AGENDA

Committee of the Whole
August 26, 2024 at 5:30 PM

Lansing City Hall, Tony Benavides Lansing City Council Chambers
124 W. Michigan Avenue, 10th Floor
To provide input or ask questions on any item that is listed on the agenda,
members of the public may contact the City Council at city.council@lansingmi.gov or (517) 483-4177 prior to the meeting.
To view the meeting live and participate in virtual public comment: https://www.lansingmi.gov/1212/Council-Committee-Meetings

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Council Member Garza, Chairperson
Council Member Hussain, Vice Chairperson

1. Call to Order

2. Roll Call

3. Minutes

A. August 12, 2024

4. Public Comment on Agenda Items (Up to 3 Minutes)

5. Discussion/Action:

B. DISCUSSION - Human Services General Fund Allocations, Third Quarter Report- HRCS

C. DISCUSSION- Changes to Michigan Minimum Wage and Sick Leave Laws- Chief Strategy Officer

D. DISCUSSION - Executive Order 2024-XXX; Moving Office of Financial Empowerment (OFE) to Economic Development & Planning (EDP)

E. RESOLUTION - Fiscal Year 2024/2025 Budget Amendment; Neighborhoods Arts & Citizen Engagement to Economic Development & Planning

F. DISCUSSION - Overview of the Economic Development & Planning (EDP) Department- Director Van Fossen

G. DISCUSSION - Budget Priorities for Budget Fiscal Year 2025/2026

Closed Session

H. Pursuant to MCL 15.268(c) of the Open Meetings Act, Council will recess into closed session for strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement between the City of Lansing and Capitol City Labor Program Inc, Non-Supervisory Unit, as requested by the City.

Reconvene

6. Other

I. RESOLUTION - Capital City Labor Program (CCLP) Non-Supervisory Tentative Agreement for the CBA

7. Adjourn

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

MINUTES
Committee of the Whole
Monday, August 12, 2024 @ 6:00 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council Vice President Hussain called the meeting to order at 6:00 p.m.

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

OTHERS PRESENT
Sherrie Boak, Council Staff
Lisa Hagen-Lawrence, OCA
Greg Venker, OCA
Mark Lawrence, Mayor's Office
Calvin Jones, LBWL Dir. Of Finance and Planning
Scott Taylor, LBWL

Minutes
MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE MINUTES FROM JULY 22, 2024, AS PRESENTED. MOTION CARRIED 7-0.

Public Comment
No public comment at this time.

Presentations
Board of Water and Light proposed Electric, Water, Steam and Chilled Water Rate Changes
Council Member Hussain briefly summarized the items in the packet.

Mr. Taylor and Mr. Jones presented to the Committee. Mr. Taylor explained the process which began with the filing with the City Clerk on July 3rd; on July 16th there was a presentation provided to BWL, and on August 2nd they published the public hearing notice for the hearing schedule for August 20th. There will be a presentation at that time, then the BWL will meet on August 27th to make their decision. The effective date for the rate changes will be October 1st in 2024 and 2025.

Council Member Hussain asked for a breakdown for the proposed increase for all services and what the net would be.
Mr. Taylor stated the increases would be:
Electric 6.9% for 2024, 6% for 2025; generating $20 million in 2024 and $18.7 million in 2025.
Water 9.23% for 2024, 9.16% for 2025; generating $5 million in 2024 and $5.5 million in 2025.
Steam 9.75% in 2024, 9.75% for 2025; generate $980,000 in 2024 and $1.1 million in 2025.
Chilled Water 2% in 2024, 1.5 for 2025; generate $90,000 in 2024 and $70,000 in 2025.

Council Member Hussain asked if the steam and chilled was all commercial users, and Mr. Taylor confirmed chilled is all commercial and steam is majority commercial.

Council Member Jackson referred back to the statement made on when the notice was sent to the residents, but that the BWL Finance Committee did not meet until after that to discuss the rates. With that, he inquired into how the rates were determined. Mr. Taylor stated this comes from their budget forecast, and the BWL Committee and Commission knows they are not approving the rates at that time but knowing the need for rate increases. The determination for the need is done in May, and in July they start the process. Council Member Jackson asked who created the forecast for the budget. Mr. Taylor confirmed his team works to put that forth and discloses in the resolution they are not approving the rates. If they are ever needed to change, they can revisit the forecast and capital spending.

Council Member Brown asked if they could speak to how they are strategically doing everything they can to not increase the rates. Mr. Taylor said that typically they do a 6-year forecast and start with what they anticipated. He added they then go went through their budget process, normal business process including bidding, strategic planning meetings, business analysis throughout the year. The first thing they do is evaluate cost and spending, and last thing they do is determine rate.

