# MINUTES
## Committee of the Whole
## Monday, June 26, 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- excused
Councilmember Adam Hussain
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Brian T. Jackson
Councilmember Jeffrey Brown
Councilmember Ryan Kost

**OTHERS PRESENT**
Sherrie Boak, Council Office Manager
Greg Venker, City Attorney
Amanda O'Boyle, City Attorney
Emily Linden, Internal Auditor
Shelbi Frayer, Chief Strategy Officer
Cynthia Gill, Finance
Desiree Kirkland, Finance
Jackson Mills, Finance
Loretta Stanaway
Kim Coleman, HRCS
Toni Young, HRCS
Joseph Abood, City Attorney
Nick Zande

**Minutes**
MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM JUNE 12, 2023.
MOTION CARRIED 7-0.

**Public Comment**
Mr. Zande spoke on the resolution for the budget resolution, spending in the Mayor's office and then on the closed session litigation list. Lastly, Mr. Zande spoke in support for funding on the Moore's Park Pool.

Ms. Stanaway spoke on the resolution for budget amendments and continuing to ask for the funding to be restored to the Parks and Recreation Department. Lastly, Ms. Stanaway spoke in support of the resolution for the Moores Park Pool.

**Presentations**

**Office of the City Attorney Update on the SIMTOB Settlement**

Council President Wood recapped that this was an issue that Council brought to the Administration on multiple and specific properties owned by SIMTOB.

Ms. O'Boyle confirmed the lawsuit was initiated by the City with EDP for the property at S. Holmes where there was work without a permit. At that time, it was also found there were multiple properties owned by SIMTOB with issues and the City began discussions. Ms. O'Boyle acknowledged they came to the table willing to work on the 21 properties owned by SIMTOB, and OCA believes this is a good resolution which set strict timelines for compliance, providing funds back to the City for hotel costs spent by the City for the residents at the W. Holmes address.

Council President Wood asked Ms. O'Boyle to outline the points in the settlement. Ms. O'Boyle outlined the agreement points:

- Simtob agreed to correct all violations cited in inspection reports, safety letters, and correction notices by Lansing's Code Enforcement, Building Safety, and Fire Department.
- Simtob agreed to pull all necessary permits within 30 days and complete all permitted work within 60 days of the issuance of the permit.
- All code violations not subject to a permit will be completed within 45 days.
- Simtob will continue to provide alternative housing for any tenant displaced due to pink or red tags.
- Simtob will pay the City of Lansing $10,091.78 as reimbursement for hoteling expenses expended by the City of Lansing for tenants of 2222 W. Holmes.
- Simtob remains responsible for compliance even if they sell the property unless they execute an agreement includes financial security assuring complete compliance and is approved by the City of Lansing.
- The City reserved the right to bring this matter back before the Court should the terms of the agreement not be met.
- In exchange, the City agreed to (1) complete an inspection of 1317 E. Kalamazoo within two weeks, (2) complete other rental inspections within 40 days unless there is good cause for an extension, and (3) dismiss the pending litigation and resolve the matter via Settlement Agreement.

Council Member Spitzley asked if the settlement covered all properties or just S Holmes. Ms. O'Boyle stated the settlement does address all properties. There was an inspection on Friday at 1317 E Kalamazoo for items of a safety concern for building safety corrections and that passed. Council Member Kost stated he was there Sunday and there was trash in the parking lot. Ms. O'Boyle reiterated that the inspection was for housing safety. Ms. O'Boyle then noted that the timeline starts with the execution of the settlement agreement. The timelines are set for pulling permits, completion of work in 60 days, anything not subject to a permit is 45 days, and there is a clause if an unexpected circumstance arises, they have the ability to reach out to the city to ask for an agreeable date for an extension. There is an obligation for housing for those displaced for red tags and pink tags, and lastly, they have reimbursed the city $10,091.78 for any housing the City assisted with.

Council Member Hussain made Committee aware of a timeline he figured on July 9th permits, repairs July 24th, August 7th is final date to pull permits and any work permitted must be done.

Council President Wood acknowledged OCA for reporting out at the public meeting to make all parties and the public aware.

Council Member Jackson stepped away at 5:45 p.m.

**Discussion/Action**

**ORDINANCE – Re-Adopting the Codified Ordinances**

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE ORDINANCE FOR RECODIFCATION OF THE ORDINANCES AS DONE ANNUALLY. MOTION CARRIED 6-0.

**RESOLUTION – Fiscal Year 2022-2023 and 2023-2024 Budget Amendment**

Council Member Jackson returned to the meeting at 5:47 p.m.

Council President Wood noted to the Committee and the public that at the end of the year there is a vacancy factor that is distributed in, there are carryforwards for grant funding that were not utilized which is outlined in the memo in the packet. Council is not allocating the funds from HRCS, but carryforward, and when they are ready to be allocated again, they can come back to Council for allocation. Lastly there is $15,000 in the City Council budget getting a carry forward to add to the community funding.

Mr. Mills went through the resolution, beginning with FY 2023/2024 which allocating the OPIOD funds to LPD, LFD, HRCS; HRCS carryforward unspent, racial equity unspent, City Supported Agencies, and allocating out the vacancy factor.

