member Jackson referenced page 81 of the budget and asked if they have any efforts planned to address the lower income households. Ms. Edgerly stated they are known as an event agency, and they are looking to turn it into a 24/7 support area. In the grants there are points in scoring to reach to the medium income.

Council Member Kost if they have put in place a plan for downtown with the State properties probably never coming back into the office. Ms. Edgerly said they look at those who want to be here and build a downtown around those. They look to bring in different businesses with different hours of operation and have a market analysis currently working on that will provide data to support that. Council Member Kost asked about the grant for $4.2 million from MEDC, asked why this year they have $85,000 from the general fund when they have funds. Ms. Edgerly explained it is a standard operating transfer with the City and the Principal Shopping District. The State funding has to go to certain groups, the operating fund goes towards snow removal, salting, plantings and daily operating. Council Member Kost asked why the promotions account went up $24,000. Ms. Edgerly explained they have promoting programs for small business grants, information on real estate options, activities, website, marketing events and the increase of costs for their outdoor spaces. Council Member Kost asked if any business has extended their hours. Ms. Edgerly admitted the perception is that everything closes at 5 pm, so they are seeing businesses choosing new hours and other days. Change is slow but seeing definite positive.

Council President Wood noted the earlier statement of no staffing changed, but page 78 of the budget it says salaries went from $195,000 to $411,000. Ms. Edgerly was not sure but explained that $394,000 was administration but they are not eliminating or contracting, but will add a part time office manager and part of that is covered by a grant.
Ms. Linden was asked to follow up on the discrepancies.

Assessing

What is the difference with your budget from current fiscal year to the proposed budget?
Ms. Frischman confirmed the budget is up less than 1%.

Are there any changes in services that your department is responsible for and if so, why?
Ms. Frischman stated there are no changes.

Are there any rate or fee increases and if so why?
Ms. Frischman stated there are no changes.

Are there any major equipment purchases proposed in your budget?
Ms. Frischman stated there are no changes.

Are there any eliminating, combining or contracting of positions in your budget, and if so provide specifics.
Ms. Frischman stated there are no changes.

Did your department receive any ARPA funding in the current fiscal year, and if so how was it spent.
Ms. Frischman confirmed they did not receive any ARPA funds.

Does your proposed budget include a carry forward of ARPA funds and if not how will your department programs change because of not having those ARPA funds.
Ms. Frischman reiterated since they did not get ARPA funds there are no funds to carry forward.

Ms. Linden had no questions at this time.

Council Member Spitzley referenced page 88 of 169 of the budget which reflected a 70% change from adopted budget. Ms. Linden explained that finance provided updated budget pages and those reflect the comparison based on the "projected".

Council Member Spadafore asked if it reflects vacancies, and Ms. Frischman confirmed she has vacancies and the proposed does assume the vacancies and filled positions.

Council President Wood asked about property assessments with homestead and non-homestead verification. Ms. Frischman confirmed they do have an evaluation process working with other communities scrutinizing to make sure they are not claiming anywhere else. They do quite a few denials, and the State also audits those exemptions as well. The State will be doing quite a few audits this year. Council Member Wood asked for Ms. Frischman opinion on the BS&A program. Ms. Frischman spoke in support of the program that allows her office to download building permits from that program to their program, along with a seamless connection with the tax program. Council President Wood asked if there was more than one person in her department that was familiar with BS&A. Ms. Frischman confirmed everyone is to some degree. Council President Wood asked about the non-profit examinations. Ms.

Frischman acknowledged that some fell off during COVID, but it is assessing's responsibility to audit existing exemptions to make sure they are occupying for the purpose they are approved for.

Council President Wood asked where things stand with the tax tribunal, and Ms. Frischman informed Council that there are few appeals, no large ones and a total of 5 unresolved.