Council Member Kost asked what the average increase would be for residents going forward starting October 1st. Mr. Taylor confirmed the average residential electric is $96 and this would be a $7 average increase, and the water is $44 with an expected $4 average increase. Council Member Kost asked if BWL continues to be cheaper than Consumers Energy and Mr. Taylor confirmed.

There were no additional questions on the topic.

Discussion/Action

RESOLUTION – Board of Water and Light Return on Equity (ROE) Agreement, Amendment #7

Council Member Hussain briefly recapped that the ROE began in 1992 and has been amended 6 times. Before Committee and Council tonight is the newest amendment, which began July 1st, 2024, at 6% ending June 30, 2025. He then summarized the packet materials. Council Member Hussain asked the BWL representatives how they arrived at 6% and what this means to the city.

Mr. Taylor acknowledged that the current one did expire June 30, 2024, and the primary intent of this amendment is to renew the agreement. The key aspects are that it does maintain the 6% based on budgeted revenues instead of actual revenue. That meaning it would not be based on fluctuations of revenue. It extends for 1 year; in addition, it will amend the FY 2024 to align with their budgeted. Council Member Hussain asked what that means for the City and Mr. Taylor stated that means $1.9 million for FY 2024.

Council Member Spadafore asked why just a one-year renewal. Mr. Taylor stated that primarily these are revenue driven, and there are a lot of load driven projects right now, so with all projects underway and expected changes they wanted only one year. Council Member Spadafore asked if their current fiscal year budget anticipated the rate increase and that was confirmed.

Council Member Jackson noted that the city goes over operating and makes amendments, and asked if BWL goes over on their operating and there is more than their operating budget do they have a historical trend for addressing this. Mr. Taylor confirmed there has been an averaged of going over the budget, but this past year was different.

Council Member Spadafore asked what the estimated total is at 6% for 2024 and 2025. Mr. Brower responded by stating $26 million plus adjustments for 2024 and for 2025 just above $28 million.

Council Member Brown asked if BWL is anticipating more in their budget than the 6% budgeted. Mr. Taylor stated no, and for forecasting and planning this is more predictable. Mr. Brower added that this is taking the risk away from the city and also gives BWL a boost in the following year. Council Member Brown asked if they have a budget for $20 million at 6%, but they make $40 million, would the city not get any additional and Mr. Brower confirmed that was true and if that does occur, they would be happy for BWL. Council Member Brown asked what it has been in the past, and Mr. Brower went through the past 6 amendments in the packet. Council Member Brown asked if in the past it was fixed, what the reason for connecting to the budget now. Mr. Brower stated this a stable projection through a period of uncertainty. With it being tied to the budget, the city can predict what will get this year.

Council Member Kost asked for confirmation this would not include internal sales, and Mr. Taylor confirmed noting that those sales are where BWL sells to themselves.

Council Member Hussain noted that in 2013 the ROE agreement was for 5 years at 6.1% for wholesale and resale, noting that if the Board did better the return on equity to the city was better. He noted that from the BWL meeting minutes from BWL, it appears BWL administration believes they will, and the mayor initially proposed 8%, and BWL countered back with 6% gross and it was the Mayor that countered back at 6% tied to the budget. Mr. Taylor stated the “gross” was intended to be “actual” and he was not involved in all discussions. In the discussions he was involved in with the city that it was determined it was preferrable to use budget figures because of realization of BWL on retail sales. Due to exposure, that is why a premium was put on and the amendment is with “budget” instead of “actual”. Council Member Hussain explained that when Council looks at revenues and provide services, Council struggles to provide revenues to bolster growth, job growth, state revenue sharing, etc. As BWL is growing and customer base is growing, Council should be able to assure the city is getting what they should. He referred to the BWL minutes in the packet again, and it appears with the counter offers, it appears the city did not get the best option, noting in the past the City got ROE on retail and wholesale and now not getting both since 2022. Council Member Hussain then asked OCA why Council is just getting this amendment when the last amendment #6 expired June 30, 2024. Mr. Venker stated he could not speak to why Council is just getting this, but the amendment is retroactive to July 1st, amends 2024 and delivery today does not affect anything. Council Member Hussain again noted the 6th amendment expired June 30th. Mr. Brower stated there was awkward timing with meetings in July because BWL did not approve yet.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE CITY AND BOARD OF WATER AND LIGHT RETURN ON EQUITY AGREEMENT, AMENDMENT #7. MOTION CARRIED 6-1.

OTHER
No other topics at this time.