Council Member Spadafore asked about the HRCS carry forward and if those were the $1.35 million for grants, and asked if it will be rolled into these years grant process or allocated to the agencies identified previously. Council President Wood referenced the Internal Auditor memo where it noted why specific agencies did not get the funds. Council Member Spadafore acknowledged the memo information.

Council Member Spitzley referenced the line for the OPIOD funds, and asked what each amount will be used for. Ms. Kirkland stated it has to be used per the agreement for the OPIOD settlement with services with NARCAN, OT for work in the field, etc.

Council Member Jackson asked about the Racial Equity carry forward, why the only unused money is this, when that has been around for a few years, and determined a health crisis. He noted there are groups designed to study this, and based on the specific explanation says the future plan is to use create a study and talk to residents. Council Member Spitzley concurred with Council Member Jackson statement, since there were funds set aside before when this was started for studies, focus groups and there appears to be no action or action plans. Council President Wood reiterated that HRCS will have to come back before spending.

Ms. Coleman regarding the Racial Equity dollars, the funds of $135,000, there were attempts to get information from the community, but there were not responses, and so it was hard to fund programs for root causes. It did not render the outcome they had hoped, and so they put out a proposal for a 3rd party and have contracted with that for deeper search. The study is going on with Ward 1st and 4th, that will be done in October, at which point they will take those results. Much of the funds have been spent with the services being performed, but they have not been paid.

Council President Wood recapped that if funds are spent or earmarked, that is an encumbered, not a carry forward, and asked Mr. Mills to confirm. Mr. Mills stated that is carry forward, there is no encumbrances. Council President Wood provided an example of a PO, and encumbered funds, and if they are note spent and you pay when the product is done that is encumbered. She asked again if any working is currently being done and going to be paid until after July 1st. Mr. Mills stated these are funds from FY22.

Council Member Spadafore asked for clarification because the city is currently in FY 23 now, and they are asking for carry forward for FY22. Mr. Mills confirmed yes is it FY22, and there was a lag in the carry forward action.  Council Member Spadafore asked if this was putting funds from FY22 into the current FY23 and the only thing for FY24 on the resolution was the Council carry forward, and that was confirmed.

Ms. Coleman came to the table and stated they signed a contract with MPHI for a study in the FY22 fiscal year and that ended in fiscal year 2023.  It was $67,500 to MPHI and $67,500.  Council Member Brown asked if the $135,000 is mostly already spent.

Council President Wood asked for clarification again, asking if they are asking for a carry forward from FY22 when the city is closing out FY23, and Ms. Kirkland stated it is not in the FY22 budget.  Council Member Spitzley and Brown asked for better clarification on if the $67,500 for MPHI was already spent, and if so, it should not be reflected as $135,000 in the report for FY23.  If it has been paid, it should not be a carry forward by encumbered.  To Council it was stated the service with MPHI was already rendered, but the reporting does not reflect that. Ms. Coleman attempted to explain that the contract goes across budget years, and they accumulated $135,000 across those budget years.  There are three payments, one in FY22, one in FY23 and the final in FY 24.  Council Member Brown asked if this is the initial proposal and Ms. Coleman confirmed, he then asked if $67,500 was in initial proposal, then the $67,500 for MPHI should show.  Mr. Mills said they were paid out of FY 23.

Council Member Spadafore asked when Council had to act on this resolution, and Council President Wood confirmed it was today, since it is the last meeting of the fiscal year.  Council President Wood then asked how an audit was done, then after it was finalized, a carry forward for a closed FY22.  Council Member Spitzley asked how funds from FY22 could still be available when it is now the end of FY23, therefore they should be reflected as unencumbered; and there is frustration in the fact this is the first time Council is hearing of it.  Ms. Kirkland stated that since their contract crosses fiscal years, there overlapping finances they find after the audit, and are funds that HRCS did not spend in that FY.

Council President Wood stated that the HRCS grants have a timetable of starting July 1 (start of the fiscal year) and ending June 30th, and any funds are returned to the City.  Council Member Spitzley asked that Finance is responsible for the handling of the City funds, and annually they need to make sure they balance.

Council Member Spadafore asked for an update on the accounting software, and Ms. Kirkland confirmed it was started with the cloud-based systems.  Council Member Spadafore asked for confirmation that the City paid for a rush on the project, and Ms. Kirkland stated they paid $20,000 for general accounts but only 1 payment has been made to BS&A and the City did get concessions because did not start this FY.

Council Member Jackson spoke on racial equity and funds from FY22 that were not used, FY23 funds not used, and now it appears there has only been a study performed over these multiple years.  Council member Spitzley concurred and voice her frustration and interest in not acting tonight.

Council Member Spadafore noted that it appears that at the close of the audit, there should have been a carry forward, but there wasn't so they are now doing it.  The Administration confirmed.  Ms. Frayer explained that every year when finance gets a contract, they enter a PO for multi-year contract.

Council Member Jackson stepped away from the meeting at 6:26 p.m.