LEPFA

What is the difference with your budget from current fiscal year to the proposed budget?
Mr. Keith provided a brief overview of the three areas in LEPFA; Jackson Field Stadium, Groesbeck Golf Course and the Lansing Center. Groesbeck leveled off from their high year of 2021, with the operating flat from the previous year, but they are expecting increases in expenses due to fuel, labor and material, but they intend to offset with areas of golf-use events. The stadium has returned to pre pandemic use, and they continue to work on non-baseball options. The stadium is operating flat and they continue to work with the City and the new MLB standards by FY 2025. The Lansing Center had a jump in events in 2023, and they are meeting and exceeding expectations and maintaining the facility. There continues to be a struggle across all areas with recruiting staffing levels, they need upgrades to be more attractive. Overall the Lansing Center budget is down 5%, and LEFPA overall decreased 3.3%.

Are there any changes in services that your department is responsible for and if so, why?
Mr. Keith stated there are no service changes.

Are there any rate or fee increases and if so why?
Mr. Keith clarified they do operate differently from the City, and did make changes to fees based on the market demand and industry standards, and food prices change regularly.

Are there any major equipment purchases proposed in your budget?
Mr. Keith stated they are changes with the sky bridge and river trail improvements. They did get a grant to make improvements for the balcony to the Lansing Center and they have done some HVAC repairs at Jackson Field.

Are there any eliminating, combining or contracting of positions in your budget, and if so provide specifics.
Mr. Keith admitted they continue to review staff needs based on structure. They are currently contracting the finance positions and the finance director needs to hire.

Did your department receive any ARPA funding in the current fiscal year, and if so how was it spent.
Mr. Keith confirmed they did receive ARPA funds that were used for lost reserves and account for the improvements they are working on. This included the domestic water line replacement that was 33 years old, HVAC repairs, and the change out of the steam line with LBWL.

Does your proposed budget include a carry forward of ARPA funds and if not how will your department programs change because of not having those ARPA funds.
Mr. Keith confirmed they will carry forward funds for further improvements.

Ms. Wright and the new Finance Director were introduced.

Ms. Linden noted that the subsidy went down, but that does not include the golf subsidy, and asked for clarification. Mr. Keith acknowledged that the golf stayed same, the went stadium up $5,000 and the Lansing Center went down. Ms. Linden noted that it was an $100,000 overall change but that did not include subsidy number. She then asked if LEPFA was doing anything to reduce the City subsidy dependency. Mr. Keith explained that the MLB/Lugnuts has a lease with the City and based on that lease, so they would have to negotiate the lease different to make the city operation cost. The utilities is a 50/50 split. Ms. Linden asked if they have considered increasing revenues to lower the City subsidy. Mr. Keith responded that they always look at options to drive revenue. Ms. Linden asked about the large jump from page 101 under "Other" where it went from $6,000 to $60,000. Mr. Keith could not provide an explanation at this time, but could provide details on what that amount entails. Ms. Linden then pointed Mr. Keith to the marketing increase by 215%. Mr. Keith stated there are two (2) projects in there; one was branding that was started pre-COVID and the other is to update the 14 year old Lansing Center website. Ms. Linden asked for clarification on why Jackson Field is considered a "special" instead of a debt service.

Council Member Kost asked about the carry forward funds for Groesbeck. Mr. Keith stated they were at $96,000 last year and still at $96,000, and the funds are used for carts and maintenance, and as part of the master plan they are working with the parks director to look at course improvements. They know they cannot close the gap, but changes they could consider would be for food and beverage, and improve the revenue. Council Member Kost asked if they have plans to reduce the subsidy for LEPFA. Mr. Keith explained that there is a hotel tax that the City does not get for the Lansing Center and have been asking for it for 6-7 years, which does go to other facilities similar to this.

Council President Wood asked about the Intergovernmental $300,000 from 2022 and asked what that was. Mr. Keith stated it was a grant from MEDC and spread out over only 2 years. Council President Wood asked about the building rental increase, and Mr. Keith confirmed the usage is up 20-30%, and rental figures up effective July 1. Council President Wood asked how much the Groesbeck master plan was going to cost, and if they have spoken to the County Drain Commissioner since that is part of Groesbeck also. Mr. Keith stated their first meeting on the master plan was on the cart barn, irrigation, and addressing the hydraulics that were dated 1977. They are not far enough into the process to find cost and priorities. He did confirm they have regular conversations with Julie Pingston with Ingham County and the county commissioners. Council President Wood asked them to work with the County the same way the City did for the Potter Park Zoo.