Adjourn
The meeting adjourned at 6:30 pm
Respectfully Submitted by,
Sherrie Boak Recording Secretary,
Lansing City Council
Approved by the Committee

The City of
LANSING
City Council

TO: City Council Committee of the Whole

FROM: Sherrie Boak, Council Office Manager

DATE: August 13, 2024

SUBJECT: Human Services General Fund 3rd Quarter Report

On August 12, 2024 City Council received the attached HRCS 3rd Quarter Report. City Council requested this report from the Human Relations Community Services (HRCS) Department as part of their annual Budget Adoption Resolution- Budget Policies. It states:

- Human Services and Community Supported Agencies Funding
  The plan for funding Agencies submitted to Council designate particular Agencies. If any agency does not apply for or use their funding, all funds will remain in their respective account(s) for additional appropriation and approval by Council for Human Services and Community Supported Agencies use pursuant to the Charter transfer authority. The Administration/Human Relations Community Services Department is requested to submit to Council a quarterly report on the status of the Human Services and Community Supported Agencies' funding. This report should include the accounting level detail appropriation; amount spent, balance, and a notation as to whether the balance of funds is expected to be spent by the end of the Fiscal Year; if not, why.

In April 2024 HRCS submitted their 2nd Quarter Report which stated that through the 2nd quarter they had expended $785,043.34 of the total $1,605,125.00. On the attached 3rd quarter report you will see that they have expended $1,187,448.95 of the total $1,605,125.00 (73.98%)

The department has confirmed that the 3rd quarter report does reflect a **revised** reporting for Lansing First Presbyterian. The department received an amended 1st and 2nd quarter report from this agency so the 3rd quarter report shows the accurate reporting of their spending of City funds to date.

