DRAFT

MINUTES
Committee on Ways and Means
Monday, August 28 @ 4:30 p.m.
City Council Conference Room

CALL TO ORDER
Council Member Spadafore called the meeting was called to order at 4:30 p.m.

PRESENT
Council Member Peter Spadafore, Chair
Council Member Carol Wood, Vice Chair
Council Member Brian T. Jackson, Member

OTHERS PRESENT
Sherrie Boak, Council Office Manager
Greg Venker, OCA
Emily Linden, Internal Auditor
Deputy Chief Backus, LPD
Desiree Kirkland, Finance Director
Andy Kilpatrick, Public Service Director
Bill Brunner, Public Service

Minutes
MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM AUGUST 14, 2023, AS PRESENTED. MOTION CARRIED 3-0.

Public Comment
No public comment at this time.

Discussion/Action:
RESOLUTION – Grant Acceptance; Protecting MI Pension Grant; Funding the Employees' Retirement System
Ms. Kirkland explained that the State issued a grant program to help a municipality that had pension under the 60%, and the employees system qualified for that. After working with financial advisor and actuary completed the application, went to the State in June. The state award,$11,552,892. At that time an application was completed and signed by the chair of the employees retirement board. That went to the state with direct bank account information so funds would go directly to Northern Trust. It was noted the funds are expected to be disbursed this Wednesday, August 30, 2023.

Council Member Spadafore asked if this will bring it to 60% funded, and Ms. Kirkland confirmed and it would lower the long term, however she did not have the exact figure at this time but could provide it at a later time. Council Member Wood added that they will reinvest based on the formulas with the different funds.

MOTION BY COUNCIL MEMBER JACKSON TO APPROVE THE RESOLUTION FOR THE PROTECTING MI PENSION GRANT TO FUND THE EMPLOYEES RETIRMENT SYSTEM. MOTION CARRIED 3-0.

RESOLTUION – GRANT ACCEPTANCE; MPSC LOW CARBON GRANT
Mr. Kilpatrick explained to the Committee that this is the first year for the grant and the City applied for $30 million, and the State came back at the minimum to move this forward. This will be $1 million and anticipated 40% once operational, an invested tax credit, and this would pay back in 12 years. This will give the City 15-20 years of free power back to the plant. There is no match percent but they will look at funding match from multiple options. One being funding from the wastewater system directly (not currently budgeted), public financing/bond, or a tax exempt lease purchase, which the financial team does not like, or private financing, or power purchase agreement. With the lease option the equipment is taxed. They believe that the best option is the public option, but either way this decision will come back to Council for approval.

Council Member Spadafore asked for the actual cost. Mr. Kilpatrick confirmed this started in January, with approval in May, but at that time they did not have the total cost for the project. They can layout the project which has to be up and running in 2024 with one extension through 2025. The State is providing some upfront funds, but details on the specific funds can be provided after the meeting. The cost does not include a tax credit, with a minimum of 30%, with 40% projected, and can get to 50% if they use buy America for all components but that is hard to purchase all American for solar components. If they find this project does not make sense they can send it back to the State, but again Committee was assured Council will see the financials in the near future.

Council Member Jackson how public service got tide to this solar option. Mr. Kilpatrick confirmed that the wastewater plant is the largest user of City facilities and they have a large amount of property on site. This allows the City to use the solar power first, instead of selling to BWL at their wholesale rate. He added they have looked at community centers, but this grant it needed to be a utility.

MOTION BY COUNCIL MEMBER WOOD TO AMEND THE RESOLUTION REMOVING “KEITH MOSS”, AND KEEPING IT JUST AS “WASTEWATER SUPERINTENDENT”. MOTION BY CAROL TO APPROVE. MOTION CARRIED 3-0.

PLACE ON FILE – Sole Source Purchase; Public Service Department request for Kennedy Industries as the vendor for Flygt Vertical Dry Pit Pump
Mr. Brunner informed the Committee that this is for the raw sewage pump station, SW of the plant. This is for the older pumps in the station which current can run 3’ tall, and so they have been getting replaced making the pump and motor together.

MOTION BY COUNCIL MEMBER WOOD TO PLACE ON FILE. MOTION CARRIED 3-0.

PLACE ON FILE – Sole Source Purchase; Lansing Police Department request for Michigan Law Enforcement Training Associates as the vendor for training, consulting, and advising on legal aspects of police policy, practice and law
MOTION BY COUNCIL MEMBER WOOD TO PLACE ON FILE. MOTION CARRIED 3-0.

Budget Priorities
The Committee reviewed the priorities from the previous year, and amended item 1. to state "Continue to explore….." They removed item 2.

There was a discussion on the funding of 1.35% to HRCS and if the City is getting more income tax shouldn't that funding be different because it is a percentage of the budgeted amount. It was noted there is a resolution being referred at Council tonight with budget amendments but the income tax increase was not in it.

OTHER
No other topics at this time.

ADJOURN
Adjourned at 4:54 p.m.
Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee on