



MINUTES
Committee of the Whole
Monday, June 10, 2024 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

Council President Garza called the meeting to order at 5:30 p.m.

PRESENT

Councilmember Peter Spadafore
Councilmember Adam Hussain
Councilmember Tamera Carter
Councilmember Trini Pehlivanoglu
Councilmember Jeffrey Brown
Councilmember Ryan Kost
Councilmember Jeremy Garza
Councilmember Brian T. Jackson

OTHERS PRESENT

Sherrie Boak, Council Staff
James DeLine, Interim Internal Auditor
Lisa Hagen-Lawrence, OCA
Greg Venker, OCA
Mark Lawrence, Mayor's Office
Kris Klein, LEDC
Barb Davidson, Ingham County 911
Nicole McPherson, Public Service
Loretta Stanaway
Desiree Kirkland, Finance Director
Angel Miller, Dir. Regional Smart Zone

Minutes

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM MAY 20, 2024, AS PRESENTED. MOTION CARRIED 8-0.

Public Comment

Ms. Stanaway spoke on funds towards the 911 services and reserve officers for future collaboration.

PRESENTATIONS

Ingham County 911 Director Barb Davidson – New 911 Mass Notification System

Ms. Davidson acknowledged Council for allowing her to speak. Ms. Davidson spoke on the new platform and the reasoning behind the change. Ms. Davidson provided a presentation that began with why the change from Everbridge to RAVE, how the RAVE program works,

emergency notifications, response enhancements and data sharing. SMART 911 is a component, did not have to pay for this service, but assists the first responders.

Council Member Brown stepped away from the meeting at 5:39 p.m.

Ms. Davidson expanded in the presentation on all the tools that RAVE offers.

Council Member Brown returned to the meeting at 5:45 p.m.

Council Member Jackson stepped away from the meeting at 5:46 p.m.

Ms. Davidson spoke on the importance of accurate information, SMART 911, and then spoke on RAVE Link.

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

Council Member Hussain asked if there are specific dispatchers in the city limits. Ms. Davidson stated the call takers, work all together. There are 5 call takers, the calls are vetted and depending on what it is and where, it goes to the dispatchers. There are dispatchers specific to the city.

Council Member Hussain asked how 911 stays current with the City of Lansing Ordinances and law. Ms. Davidson stated she meets monthly with an advisory board and there are two from with the city specific and advise her on anything that needs to be changed. Council Member Hussain asked if those are public, and it is third Thursday of the month in Delhi Twp.

Council Member Garza asked about the apps, and if they recommend parents input or the children to do the app. Ms. Davidson recommended the parents should input.

Council Member Pehlivanoglu noted there is no data base to access, and asked to confirm that dispatchers have access. She asked what a GEO data base is, and confirm it is secured. Ms. Davidson stated it is secured with the national known company, and 911 cannot obtain any personal information. RAVE has met every security recommendation and has the highest security.

Council Member Jackson asked Ms. Davidson if there are any work with crisis teams and how has that worked. Ms. Davidson stated that the city is pushing the envelope with the LCAP unit and LPD social workers. The 911 is in conversation with community mental health, and 911 is hoping the millage that is on the ballot in August will pass and assist them.

DISCUSSION/ACTION:

RESOLUTION – Appointment Eric Tans, City of Lansing Member; CATA; Term to Expire 2026
Mr. Tan provided his experience and reason for interest of serving.

Council Member Jackson spoke in support of the appointment.

Council Member Hussain asked how he knew about the vacancy, and Mr. Tans stated he was not asked to apply, but does know the person who stepped down and therefore applied then.

Council Member Hussain asked any changes from the application since April when submitted. Mr. Tans stated no.

Council Member Hussain asked if he would be willing to attend neighborhood and constituents' meetings. Mr. Tans confirmed, and stated public transportation only works if the system works, and if it is not working CATA needs to get the feedback.

Council Member Hussain asked Mr. Lawrence about the current vacancies on the Board. Mr. Lawrence stated he was not aware without checking.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF ERIC TANS TO CATA. MOTION CARRIED 8-0.

ACTION – Set a Public Hearing; Re-Adopting the Codified Ordinances

Council President Garza stated this is something that has been done annually. The City Attorney had no additional comments.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION TO SET A PUBLIC HEARING FOR THE CODIFIED ORDINANCES FOR JULY 8, 2024. MOTION CARRIED 8-0.