General Fund Human Services 2023-2024

Organization	Grant Amt	Q1. Sept	Q2. Dec	Q3. Mar	4th Quart	Expended	Balance	% Spent	Notes
Advent House Ministries-EFHTRR	$ 10,000	2,419.03	3,122.88	3,318.10		8,860.01	1,139.99	88.60%	
Advent House Ministries-HARA	$ 30,000	0.00	0.00	21,688.96		21,688.96	8,311.04	72.30%	
Advent House Ministries-Permanent Housing for Families	$ 10,000	1,145.84	4,361.17	3,783.52		9,290.53	709.47	92.91%	
Advent House Ministries-PSH Hope Housing Expansion Program	$ 17,500	3,310.22	3,511.43	6,752.21		13,573.86	3,926.14	77.56%	
Advent House Ministries-Weekend Day Shelter	$ 30,000	7,324.76	9,608.16	7,490.65		24,423.57	5,576.43	81.41%	
Allen Neighborhood Center	$ 27,000	7,040.68	7,328.37	5,658.50		20,027.55	6,972.45	74.18%	
BCFI-Building Child & Family Initiatives	$ 16,720	0.00	2,620.00	2,040.00		4,660.00	12,060.00	27.87%	
Big Brothers Big Sisters MI Capital Region	$ 20,000	5,000.00	5,000.00	5,000.00		15,000.00	5,000.00	75.00%	
Boys & Girls Club of Lansing	$ 55,000	14,250.00	16,400.00	13,395.15		44,045.15	10,954.85	80.08%	
Capital Area Community Services	$ 45,000	14,566.55	0.00	0.00		14,566.55	30,433.45	32.37%	Grant closed; reallocated
Capital Area District Libraries	$ 15,000	3,750.00	3,750.00	3,750.00		11,250.00	3,750.00	75.00%	
Carol J. Greer Community Learning Center of St. Stephen's Comm Church	$ 18,000	649.70	5,797.77	6,629.78		13,077.25	4,922.75	72.65%	
Child & Family Charities-Family Growth Center	$ 10,000	2,500.00	2,500.00	2,500.00		7,500.00	2,500.00	75.00%	
Child & Family Charities-Gateway Youth Services	$ 30,000	7,500.00	7,500.00	7,500.00		22,500.00	7,500.00	75.00%	
Child & Family Charities-Teen Accountability & Prevention Programs	$ 6,000	1,500.00	1,500.00	1,500.00		4,500.00	1,500.00	75.00%	
CMHA-CEI Bridges Crisis Unit	$ 50,000	12,500.00	12,500.00	12,500.00		37,500.00	12,500.00	75.00%	
CMHA-CEI The Recovery Center	$ 40,000	10,000.00	10,000.00	10,000.00		30,000.00	10,000.00	75.00%	
Cristo Rey Community Center	$ 30,000	7,500.00	7,500.00	7,500.00		22,500.00	7,500.00	75.00%	
Eastside Community Action Center-Off the Streets	$ 30,000	3,500.00	9,000.00	10,000.00		22,500.00	7,500.00	75.00%	
Eastside Community Action Center-Youth Services Programming	$ 10,000	5,000.00	2,500.00	1,500.00		9,000.00	1,000.00	90.00%	
EVE, Inc	$ 35,000	6,620.21	5,549.11	5,666.33		17,835.65	17,164.35	50.96%	To spend in Q4
Forster Woods Adult Day Services	$ 25,000	6,250.00	6,250.00	6,250.00		18,750.00	6,250.00	75.00%	
Girl Scouts Heart of Michigan	$ 7,000	3,465.00	3,535.00	0.00		7,000.00	0.00	100.00%	
Greater Lansing Food Bank-Garden Project	$ 7,500	1,875.00	1,875.00	1,875.00		5,625.00	1,875.00	75.00%	
Greater Lansing Food Bank-Mobile Food Distributions	$ 30,000	7,500.00	7,500.00	7,500.00		22,500.00	7,500.00	75.00%	
Habitat for Humanity-Accessibility Ramps	$ 5,000	3,339.00	1,661.00	0.00		5,000.00	0.00	100.00%	
Habitat for Humanity-Critical Home Repairs	$ 25,000	10,979.00	14,021.00	0.00		25,000.00	0.00	100.00%	
Habitat for Humanity-Homeownership	$ 40,000	14,318.00	18,905.00	6,777.00		40,000.00	0.00	100.00%	
Helping Women Period	$ 35,000	8,750.00	8,750.00	8,750.00		26,250.00	8,750.00	75.00%	
His Healing Hands Urgent Care Center	$ 25,000	6,000.00	0.00	5,000.00		11,000.00	14,000.00	44.00%	
Holy Cross Services New Hope Community Center-HELP	$ 50,000	12,205.67	14,926.90	16,198.16		43,330.73	6,669.27	86.66%	
Holy Cross Services New Hope Community Center-Shelter Services	$ 105,000	27,629.61	33,816.95	25,151.96		86,598.52	18,401.48	82.47%	
Hospice of Lansing & Stoneleigh Residence	$ 10,000	3,229.07	2,229.07	2,585.51		8,043.65	1,956.35	80.44%	
Ingham Health Plan Corporation	$ 15,000	4,551.70	4,405.86	4,567.94		13,525.50	1,474.50	90.17%	