<u>LEDC</u>

<u>What is the difference with your budget from current fiscal year to the proposed budget?</u>
Mr. Dorshimer confirmed there was very little, if any, functional changes and their annual contract with the City is $300,000 annual funding for façade and $175,000 which is pass through funds.

<u>Are there any changes in services that your department is responsible for and if so why?</u>
Mr. Dorshimer stated their services have changed because they currently provide base level economic service, and because of ARPA funds they can ramp up services. They have broken them down into four: LEED Program at $2 million, façade improvements at $175,000 for targeted façade; corridor improvements (4) each at $100,000 and $100,000 for the EDC transition costs.

<u>Are there any rate or fee increases and if so why?</u>

Mr. Dorshimer stated they will have no fee increases.

Are there any major equipment purchases proposed in your budget?
Mr. Dorshimer explained their equipment purchases are due to moving into a long term location and the budget anticipates a one time use of $60,000-70,000 for furniture and office equipment.

Are there any eliminating, combining or contracting of positions in your budget, and if so provide specifics.
Mr. Dorshimer briefly stated they anticipated 6-7 employees and currently have 5, and will add one more, and then a temp who will be a fellow.

Did your department receive any ARPA funding in the current fiscal year, and if so how was it spent.
Mr. Dorshimer confirmed they had $2.675 million in ARPA that was allocated in the current FY 2023 and will continue through a multi-year program through 12/31/2025.

Does your proposed budget include a carry forward of ARPA funds and if not how will your department programs change because of not having those ARPA funds.
Mr. Dorshimer reiterated it will carry forward over the 2 year period and will be used mostly for programming and grants and not hiring staff, so anticipate funds will be used then the budget will go back.

Ms. Linden asked how long they plan on collecting tax from the plans. Mr. Klein stated they are 15 year plans, both 2019 plans. Currently programming those out in development and finance plans. Through the process it could take a couple years to build up revenue. Ms. Linden noted the large increase in operational, and asked if it is one time, which Mr. Dorshimer confirmed it was, and due to the transition. Ms. Linden asked how they finalize the Brownfield/TIFA captures. Mr. Klein responded that it is currently a projected amount and they will not know until taxes are paid and the final values come in.

Council Member Spitzley asked what grants fall under the $2.6 million in ARPA.

Council Member Jackson stepped away from the meeting at 7:01 p.m.

Mr. Klein stated it is the One and All Program that they partner with LEAP based on businesses. Council Member Spitzley asked if the grants were for business attraction. Mr. Dorshimer stated the LEED program, which the MRJEA has a process for large participation, and within that is a sub group of economic development and employment, and in that there were objectives and issues. They put forth an initiative and provide technical assistance to those who want to start their own businesses.

Council Member Jackson returned to the meeting at 7:03 p.m.

The One and All Program is a region wide program and helps the under represented population start their own business. After they graduate from the program they get $2,500 and then can apply for an additional grant of $2,500. Council Member Spitzley asked for metrics on how these programs are being done, and how to get the message out to the community and target population they are seeking.

Council Member Kost asked why the Michigan Avenue Corridor Authority was meeting in REO Town, and Mr. Klein stated they are not, they are meeting in the Marshall Street Armory. Council Member Kost reflected on the $365,752 end fund balance for the Michigan Avenue Corridor Authority and asked why those funds cannot be used for the deterioration in that corridor area. Mr. Klein state they have initiatives, developing a financial plan and programming out based on that plan. The 2000 block of Michigan Avenue does have a façade plan. Council Member Kost voiced his frustration on the plan, stating he did not think the 2000 block needed façade funds, and he wanted to see expenditures to stop deterioration of Michigan Avenue. He urged the corridor authority to invest in beautification. Mr. Dorshimer stated they can do $100,000 from ARPA and regarding the new development along the Michigan Avenue corridor is bringing in revenue they just need to determine how to use it.

