MINUTES
Committee of the Whole
Monday, September 11, 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, City Attorney,
Lisa Hagen-Lawrence, City Attorney
Emily Linden, Internal Auditor
Mark Lawrence, Mayor’s Office
Jake Brower, Chief Finance Officer
Amber Paxton, Financial Empowerment Center
Elizabeth O’Leary, Human Resource Director
Chris Swope, City Clerk
Dan Doyle, Attorney Representing Energy Event Center
Sommer Green
Willaim Watkins
Ilis Peak
Amanda Morgan
Al Philips
Mark King
Michael Lynn
Erika Lynn
Ryan Cabell
Loretta Stanaway
Miranda Hunter
Charles Dean

Minutes
MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE MINUTES FROM AUGUST 28, 2023. MOTION CARRIED 7-0.

Public Comment
Council received an email from Elaine and David Womboldt in support of the revocation of the license for Energy Event Center.

Mr. Doyle, Attorney representing Energy Event Center, spoke on the findings and fact of recommendation. He spoke in opposition to the recommendation stating his opinion is that it does not comport with the law. (808.10 b)

Ms. Green spoke on the Energy Event Center incident on July 29, 2023 where the owner did put a shelter in place for the attendees. Ms. Green then spoke on the agenda items for changing ordinances in Chapter 240 and Chapter 273. She asked that Council consider another ordinance to address this situation.

Mr. Watkins spoke in support of the Energy Event Center where it allows the youth to attend and place for them. He spoke in support of allowing this location to continue to give the youth something to do to protect the youth. Mr. Watkins asked Council to consider reviewing other sites where shootings and deaths occur.

Mr. Peak spoke in support of the Energy Event Center and owner Ryan Cabell. He then asked for LPD presence in the parking lot in the area, and his understanding that the incident had nothing to do with the event location.

Ms. Stanaway spoke on the budget amendment for Parks and Recreation, on the licensing issue she spoke in support of the license revocation, and concluded speaking briefly on the ordinance amendments.

Ms. Hunter spoke on the death of her sons in 2020 in the Pleasant Grove Plaza, and asked for help in all shooting deaths in the City.

Ms. Morgan spoke in support of Mr. Cabell and asked for the consideration of decision to keep the good stake holders in the community. Ms. Morgan continued stated her belief that there is bias, and pleaded for the Council to consider the statements by the citizens.

Mr. Phillips spoke in support of Mr. Cabell, and asked Council not to consider revocation. He spoke briefly on examples of other shootings in the area, and other events.

Mr. King spoke on his involvement in the City, areas in the City he is aware of that have issues, the work that Mr. Cabell did to get his licenses. Lastly, he asked the City Council and Mayor work with Mr. Cabell in options.

Mr. Lynn spoke about the incident on July 29, 2023 and other mass shootings in the City. Mr. Lynn admitted at the time of the event he was upset of the shootings, but then spoke to Mr. Cabell. Mr. Lynn stated that his understanding now is that the incident in the parking lot was not a result of Mr. Cabell. He asked Council to take the time to address this and allow Mr. Cabell to continue his business.

Ms. Lynn spoke on the community input stated earlier, asked them to work together to support business owners.

Mr. Siles (sp) spoke in support of Mr. Cabell, noting he was present at the incident on July 29, 2023 and from inside they were not aware of what was going on in the parking lot.

Mr. Cabell displayed his cabaret license that he has had for 2 years, obtaining the property 3 years ago. He then appealed to Council and outlined what happened during the incident.

PRESENTATION/ACTIONS

Financial Empowerment Center Update – Amber Paxton

Ms. Paxton stated her request to be at the meeting was to make Council aware of the changes in the Financial Empowerment Center (FEC) department. This will allow for all staffed to be City employees; in house, and when readjusted, there will be the 2 financial counselors and a director helping with the oversight.

Council Member Spitzley asked when this reorganization was determined. Ms. Paxton stated it was discussed with Cristo Rey in late May and June when the contract ended with them. Council Member Spitzley asked if they had a staff from Cristo Rey and the City. Ms. Paxton stated there were 2-4 employees, there was an outreach coordinator that was City staff, and the Cristo Rey staff were paid for by $190,000 a year from the City via a contractual line item. Council Member Spitzley referred to the budget process recently in May and that this change would have been something to tell Council then if it was anticipated in May. Ms. Paxton assured them it was not planned, but came to them when the contract was coming to an end.