Ingham-City of Lansing Community Corrections Advisory Board	$ 15,000	3,750.00	3,750.00	3,750.00		11,250.00	3,750.00	75.00%	
International Humanitarian Services	$ 20,000	5,000.00	5,000.00	5,000.00		15,000.00	5,000.00	75.00%	
Justice in Mental Health Organization	$ 7,000	1,902.46	918.95	2,086.47		4,907.88	2,092.12	70.11%	
KCS Angels	$ 23,500	4,500.00	5,200.00	7,650.00		17,350.00	6,150.00	73.83%	
Lansing First Presbyterian Food Pantry	$ 5,000	0.00	2,099.82	299.56		2,399.38	2,600.62	47.99%	To spend in Q4
Lansing Regional Sister Cities Commission	$ 20,000	0.00	33.62	12,270.30		12,303.92	7,696.08	61.52%	To spend in Q4
Legal Services of South Central Michigan	$ 80,000	20,000.00	20,000.00	20,000.00		60,000.00	20,000.00	75.00%	
LMTS Community Outreach Services-Eat Good, Feel Good, Look Good	$ 24,000	5,241.00	5,700.00	4,090.00		15,031.00	8,969.00	62.63%	To spend in Q4
LMTS Community Outreach Services-Family Matters	$ 20,000	5,041.00	7,500.00	0.00		12,541.00	7,459.00	62.71%	To spend in Q4
Loads of Love-Spirit of Peace Church of the Brethren	$ 5,000	0.00	2,500.00	1,250.00		3,750.00	1,250.00	75.00%	
Loaves & Fishes Ministries	$ 20,000	6,251.34	0.00	7,070.59		13,321.93	6,678.07	66.61%	To spend in Q4
LPD Explorer Post	$ 3,000	3,000.00	0.00	0.00		3,000.00	0.00	100.00%	Spends once/year
LPD G.R.E.A.T	$ -	0.00	0.00	0.00		0.00	0.00	0.00%	2 Yr Grant, Reporting Only
Michigan Crossroads Council, Boy Scouts of America	$ 5,000	0.00	1,270.72	990.17		2,260.89	2,739.11	45.22%	To spend in Q4
Mid-Michigan Recovery Services	$ 30,000	7,500.00	7,500.00	7,500.00		22,500.00	7,500.00	75.00%	
Northwest Initiative	$ 25,000	6,250.00	6,250.00	6,250.00		18,750.00	6,250.00	75.00%	
Old Newsboys of Greater Lansing	$ 10,000	1,000.00	3,000.00	3,000.00		7,000.00	3,000.00	70.00%	
Peckham, Inc	$ 19,905	1,399.00	6,266.00	2,844.00		10,509.00	9,396.00	52.80%	To spend in Q4
REACH Studio Art Center-Art Truck	$ 8,000	3,458.00	1,125.00	1,125.00		5,708.00	2,292.00	71.35%	
REACH Studio Art Center-Teen Programs	$ 12,000	3,000.00	3,000.00	3,000.00		9,000.00	3,000.00	75.00%	
Refugee Development Center	$ 50,000	6,637.14	10,679.30	15,966.04		33,282.48	16,717.52	66.56%	
Resolution Services Center of Central MI	$ 40,000	14,439.58	5,834.45	4,877.35		25,151.38	14,848.62	62.88%	To spend in Q4
Retired & Senior Volunteer Programs	$ 15,000	1,715.14	5,419.82	6,883.55		14,018.51	981.49	93.46%	
Saint Vincent Catholic Charities	$ 10,000	3,243.76	3,996.36	2,790.10		10,030.22	-30.22	100.30%	
Sleep in Heavenly Peace	$ 10,000	0.00	5,000.00	5,000.00		10,000.00	0.00	100.00%	
Southside Community Coalition	$ 30,000	7,500.00	7,500.00	7,500.00		22,500.00	7,500.00	75.00%	
The Advancement Corporation	$ 15,000	0.00	3,485.00	4,015.00		7,500.00	7,500.00	50.00%	Currently under Review
The Davies Project	$ 35,000	2,619.90	13,857.03	11,255.37		27,732.30	7,267.70	79.24%	
The Salvation Army	$ 18,000	9,203.09	6,048.17	4,169.52		19,420.78	-1,420.78	107.89%	
Tri-County Office on Aging	$ 10,000	2,500.00	2,500.00	2,500.00		7,500.00	2,500.00	75.00%	
United Mentoring Program-Walk in Truth Ministries	$ 25,000	0.00	7,500.00	10,000.00		17,500.00	7,500.00	70.00%	
United Way of South Central Michigan-Central Michigan-211	$ 10,000	2,500.00	2,500.00	2,500.00		7,500.00	2,500.00	75.00%	
United Way of South Central Michigan-VITA	$ 15,000	3,750.00	3,750.00	3,750.00		11,250.00	3,750.00	75.00%	
Women's Center of Greater Lansing-Counseling, Support Groups & Crisis Couns	$ 20,000	5,000.00	5,000.00	5,000.00		15,000.00	5,000.00	75.00%	
Women's Center of Greater Lansing-Financial Literacy & Economic Empowermt	$ 20,000	4,718.34	5,245.46	4,344.00		14,307.80	5,692.20	71.54%	
YMCA of Metropolitan Lansing	$ 15,000	3,750.00	3,750.00	3,750.00		11,250.00	3,750.00	75.00%	