Council Member Garza asked if there were any incentives pertaining to south Lansing. Mr. Dorshimer assured Council Member Garza there are devoting efforts to south Lansing and have three (3) large projects underway; Pleasant Grove/Holmes, a brownfield development fund of a $1 million loan; Logan Square conversations with a consultant to develop a plan along with LEDC and another project on Waverly Road. All programs in LEDC are available in Lansing. Council Member Garza asked about the Opportunity Zone, and Mr. Dorshimer explained that the opportunity zone is just one tool in their tool box, but it works best in areas where already rising property values

Council President Wood asked if there is information on Brownfields and the reimbursement for the work already done.

Council Member Garza stepped away from the meeting at 7:16 p.m.

She also asked for details on the number of jobs that were created. Mr. Dorshimer admitted they have struggled over the years on a reporting system to reflect the progression of the jobs, but they are clear in agreement on what to do and when, and the responsibility is on the developer to meet the reporting requirements or the brownfield can be revoked.

Council Member Garza returned to the meeting at 7:18 p.m.

They are looking at doing retention calls, but agreed again they can do better job to follow up on reporting and agreed there is room for improvement. Council President Wood asked for details on the City income taxes being paid. Mr. Dorshimer stated it is not their responsibility but they are working with the Treasurer. The treasurer could look to see how many taxes are coming from that employer.

Council Member Spadafore stepped away from the meeting at 7:23 p.m.

City Attorney

What is the difference with your budget from current fiscal year to the proposed budget?
Mr. Smiertka first stated there are two assistant attorney vacancies and subject to CBA. He wants to add another deputy attorney for economic development.

Council Member Spadafore returned to the meeting at 7:24 p.m.

He continued explaining that it is desirable to create a new position, and since the union will not let them reclassify, they are adding a new position.

Are there any changes in services that your department is responsible for and if so, why?
Mr. Smiertka explained they plan to not changing services, but delegating one attorney for the litigation front.

Are there any rate or fee increases and if so why?
Mr. Smiertka confirmed there are no changes.

Are there any major equipment purchases proposed in your budget?
Mr. Smiertka confirmed there are not planned purchases.

Are there any eliminating, combining or contracting of positions in your budget, and if so provide specifics.
Mr. Smiertka stated when they fill the police legal advisor, that person will get full FOIA responsibility.

Did your department receive any ARPA funding in the current fiscal year, and if so how was it spent.
Mr. Smiertka confirmed they did not receive any ARPA funds.

Does your proposed budget include a carry forward of ARPA funds and if not how will your department programs change because of not having those ARPA funds.
Mr. Smiertka confirmed that since they did not get funds their budget is no impacted by this.

Mr. Smiertka went onto respond to earlier questions by the public. The City is a member of the MMRMA (Michigan Municipal Risk Management) and their insurance is $2 million with a $1 million deductible. Every case into the City is worked on with the City and the MMRMA. When the City is sued, under conflict rules have to provide defense to officers, due to their CBA and outside counsel represents. Again he stated everything is done with MMRMA and they offer consultant services for investigations. This is all by statute.

Ms. Linden had no questions at this time.

Council Member Spitzley asked where the $1 million deductible is funded from, and Mr. Smiertka responded that in 2003 Council adopted a resolution that allows the City to settle cases within the deductible amount and then report to the Committee on Ways and Means. The funds are spread out in judgements, legal fees among all departments.

Council Member Kost asked how much the City is spending on outside counsel, and Mr. Smiertka could not provide that at this time, but stated he would get that information to Council. Council President Wood recapped that in the past the OCA spent large amounts on outside counsel and used a third party to administer those invoices. She asked for the OCA to provide a comparison on what previously was spent and the current. Mr. Smiertka assured the Council that they are reducing litigation and he has assigned Ms. O'Boyle as the lead litigator.