RESOLUTION – Annual Training Requirement; Boards/Commissions Ethics Ordinance, Conflict of Interest, and OMA

Council President Garza stated this is an annual recommendation from the Council and Mr. Venker stated he had no other comments.

Council Member Hussain asked who communicates with the Boards on this training. Ms. Hagen-Lawrence stated her understanding that the Clerk's office reaches out to the Board, Commissions and Authority members and they have to watch a video and sign a document. Council Member Hussain asked if there is a penalty. Ms. Hagen-Lawrence stated there is no penalty, this is a resolution not an ordinance. Council Member Hussain asked if new members are also required, and it was confirmed.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION TO REQUIRE ANNUAL TRAININGS FOR ALL BOARDS AND COMMISSIONS. MOTION CARRIED 8-0.

RESOLUTION – Greater Lansing Regional Committee for Stormwater Management Membership & Memorandum of Agreement

Ms. McPherson stated the membership is a continuation membership and Memorandum of Agreement. The benefit of this for the 16 communities, including the city, is to help with the requirements set forth by EGLE. This is for the discharge system, the requirements for the MS4 system, regional collaboration and assistance.

Council President Garza asked if this gets reviewed every 4 years, and Ms. McPherson stated they will review it regularly and provide recommendations for updates. The permit is every 5 years, and every time the agreement gets updated it does go back to Council.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR GREATER LANSING REGIONAL COMMITTEE FOR STORMWATER MANAGEEMTN MEMBERSHIP AND MOU. MOTION CARRIED 8-0.

DISCUSSION- Internal Auditor Annual Reporting; Long Term Debt and Analysis of the Financial Position of the City
Debt Book

Mr. DeLine asked Ms. Kirkland to come to the well and acknowledged her for her collaboration on the reporting.

Mr. DeLine confirmed that the long-term debt document was sent to each Councilmember in the packet for tonight's meeting and it was also sent to the Mayor and the City Clerk.

The report, which we often refer to as "the debt book" is based on information for fiscal year 2023. That means that all of the information is from June 30, 2023, or before. The information is audited information. The audit was conducted by the local firm of Maner Costerisan and was made available to the City in January 2024. This was compiled by the Interim Internal Auditor due to some turnover in the office of the internal auditor and he apologized for the delay.

Mr. DeLine then went through the report and highlighted what the report covers.

- Bonds account for 90% of the City's long-term debt.
- Councilmembers can find a listing of all bonds and other long-term debt instruments on pages 9 and 10.
- When the public voted to approve a new public safety facility, they voted to approve selling a bond.
- That particular bond sold in fiscal year 2023 had a big impact on the City's long-term debt.
- Due to the high interest rates dominate in 2023, this bond also carries the highest interest rate of any of the outstanding bonds at that time.
- There is a page in this document that shows how close a \$175 million bond pushed us to our legal debt limit. Councilmembers will find that chart on page 8.

Mr. DeLine concluded by noting the document itemizes every outstanding bond as well as installment purchases and loans. There is a 4-5% on the public safety bond, others are 1-2.75%. He was then asked about the legal debt limit, and stated \$360 million, of that the City has indebted on the bonds in FY \$229 million which leaves \$77 million as a small "cushion".

Council Member Spadafore asked how the legal debt limitation is calculated. Ms. Kirkland stated it is on the taxable value and can exceed that by 10%. Council Member Spadafore then asked if the debt is paid by the funds dedicated by the voters, and asked if there were any funds from GF. Ms. Kirkland confirmed that is correct but did not have currently have the exact figures. Council Member Spadafore asked if they were from the revenue bonds and Ms. Kirkland confirmed.

Council President Garza asked about the bond interest rates, public safety bonds. Ms. Kirkland confirmed that most of them are less than 4%, but cannot be more than average 5%, and they are looking to reduce. Council President Garza then asked if they had a reduction plan at which Ms. Kirkland stated they do not yet but have been in discussions with municipal advisors to provide direction.

Council Member Spadafore asked if the city, in the future, can look at how they can fall in line to be in the place where they are earning 5% and Ms. Kirkland confirmed, and the bonds have to stay with the construction and not go into GF.