All programs reporting. All GF programs were reviewed in 3rd Quarter for spending status and program progress.
Agency spending patterns vary, with some spending all City funds early, while others spend them later in the year.

Total $ Grant Awarded	$1,605,125.00
Total Spent Q1	$371,038.79
Total Spent Q2	$411,104.37
Total Spent Q3	$405,305.79
Total Spent Q4	$0.00
Overall Expended Funds	$1,187,448.95
Overall Unspent Funds	$417,676.05
Overall % Spent	73.98%

Goals	%
Q1	25
Q2	50
Q3	75
Q4	100

Michigan Supreme Court Restores Minimum Wage & Sick Leave Laws: Implications for Local Governments

AUGUST 13th, 2024 | BY BETHANY VERBLE

By: Bethany Verble, CPA, CFE, CBPA, Senior Manager

On July 31, 2024, the Michigan Supreme Court's ruling in *Mothering Justice v. Attorney General* brought about crucial changes to Michigan's minimum wage and sick leave laws. While much attention has focused on the private sector, these changes are equally critical for local governments, impacting compliance, budgeting, and workforce management across the state.

The governmental experts at Maner Costerisan are here to break down the aspects of this ruling most important to governments and explain how these changes may impact your implementation of upcoming accounting standards.

Improved Workforce Opportunity Act and Minimum Wage Adjustments

One of the most impactful changes, which comes under the Improved Workforce Opportunity Act, relates to the minimum wage in Michigan. The new minimum wage, which will be effective beginning February 21, 2025, will have a base rate each year, with an inflationary adjustment. This inflationary adjustment will be established by the State Treasurer, no later than November 1 each year.

The base rate has been established, as indicated below, for the next five years.

Effective Date	Minimum Wage
February 21, 2025	$10.00 + inflation adjustment
February 21, 2026	$10.65 + inflation adjustment
February 21, 2027	$11.35 + inflation adjustment
February 21, 2028	$12.00 + inflation adjustment
February 21, 2029	2028 minimum wage + inflation adjustment

Action Items for Local Governments: Ensuring Compliance with New Wage Laws

With an annual change in the minimum wage, local governments should promptly review pay rates and personnel classifications. It's crucial to establish and document a plan for conducting these reviews on an annual basis to ensure continuous compliance. Additionally, local governments must also consider the budgetary impact, particularly for those with fiscal years other than December 31. Because the minimum wage rate won't be finalized until November

each year, many local units may experience mid-year budgetary changes, making it essential to closely monitor and amend budgets accordingly.

Earned Sick Time Act: Expanding Benefits for Michigan Employees

The Earned Sick Time Act is another crucial component of this ruling that will significantly impact local governments. Effective February 21, 2025, this Act makes substantial modifications to the Paid Medical Leave Act, 2018 Public Act 338, as amended by 2018 Public Act 369. Although the Act is named for sick time, its provisions extend to the broader category of paid time off (PTO). Key differences between the two Acts are outlined below, though this is not an exhaustive list.

Paid Medical Leave Act	Earned Sick Time Act
Applicable to employers with 50+ employees.	Applicable to all Michigan employers.
Limited eligibility (employee must live in the State, must work for at least 25 weeks, must regularly work 25+ hours a week).	All employees, regardless of residency, average hours, collective bargaining agreements, etc., are eligible for leave.
Minimum time accrued is 1 hour for every 35 hours worked, up to 40 hours in a year(defined as 12 calendar months). The employer may elect to provide additional time over these 40 hours.	Minimum time accrued is 1 hour for every 30 hours worked, up to 72 hours in a year (defined as 12 calendar months. The employer may elect to provide additional time over these 72 hours). **Employers with fewer than 10 employees may cap the accrual at 40 hours, but must offer 32 hours of unpaid leave.**
Employers may choose to provide 40 hours of leave at the beginning of the year, effectively frontloading the leave.	Frontloading of leave time is not allowable.
Employees may carry over up to 40 hours of leave.	Employees may carry forward unlimited leave time.
Employers do not have to allow staff to take	No change.

	more than 40 hours of leave in a year.	
	An employer may require an employee to wait until the 90th calendar day of employment to use accrued time.	No change.
	Employees must take earned time in 1 hour increments, unless otherwise specified by the employer.	No change.
	Employees must follow the employer's usual and customary notice and documentation requirements.	No change.
	Employees must be allowed at least 3 days to provide the requirements documentation for the purpose of the leave.	There is no specific number of days in which to provide documentation. Employees must provide reasonable documentation that the leave time has been used for eligible purposes within "a timely manner", if 3 or more leave days are used consecutively. Employers must bear the cost, if any, of obtaining this documentation.

	Paid medical leave may be used for: • Physical/mental illness, injury or health condition of the employee or employee's family member • Medical diagnosis, care, or treatment of the employee or employee's family member • Preventative care of the employee of employee's family member • Closure of the employee's primary workplace due to a public health emergency • Care of a child whose school or place of care has been closed due to a public health emergency • Exposure of the employee or employee's family member to a communicable disease that would jeopardize the health of others	Paid medical leave may be used for all of the items eligible under the Paid Medical Leave Act. The definition of "family member" has been expanded to include individuals related by blood OR affinity. Paid medical leave may also be used for: • Meetings at the employee's child's school related to health, disability or domestic violence

- Specified domestic violence or sexual assault situations

Prepare for 2025: Implement GASB 101 and Earned Sick Leave Act Changes in Your Local Government

The *Earned Sick Leave Act* will create significant changes in the leave time local governments must offer their employees and, for many, this will be the first time they have ever provided leave time to employees. The Act's provisions extend eligibility to full-time, part-time, and temporary workers, meaning that previously ineligible staff, such as temporary groundskeepers and election workers, may now qualify for leave.

While there are plenty of things to consider in the Act alone, it's also important to consider how this ruling may impact the implementation of Governmental Accountant Standards Board (GASB) Statement No. 101 *Compensated Absences*.

Issued in June 2022 and effective for fiscal years beginning after December 15, 2023, GASB No. 101 mandates that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more

likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

As GASB 101 and the Earned Sick Leave Act take effect concurrently in 2025, local governments will face substantial changes, making careful planning and preparation essential.

Conclusion: Navigating the New Landscape

While we expect more information in the coming weeks and months, local governments must take action now. This is a great time to review your employment contracts and consult with your legal counsel. It's also a great time to reach out to the governmental experts here at Maner Costerisan and talk through how these changes will impact your local unit's financial health! Contact Bethany Verble, CPA, CFE, CBPA, Senior Manager, at maner@manercpa.com for more information.

FAQ: Key Changes in Michigan's 2025

Minimum Wage and Earned Sick Time Laws

What are the key changes to Michigan's minimum wage laws? The new law, effective February 21, 2025, introduces an annually adjusted minimum wage rate based on inflation.

How does the Earned Sick Time Act differ from the previous Paid Medical Leave Act? Unlike the previous Act, the Earned Sick Time Act expands the eligibility for PTO to include part-time and temporary workers.

What steps should local governments take to comply with these new laws? Local governments should review pay rates, establish annual compliance checks, amend budgets as necessary, and consult legal counsel.

What is GASB 101, and why is it important for local governments? GASB 101 requires the recognition of liabilities for unused leave, impacting how local governments account for compensated absences.

When do these new laws and GASB 101 take effect? The minimum wage and Earned Sick Time Act changes take effect on February 21, 2025, while GASB 101 applies to fiscal years starting after December 15, 2023.

Want to Learn More?

If you have questions or are interested in learning how we can help your business, please contact us.

GET IN TOUCH

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LANSING MICHIGAN

Andy Schor, Mayor

OFFICE OF THE MAYOR

CITY OF LANSING, MICHIGAN

TO: COUNCIL PRESIDENT, COUNCIL VICE PRESIDENT, MEMBERS OF LANSING CITY COUNCIL; ALL OFFICERS, EMPLOYEES, AGENCIES, BOARDS, AUTHORITIES, AND DEPARTMENTS OF THE CITY OF LANSING

RE: EXECUTIVE ORDER 2024-01 - Transfer of the Office of Financial Empowerment from the Department of Neighborhoods, Arts, and Citizen Engagement to the Department of Economic Development and Planning

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As Mayor of the City of Lansing, I am charged with supervising and coordinating all departments in the city. The departments are organized as far as practicable according to their major purpose and function to provide service as efficiently, effectively, and economically. Offices and divisions are organized within City departments to optimize administrative and operational effectiveness. To this end, I have determined that it will create efficiencies to transfer the Office of Financial Empowerment to the of Department of Economic Development and Planning. This is not a Charter reorganization.

The Office of Financial Empowerment offers professional, one-on-one financial counseling as a free public service for residents to address their financial needs and plan their futures. The office seeks to work with residents to strengthen their financial wellbeing and outlook. A transfer to the Department of Economic Development and Planning will assist in the coordination and administration of grant funds, and the community outreach.

Therefore, pursuant to Sections 4-102.1 and 4-301.4 of the Lansing City Charter, I hereby issue the following Executive Order:

EXECUTIVE ORDER

IT IS HEREBY ORDERED:

The Office of Financial Empowerment is hereby transferred from the Department of Neighborhood, Arts, and Citizen Engagement to the Department of Economic Development and Planning.

All other Executive Orders in contravention of this Executive Order are hereby rescinded.

This Executive Order, signed on the twenty-second day of August, 2024, shall remain in full force and effect until it is rescinded or suspended.

Andy Schor
Mayor
City of Lansing, Michigan

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, at any time during the fiscal year, the City Council may consider appropriations which modify the previously adopted annual appropriation to transfer an unencumbered balance in whole or in part from any account; provide for the expenditure of revenues in excess of those in the budget; or meet a public emergency affecting life, health, property, or the public peace; and

WHEREAS, the Office of Financial Empowerment (OFE) has operated within the Department of Neighborhoods, Arts, and Citizen Engagement (NACE) and, due to executive reorganization, is to operate within the Department of Economic Development and Planning (EDP); and