Council President Wood noted that with the previous attorney, the third party would pay all invoices without being reviewed by the OCA. She asked if they are still following that practice and Mr. Smiertka assured Council that he reviews every bill and signs off every bill working with the attorney that did the litigation. Council President Wood asked for clarification on the funds referenced earlier that was spread out over the departments, and Mr. Smiertka confirmed it is the MMRMA and it is listed in all departments under Insurance and Bonds. The MMRMA does have a return on equity from that authority.

Council Member Jackson asked the practices they follow to determine if they should settle or pursue. Mr. Smiertka explained the appeal process, risk, mediation or motions to dismiss that all come into play to determine if they should settle. The MMRMA does not tell the City what to do, they are simply consultants, and there are not settlements without the OCA approval. Council Member Jackson asked for options to be provided to Council and Mr. Smiertka stated he would meet with Council Member Jackson anytime to entertain any discussion he wants to have on those options.

Council President Wood asked if there was the potential to raise the cost for what the City pays based on the number of lawsuits. Mr. Smiertka stated it should be a part of the assessment by the MMRMA on claims with return on equity. If councilwants themt o go tou to bid, but have not discussed that yet.

Meeting recessed at 7:37 p.m. and called back to order 7:44 p.m.

Human Relations and Community Services (HRCS)

What is the difference with your budget from current fiscal year to the proposed budget?
Ms. Coleman Toni Young, Kim Dunbar, Joseph MacDonald introductions.
No difference, personnel increase of wages and fixed benefits.

Are there any changes in services that your department is responsible for and if so, why?
Ms. Coleman stated there are no changes.

Are there any rate or fee increases and if so why?
Ms. Coleman stated there are no changes.

Are there any major equipment purchases proposed in your budget?
Ms. Coleman stated there are no changes.

Are there any eliminating, combining or contracting of positions in your budget, and if so provide specifics.
Ms. Coleman stated they have no new positions.

Did your department receive any ARPA funding in the current fiscal year, and if so how was it spent.
Ms. Coleman confirmed they did get $400,000 for the Lansing School District graduation program which is a 2 year program under way.

Does your proposed budget include a carry forward of ARPA funds and if not how will your department programs change because of not having those ARPA funds.
Ms. Coleman confirmed that any unspent funds from the earlier stated ARPA funds will carry forward and have no impact on a budget after that.

Ms. Linden asked for details on the basic human services line item and racial justice and equity line item, needing information on what generates those.

Ms. DiSessa returned to the meeting at 7:48 p.m.

Ms. Coleman explained the item differences in community services.

Council Member Garza pointed to the 13.5% increase in personnel. Ms. Coleman stated those are wages and benefits as a result of the CBA and other costs calculated and provided to them by the Finance department. Council Member Garza asked for confirmation there are not staffing increases just pay raises, and Ms. Coleman confirmed.

Council Member Spitzley referred to page 152, and the operating 56.4% increase. It was confirmed this is similar to other departments where the difference was between actual, adopted and proposed budget. Council Member Spitzley asked for an explanation why the Police Commissioner Investigator is housed in HRCS and who does he report to. Ms. Coleman stated he reports to the Commission on complaints but is housed in her office for administrative purposes. Ms. Coleman was not able to provide the number of complaints. Council Member Spitzley asked if they audit all the programs regularly. Ms. Young explained they do a spot audit, but the agencies are also required to report quarterly to the contract managers, and they review reports and look at the program. Council Member Spitzley asked if they communicate via email or phone call. Ms. Coleman stated if they share and unsatisfactory quarterly report there is a corrective action. Ms. Young added that annually, before they issue contracts, they review all government documents such as financial statements and their financial audits. Council Member Spitzley asked when the City was on getting people from 2220 Holmes out of hotels into housing. Ms. Coleman explained they do do not do the housing placement, but with red tags, and housing under distress, they can provide assistance, but no role in placing into homes. When they are in the hotels they work with Advent House on housing. Regarding the Holmes property, the owners (SIMTOB) agreed to take on hoteling, and they will transition. They will not transition them into a pink or red tagged property. Regarding Holmes specifically, Mr. Smiertka added that they have obtained a temporary restraining order, and extended by stipulation and in place. SIMTOB has to pay for hoteling of all the people once code compliance approval on the units, they can move back in. Council Member Spitzley asked if they will reimburse the City and Mr. Smiertka stated they have not had that discussion, but are working on settlement documents on all their properties.