She continued explaining that by June 30 all bills should be in, they only have 60 days after FY end to account.  If the bill comes after 9/1 it has to go to the future FY.  She confirmed the work has been ongoing however the city did not get invoice to charge to FY22.  When the auditor comes through there should have been a carry forward, and she admitted this is late.  In this case, the city does owe the money, it is essentially when does it get paid.  Council Member Brown referred to the report by HRCS pointing out that if a payment was made, it should be reflected in the report, however it appears the city still owes MPHI the full $67,500, even though there have been statements made tonight that they have been paid.

Council Member Jackson returned to the meeting at 6:28 p.m.

Council Member Spadafore asked if the FY 22 actuals are in this report, but payment to MPHI came from FY23, so the report should reflect it as such.

Council President Wood reiterated to the Council that the City cannot spend funds until the appropriation, but to pay the current bills they need to move forward. She then asked Ms. Frayer to acknowledge that in the future, the carry forwards found after the audit in December occur then, not this situation again in the future. Mr. Frayer acknowledged the request and stated they will plan with the audit presentation in December and January. Council President Wood noted for the administration that the funds Council approved need to be spent on actions not studies.

Ms. Linden had no comments and concurred with statements made by Ms. Frayer.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE FISCAL YEAR 2022/20023 AND FISCAL YEAR 2023/2024 BUDGET AMENDMENT. MOTION CARRIED 7-0.

**OTHER**

**DISCUSSION – Resolution to Support Funding for Moores Park Pool**

Council Member Kost outlined the resolution that would bring funds to make the needed pool repairs. He confirmed also that he had verbal communications with the Administration, and they agreed to fund and maintain in the future, but there has also been work on looking at other sources and agencies for funding the maintenance of the pool. Council President Wood not this is appropriations by the Senate, not part of the RAP dollars.

MOTION BY COUNCIL MEMBER KOST TO APPROVE THE RESOLUTION TO SUPPORT FUNDING FOR MOORE PARK POOL. MOTION CARRIED 7-0.

**ORDINANCE Amendments**

Council President Wood informed the Committee that at the Council meeting later tonight they will see three resolutions (in the packet as well) for referral to Committee and OCA. Those include:

- Amend Chapter 210, Section 210.02 -Use of Council Chambers and Conference Room
- Amend Chapter 288, Section 288.21 – Chief Strategy Officer
- Amend Chapter 1250, 1250.04.05 (f) - Collection Bins

**Update by the Administration – South Washington Complex (SWOC) Current City Department(s) Relocations (Temporary and Permanent) & Financial Impact**

Council President Wood made the Committee and Administration aware that this topic would appear on all Committee of the Whole agendas until the final determination on where all the departments would be housed. Ms. Frayer informed the Committee that nothing was final since the last time she spoke, but they are looking at moving the Clerk to REO Elementary with the option of leasing from Lansing Promise, so the Public Service department is looking into the cost and accommodations. The 311 centers would go to a space already owned by the City, but they do not have ideas yet for that, but potentially could be City Hall. The Public Service portion of the property could move to N. Capital where the old Gibson's Book Store was in the ramp, but nothing is official on that. Council Member Spitzley stated that the LSD closed REO Elementary, and Council Member Hussain added that it is being taken "offline" permanently with Lansing Promise taking over the property and subleasing it to other entities. Council Member Kost asked if City TV is moving to the Ovation, and Ms. Frayer stated that after that is constructed, they would look into that for options. Council President Wood asked them to research parking needs and requirements at REO Elementary for the Clerk's office and election accommodations.

**CLOSED SESSION**

MOTION BY COUNCIL MEMBER HUSSAIN AT 6:42 PM TO MOVE INTO RECESS FOR CLOSED SESSION: Pursuant to MCL 15.268(e), to consult with the City Attorney in connection with the following specific pending litigation. An open meeting will have a detrimental financial effect on the litigating or settlement position of the City of Lansing concerning these cases.

Council member Jackson stepped away at 6:43 p.m.

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| **Atkinson, et al. v. City of Lansing, et al.** |
| **Charter Township of Lansing v. Barb Byrum, Ingham County Clerk, and City of Lansing** |
| **City of Lansing v. OCOF Nonprofit Housing Corp** |
| **City of Lansing, et al. v. Purdue Pharma, et al.** |
| **DePrekel v. City of Lansing, et al.** |
| **Freeman v. City of Lansing** |
| **Hardy, Gregory v. City of Lansing, et al.** |
| **Hulon v. City of Lansing, et al.** |
| **Khorrami v. City of Lansing, et al.** |
| **Legacy Five LLC v. City of Lansing** |
| **Lugo-Estok v. City of Lansing** |
| **Lynn v. City of Lansing** |
| **Phillips v. City of Lansing, et al.** |
| **Stewart, G. v. City of Lansing, et al.** |
| **Stewart, S. v. City of Lansing, et al.** |
| **Taft v. City of Lansing, et al.** |

ROLL CALL VOTE, MOTION CARRIED 6-0.

**RECONVENE**
Council President Wood reconvened the meeting at 7:07 p.m.

**Adjourn**
The meeting adjourned at 7:07 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary, Lansing City Council
Approved by the Committee July 10, 2023