Council Member Brown noted it was told to Council during the budget the FEC was growing in their participation. Ms. Paxton stated there is a program manager for FEC and 4 counselors at the time. FEC will be their priority now. Council Member Brown asked what has the service level growth been over the last years. Ms. Paxton asked if his question had to do with the ARPA funding. The staff did not increase in the previous year but decreased. COVID showed them there was an issue with marketing and outreach, since they could not meet in person and so the demand fell. When the ARPA funds were available they asked for marketing funds, and since those were not used and still available, they continue to use them. Ms. Paxton admitted the numbers have gone down and that is why they need to restructure so those sources can be referred to HRCS and Courts. Council Member Brown asked for a breakdown, and Ms. Paxton stated she did not have the information and can get the information to Council. She assured them that the changes make FEC part of the city structure, and therefore they will be asking for the funds ($190,000) in contractual to go towards salaries so they can fill 2 full time counselors that will be city staff.

Council Member Wood asked if since they are no longer contracting with Cristo Rey, have they had any appointments. Ms. Paxton confirmed they have no new appointments, and any communications have been with existing clients. Any new client referrals are going to Case Credit Union or Capital Area Housing. Ms. Paxton confirmed this was just recently, and she has only taken 3 calls for new appointments. Council Member Spitzley noted that since they are referring to the credit union that offers a free service and Capital Area Housing that offers a free service, where is the justification in having in house (City) services. Ms. Paxton stated there is a difference between “offering free” but “being free”, and the credit union cannot take a full case load. Council Member Spitzley noted that if they can’t handle the case load now, and the City is not accepting new clients, this is an issue that Council needs to keep in mind during the budget when FEC asks for funds for staffing to keep in the City umbrella. Ms. Paxton explained she oversees 4 programs, 2 free services are closest to FEC. New clients are asked to go to Case Credit Union, and they are supporting the City during this transition, but they cannot handle everything. Ms. Paxton added that the FEC department has been short three staff for months, and currently have only 2 staff doing everything. Council Member Spitzley noted again, that they have admitted to still not accepting an new clients.

Council Member Spadafore was asked if he had a point of order, and he stated he did not, but a question.

Council Member Spitzley made a point of order for consideration on her questioning with Ms. Paxton.

Council Member Spitzley left the meeting at 6:19 p.m.
Council Member Jackson stepped away from the meeting 6:19 p.m.
Council Member Brown stepped away from the meeting at 6:19 p.m.
Meeting recessed at 6:19 p.m. due to lack of quorum.

Council Member Brown and Jackson returned to the meeting at 6:20 p.m.

Meeting called back to order at 6:20 p.m.

Council Member Spadafore asked Ms. Paxton if the service was suspended during the transition, do they plan to bring it back once the positions are City employees and filled. Ms. Paxton stated they have someone interested in sponsoring the services, are not asking for new funds, just to reclassify the contractual funds to salary.

Council Member Brown stated that Council is asked to ask the hard questions, being asked to be transparent, and now are finding out just now that the City is not supplying services from FEC.

<u>City – 3 Year Financial Projections – Chief Strategy Officer Jake Brower</u>
Mr. Brower presented on the projections included in the packet.

Council Member Brown stepped away from the meeting 6:24 p.m.

This included financial projections FY 2023 amended, 2024, 2025 and 2026 on revenues and expenditures. Projections include taxes, licenses, permits, state grants, contributions, charges for services, fines and forfeits, interest and rents, and other revenue.

Council Member Spadafore asked about the debt service line in the expenditures and the percentage increase. Mr. Brower stated the projection on the debt service side stays constant at $1.3 million, and the spreadsheet is adjusting the percentages to equate to that schedule. Council Member Spadafore expanded on his question, noting the 2023 Amended has it at $987,100 with a projection of up to 23% over the other projected years. Mr. Brower was not able answer the question at this time, but assured Council he would look into it and report back.

Council Member Garza asked how many budget positions are vacant. Mr. Brower could not provide and answer but guessed 10%. Council Member Garza then asked it of those budgeted positions have not been filled for 2-3years, and do they take into account for inflation. Mr. Brower was not able to provide a number however stated it would be determined by when filled.

Ms. Linden noted that this budget was not to affect the fund deficit, but this document tonight reflects something different then what was provided in the past. She asked Mr. Brower what was being done to address the structural deficit. Mr. Brower explained there has been budget changes and operational changes, and behind the scenes there has been negotiations with union contacts, health care changes, and they have ongoing funding philosophies. Mr. Brower stated over the upcoming year the Administration plans to meet with Council more regularly. Ms. Linden asked Mr. Brower if he has now taken on the role of overseeing the budget, and Mr. Brower confirmed there is still a Budget Analyst in the Finance department but he has a role in the budget and working in collaboration.

<u>RESOLUTION – Budget Amendment; Fiscal Year 2023-2024</u>
Mr. Brower spoke briefly on the resolution and on the revenues that allowed them to balance the budget proposal and restores multiple departments.

Council President Wood passed the gavel to Council Vice President Garza to recuse herself from the HRCS budget line item.

MOTION BY COUNCIL MEMBER GARZA TO RECUSE COUNCIL MEMBER WOOD.

Council Member Brown returned to the meeting at 6:38 p.m.

It was confirmed a budget amendment requires six members, and with the recusal of Council Member Wood, there would only be five voting members.

COUNCIL MEMBER GARZA WITHDREW HIS MOTION TO RECUSE COUNCIL MEMBER WOOD FROM THE HRCS BUDGET LINE ITEM.

Council Member Garza stepped away from the meeting at 6:38 p.m.

Ms. Linden summarized her review asking if there were any cuts from the original proposed budget. Mr. Brower stated there were not, and the cuts from the personnel line in the Mayor's budget is not is still maintained. On the operational side this is restoring the mayor's operational budget for this year. Ms. Linden asked if this meets the 1.25 % for basic human services. Mr. Brower stated the $500,000 for hoteling in HRCS address the basic human needs.

Council Member Garza returned to the meeting at 6:40 p.m.

Council President Wood recapped for the Committee that during the budget season there was a vacancy factor that was proposed to be used to back fill the department operational budgets that wre cut in the original budget. But the Administration found that there was additional income tax and state revenue instead to back fill instead of the vacancy factor. This will not restore the personnel item in the mayors budget that council cut.

Council Member Kost asked if the $500,000 proposed for HRCS (hoteling) was hotel charges incurred during the recent large red tag property, and if so was there not funds that were required to be paid out by SIMTOB(property owners) to cover those hotel costs. Mr. Brower stated he did not have that answer, but would get back to Council. Council President Wood stated she too was not sure if the City has actually received those funds, but some Council Members have spoken to HRCS and they were told that currently HRCS is out of funds for hoteling.

Due to the lack of quorum for the vote, this item was moved to the September 18, 2023 Committee and Council meeting.

<u>Hearing Determination from the License Revocation of Energy Event Center; 3222 S MLK Jr. Blvd. Suite 41A Lansing</u>
Council Member Wood noted Ms. O'Leary, City HR Director was asked to handle the hearing for a revocation based on a recommendation from the LPD and Mayor office. City Council does not hold another hearing, but the discussion today is to speak to the findings in the packet.

Ms. O'Leary spoke briefly on the process. She then summarized her analysis and recommendation in the report.

ANALYSIS & RECOMMENDATION

The Lansing Code of Ordinance language regarding the Cabaret License Revocation is clear when it states that a license holder is required to maintain the peace on the property during the event. The ordinance also speaks to licensees taking responsibility for the safety of patrons and the public in preventing violence. The acts of violence occurred in the parking lot, according to testimony of both parties, somewhere between 250 feet and 464 feet of the entrance of the event. In this situation, the parking lot is well within the definition of premises found in ordinance language. The requirement of maintaining peace to ensure the safety of the patrons and residents was not adhered to by Energy Event Center during the event on July 30, 2023.

During the hearing there was testimony along with exhibits showing alcohol use in the parking lot of Energy Event Center. A bottle was on one of the light posts and there was also a bodycam picture of an individual holding a liquor bottle. Testimony indicated that individuals in the parking lot were also exhibiting signs of intoxication. While I will cannot opine with certainty on the contents of the numerous red solo cups pictured in the bodycam photos, given the testimony presented, it would be likely that alcohol use was present. Open alcohol in a public place is a violation of the Lansing Code of Ordinances. The requirement that a cabaret licensee has to abide by all state, local and federal laws was not adhered to when open alcohol was allowed on the premises.

The Lansing Code of Ordinances requires a Show License for any *"circus, menagerie or other exhibition, entertainment, carnival or show of any nature and name, for which money or any other consideration is in any way demanded or received for admission thereto."* The concert that took place on July 29th and July 30, 2023, falls within the scope of this ordinance as the event provided live artists with general and VIP entrance fees. Testimony in the hearing conveyed that Energy Event Center did not possess a show license. The requirement that a cabaret licensee has to abide by all state, local and federal laws was not adhered to when a show license was not obtained.

Multiple people were tragically injured in the early morning hours of July 30, 2023. In light of the ordinance language, testimony and evidence submitted during the hearing, I recommend that the Lansing City Council revoke the cabaret license held by Energy Events Center.

Council Member Kost stepped away from the meeting at 6:53 p.m.

Council Member Jackson asked if in consideration, they considered that maintaining peace measures were taken by the holder of the license. Ms. O'Leary referred him to her findings report. Council Member Jackson asked how many security officers are needed for that site. Ms. O'Leary reiterated this is a recommendation, and Council's opinion to revoke or not. Council Member Jackson clarified his questions based on his understanding that this was a time to ask questions on the recommendation. He also noted he did not think anyone as a city employee should have heard the hearing, as stated in earlier meetings.

Council Member Kost returned to the meeting at 6:55 p.m.

Lastly, he noted not one owner (Mr. Cabell) can be responsible for that large area. Ms. O'Leary stated that all exhibits and hearing documents were put into her recommendation and that is for the Council consideration. Council Member Jackson asked how many security guards were on site during the event, and Ms. O'Leary stated she was not at this meeting to opine on what is outside the recommendation.

Council Member Brown referenced Exhibit 2, which included highlighted sections, and asked whose exhibit that was, and Ms. O'Leary confirmed it was her exhibit during the hearing, adding that the highlighting had no significance.

Council Member Jackson accounts for just on incident and if there is consideration in working together in the future. Ms. O'Leary stated the recommendation is based on the one incident and the hearing on August 24, 2023.

RESOLUTION – Determination on License Revocation for Energy Event Center; 3222 S MLK Jr. Blvd. Ste 41A Lansing

Council Member Spadafore asked OCA and leadership if there was a timeline on when Council should take action. Council President Wood confirmed the Council had to be in receipt of the hearing recording documents and findings when it was complete, which they have now received. Mr. Smiertka confirmed there is no legal timeline. Council Member Spadafore asked for any decision and action to be moved to the next meeting until all Council Members can be present.

Council President Wood moved any action on this resolution to the September 18, 2023 meetings.

RESOLUTION – Budget Amendment; Fiscal Year 2023-2024- Revisited

Council President Wood asked if Council would consider separating the question and removing the HRCS line item from the resolution and taking action on the remaining items.

MOTION BY COUNCIL MEMBER GARZA TO DIVIDE THE QUESTION AND MOVE THE HRCS PORTION TO THE SEPTEMBER 18, 2023 MEETING. MOTION CARRIED 6-0.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE THE AMENDED RESOLUTION INCLUDING THE FOLLOWING DEPARTMENTS:

- CITY COUNCIL- OPERATING
- COURTS – OPERATING
- MAYOR'S OFFICE – OPERATING
- CITY CLERK – OPERATING
- TREASURY/INCOME TAX – OPERATING
- HUMAN RESOURCE – OPERATING
- PUBLIC SERVICE – OPERATING(STORM)
- PARKS AND RECREATION – OPERATING

MOTION CARRIED 6-0.

DISCUSSION/ACTION

RESOLUTION – Authorization for Early Voting in non-statewide elections

The Committee was referred to Draft 2 in their packet with the addition of:

> *BE IT FURTHER RESOLVED that the polling place for early voting in the November 7, 2023, City election shall be the South Washington Office Complex at 2500 S Washington Avenue, Lansing Michigan.*

Mr. Swope stated this would authorize early voting in the November election and future elections.

MOTION BY COUNCIL MEMBER GARZA TO APPROVE DRAFT 2 OF THE RESOLUTION TO AUTHORIZE THE EARLY VOTING IN NON-STATEWIDE ELECTIONS. MOTION CARRIED 6-0.

DISCUSSION - Amendment to Chapter 240, Section 240.02, 240.03, 240.04; Clarify role of Human Relations and Community Services (HRCS) Advisory Board

Council President Wood moved this item to a future Committee meeting.

DISCUSSION -Amendment to Chapter 273, Section 273.01 and 273.04; Clarify Role of Human Relations and Community Services (HRCS) Advisory Board

Council President Wood moved this item to a future Committee meeting.

DISCUSSION - Repeal Chapter 273, Section 273.06, "Examination of complaints; hearings and studies" to conform with the City Charter 5-106

Council President Wood moved this item to a future Committee meeting.

DISCUSSION - Repeal Chapter 273, Section 273.08 "Prohibited discrimination by city departments or employees" to conform with the City Charter 5-106
Council President Wood moved this item to a future Committee meeting.

DISCUSSION – Budget Priorities for the Fiscal Year 2024/2025 Budget
Moved to the September 18, 2023, meeting, and adoption the same night at Council.

OTHER
No other topics.

Adjourn
The meeting adjourned at 7:04 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary, Lansing City Council
Approved by the Committee September 18, 2023