Council Member Jackson asked where in the budget is the shelter costs, and if there is a guarantee for spots in the shelters. Ms. Coleman stated that prior to now the funds were to supplement a shelter agencies because they are at capacity. To make sure everyone has a safer place, have put them in a hotel until can get into shelter, so it is case by case. Council Member Jackson asked what they are doing with the dollars going toward capacity and how to build the capacity instead of overflow. Ms. Coleman stated they have a budget line item of $103,000 called “warming center” which will help. Council Member Jackson asked for updates on creating funding because he would like to propose a budget amendment to assist.

Council Member Kost referred to the HRCS General Grant spreadsheet in the packet, noting groups such as CADL receiving the grants funds, when residents already pay for CADL in their property taxes. He asked how the groups are selected. Ms. Young stated it happens in an application process which is publicized for all to apply. Ms. Young went on to explain the process of forums, programs, applications, reporting, review by the HRCS Advisory Board with their recommendations going to the HRCS Director who then vets them to the Mayor, and then the HRCS Advisory Board sees the final awardees. The HRCS Advisory Board does review them per the ordinance. This year there were 87 applications and 76 were selected. Council Member Kost asked if the applications and accounting are public. Ms. Young confirmed it is provided by the applicant but not posted on the City website. The application and their budget is posted. Council Member Kost spoke on his frustration with what work he believes the HRCS department does. Ms. Coleman assured the Council they do more than phone calls, they follow up on all applications, do “hand holding” through all processes, coordinate housing, assist with paying utilities, provided needed furnishings, and connect the groups to the people who need assistance. Council Member Kost reiterated his thoughts that $1.3 million active personnel that can be farmed out. Ms. Coleman invited Council Member Kost to the HRCS office to witness all the task they take on.

Council Member Garza asked why there was a 13.5% increased for staffing. Ms. Coleman stated they are hiring, but not new positions just filling the vacancies. The line item speaks to FTE and contracted employees. Ms. Dunbar added that the increases reflect the employees CBA increases and those numbers were provided by Finance so they cannot speak to it. Council Member Garza noted on the spreadsheet there were two grants issued to Holy Cross. Ms. Young stated one is their hoteling program, and most of their funds come from MSHDA, and then the City provides small amounts to supplement the program. The other one is the Holy Cross Shelter/emergency shelter and they get funds from an number of sources.

Council Member Garza asked when HRCS would be getting more involvement from Ingham Country. Ms. Coleman admitted they have not approached the county. Over the last few years, HRCS was selected by MSHDA to be fiduciary for Ingham county for COVID assistance programs. With project given out $63 million over Ingham county to help keep people in their homes. They do a lot of programming to work with the State collaboratively.

Council Member Brown asked if they are working with the county because the residents are Ingham County residents as well. Ms. Dunbar stated that funds have migrated now into housing stability services; fund case management and administering, since the actual funding which included the rental portion, has run out. They are currently waiting on the State to outline new initiatives. Council Member Brown asked if they received funds to supplement the operation of HRCS. Ms. Dunbar explained again that they receive funds from the State to fund Ingham, but there is no funding from Ingham county itself. Council Member Brown noted that Healing Hands is under investigation and lost their license, however HRCS has once again awarded them $25,000. Ms. Young stated they review all documents before awarding money to ensure no issues but will look into this because it is the first they are hearing of it. Council Member Brown asked about good customer services with the agencies and if they provide a report on their goals. Ms. Young stated they have quarterly reporting and that can be provided to Council. Council Member Brown asked about auditing their services, and Ms. Coleman stated their approach is similar to HUD and the federal program. Regarding their customer services practices and audits, they do complete a survey at the end of the grant cycle, and HRCS has not gotten any complaints. Council Member Brown stated he has heard complaints and Ms. Coleman asked them to be referred directly to her. Council Member Brown asked for a matrix on the grant scoring tool, direct services and reporting. He then asked how many staff were in HRCS. Ms. Coleman explained there are 10 with 2 contractors, along with Willard Walker that reports to the Police Commission. Council Member Brown asked about the racial equity portion, and Ms. Coleman stated that is funded as a portion of the GF for HRCS to gather insight from the community, which is a separate project. Council Member Brown asked about grant options and was told the funds were approved for $1.35 with $135,000 for racial equity to fund local projects. There is one agency that does the gathering, focus groups currently Ward 1 and 4 and upon completion they will come with recommendations that will need funds to carry out. They will then move to Ward 2 and 3, look at recommendations for a RFP.

The department was asked to get a breakdown of employees based on what finance provided to them, and Ms. Linden was asked to work with OCA on if grant contracts, once initiated are FOIAable.

Mr. MacDonald provided statistics on his role in HRCS and examples of what he has done recently. This included 63% of his job working with the poor or poverty and 53% working with burdened residents. Every call is a call in crisis and every day people contact them because they are in distress. Council Member Brown asked what percentage of the 63% poverty are also Ingham County residents. Mr. MacDonald stated they are all Lansing residents, but Council Member Brown asked again for Ingham county and the need for their assistance in these programs as well. Council Member Brown asked how many people he has served, and Mr. MacDonald stated he is averaging 1,100 contacts. Council Member Brown asked Ms. Linden to look into what services the agencies are getting paid for and a data base tracking.

Council Member Jackson stepped away from the meeting at 8:47 p.m.

Ms. Coleman stated people are not taking the grants because they were not getting paid in the past, and if there are applicants who have informed Council they are not applying because they have not gotten paid to make her aware. Council Members Spitzley and Brown both voiced concerns they have heard from small organizations where it takes 6-9 months to get paid, and they operate on a small margin. Ms. Coleman stated that contracts are completed September 30, then reports are due and paid in November. Then they have another report due in January and paid in February. If they do not complete the process they cannot get paid.

Council Member Jackson returned to the meeting at 8:50 p.m.

As of the time of this meeting, Ms. Coleman stated everyone has turned in everything.

Council Member Wood explained to Council that they could be referring to last year when the former Internal Auditor found agencies that were not getting paid. HRCS was asked to create policies to address this and there is now a new plan to address this.

Council Member Spitzley asked Ms. Linden to get the number of complaints that the police investigator is receiving, the turnaround times, and adjudicated.

City Council and Internal Auditor

What is the difference with your budget from current fiscal year to the proposed budget?

Council President Wood explained the only changes in the Council budget is increases in salary which included due to the hiring of the new Internal Auditor and increases for Council staff since there have not received raises in those positions. Council Member Wood then informed the Committee that leadership next week will be asking for them to listen to proposed reductions in the Council budget by 10% in operating taking the budget down $25,000.

Council Member Jackson asked the committee to consider looking at funds and spending for a two-way access for all meetings out of the Council budget. Council President Wood informed him that the next meeting is the Mayor and Media budget and he can speak to the Mayor at the time about that suggestion. She added that Council did receive a memo last week about options and that will be updated when the office gets updates from IT and City TV.

Other

Council President Wood reminded Council, department directors and the Administration that the annual budget meeting in the community is May 11, 2023 at 5:30 p.m. at Foster Community Center. Finance will do a brief presentation to the public and there will be public comment.

Council Member Spadafore reminded Council of his excused absence on May 8, 2023.

Council Member Spitzley stated she would be out of town for work on May 11, 2023 and asked to be excused.

Council Member Brown stated he would be out that week as well but could not provided the dates at this time.

Adjourn

The meeting adjourned at 9:00 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee May 8, 2023