Annual Financial Analysis of the City

Mr. DeLine began his presentation on the reporting, noting that this as well was sent to the Mayor and the City Clerk. He stated briefly that the book is based on information for fiscal year 2023. That means that all of the information is from June 30, 2023, or before and is documented and compiled from the Comprehensive Annual Financial Reports (CAFR) from fiscal year 2023 and also those from prior fiscal years. As with the long-term debt document, Mr. DeLine noted, the information is audited information, and the audit was conducted by the local firm of Maner Costerisan and was made available to the City in January 2024. Mr. DeLine did apologize for the delay in Council getting this report. He then went on to outlined

why the Charter mandates an annual analysis of the financial condition of the City be done by the Internal Auditor. The 2023 report shows generally, revenues are up, and expenses are down. Keeping in mind that the city has several pockets of revenue and their individual related expenses. All funds are documented in the CAFR and most of them are in the Auditors report. Mr. DeLine outlined some key points.

- There are some financial aspects of the City that even people who can't balance a checkbook are aware of. We have heard for years that retirement benefits and healthcare costs will drive the city bankrupt. These costs each year are paid from what is known as to fiduciary fund. The fiduciary fund has maintained a net position over the years of approximately \$570 million dollars. This is not enough to equal our noncurrent liability but again, the financial condition of the City is good. The city is not going broke.
- The other fund often discussed is the general fund. This is the fund where our taxes go. So, everyone needs to know how their taxes are being spent. And while people have approved parks bonds and public safety bonds, the general fund still pays most of those expenses and, of course, pays for the Mayor, the City Council, me, the finance department and most of the people who work for the city as well as their supplies and equipment. In fiscal year 2023 you should know the general fund expenses were actually less that which was the final 2023 budget. Your city employees are being good at staying within budget. They are good stewards with your money.

Mr. DeLine concluded by acknowledging that fiscal year 2023 was a tough one for revenue. In order to completely fund the general fund, reserves combined with the use of Budget Stabilization Funds (the "rainy day fund") increased \$6.21 million from FY 2022. (CAFR 2023 Page 23). In addition, interest rates were quite high in 2023. General fund monies that the City had invested in Treasury instruments earned a great deal more interest in fiscal year 2023 than in 2022. Lastly, he acknowledged Ms. Kirkland for her assistance.

Council Member Jackson asked if there is a trajectory towards the City "going broke" and how does the City take into account COVID funds and the lack of. Mr. DeLine acknowledged the recent budget process Council went through noting the budget is tight. The administration is going well with that, and every fund is carrying forward a net fund balance, and there are funds. The trajectory is a positive one.

MOTION BY COUNCIL MEMBER HUSSAIN TO PLACE THE REPORTS ON FILE. MOTION CARRIED 8-0.

RESOLUTION- Local Development Finance Authority (LDFA) Budget Approval

Mr. Lawrence stated that this item was overlooked when the Administration did the budget. This error was corrected on the staff level, and in the future, it will be part of the budget process.

Mr. Klein and Ms. Miller presented the document. Mr. Klein started by acknowledging a miscommunication on this budget, but it does need to be adopted by Council before it goes to the LDFA Board, and then approved before the end of the Fiscal Year. It is a joint LDFA with the City of East Lansing, and in 2022 there was an extension. The budget reflects utilizing the funds that were available and fund balance of the 5-year capture. The amount captures for the city is \$0, which is the district where the McLaren campus at university park is. The development in that park did not occur. The base value was set high for \$11 million and current value is \$4 million. Mr. Klein confirmed the city does not owe anything, and therefore there is no City capture. This budget only utilizes the City of East Lansing only. With the collaboration it is 10% shared helps to invest in the city and the City of East Lansing. Ms.

Miller confirmed there is no capture for the city, but the city benefits, and there are East Lansing businesses that have expanded into Lansing.

Council Member Hussain asked for the details on the LDFA Board meetings, and Ms. Miller stated they are Tuesdays at the Technology Innovation Center in East Lansing, and Council Member Hussain asked the administration to update the website because the website states they are ZOOM.

Mr. DeLine noted on the report that in the four (4) year history, only one year there was a positive budget. That being said, he asked how much of the fund balance is the LDFA. Mr. Klein stated that ultimately it is \$0 because even with the funding extended 5 years their goal is to spend it all.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE LDFA BUDGET. MOTION CARRIED 8-0.

Other

No other topics.

Adjourn

The meeting adjourned at 6:37 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary,

Lansing City Council

Approved by the Committee on June 24, 2024