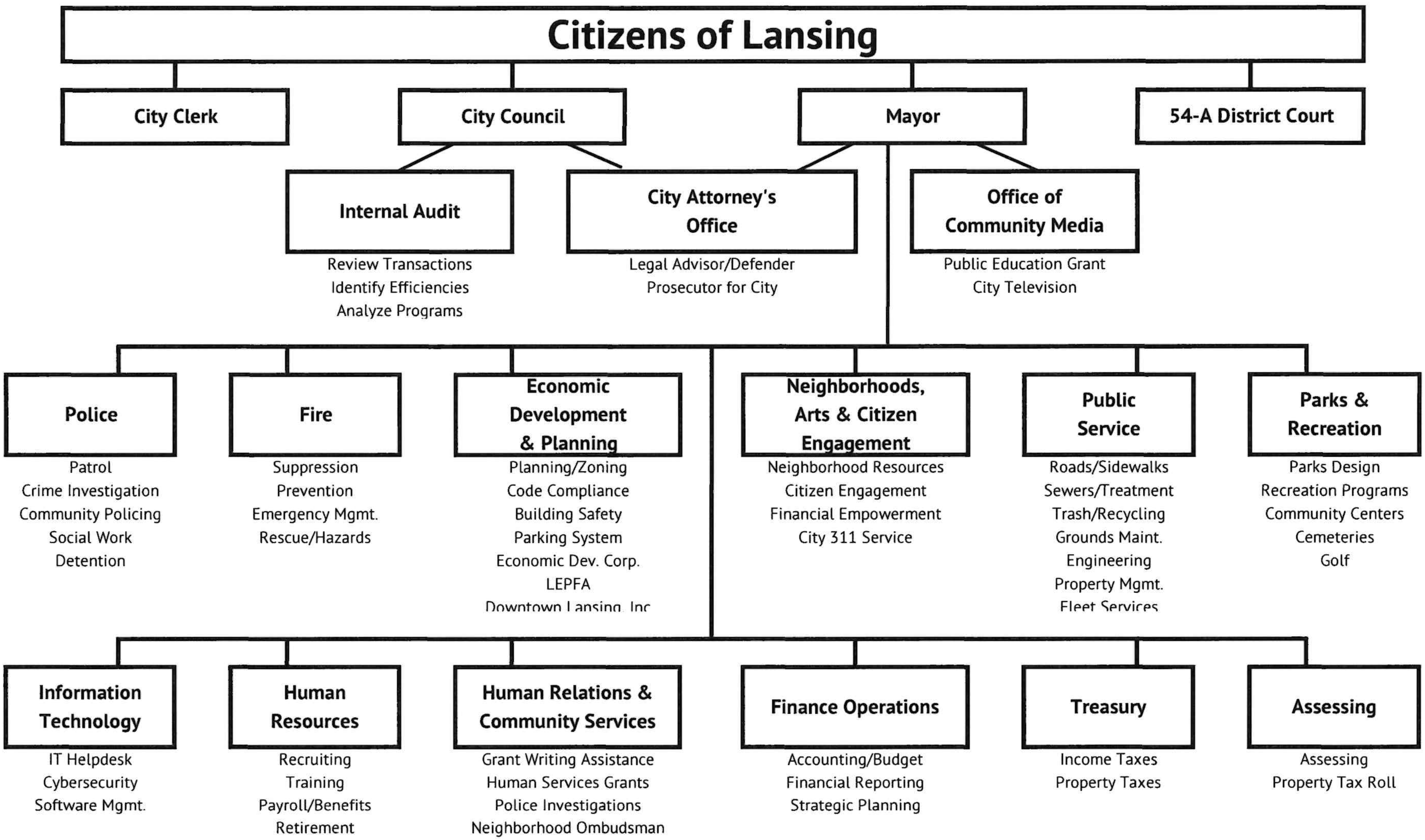
WHEREAS, the total general fund appropriation for Neighborhood, Arts, and Citizen Engagement included $572,997 in personnel and $195,735 in operating funds for the Office of Financial Empowerment as originally adopted in the FY 2024/2025 budget.

NOW, THEREFORE, BE IT RESOLVED that the following FY 2024/2025 budget amendment is approved; and

BE IT FINALLY RESOLVED, the Administration is authorized to create appropriate accounts and to make the necessary operating transfers for the expenditure and control of the balance of the appropriations.

Appropriation	**Description**	**Amount**
Neighborhoods, Arts, and Citizen Engagement	Personnel	(572,997)
	Operating	(195,735)
Economic Development and Planning	Personnel	572,997
	Operating	195,735
Total General Fund Expenditure Appropriation		**$0**

Table of Organization



FY 24 25 Executive Budget Recommendation

DRAFT

By the Committee of the Whole
Resolved by the City Council of the City of Lansing

WHEREAS, the Charter of the City of Lansing requires the Council to adopt an annual statement of Budget Policies and Priorities serving to guide the Administration in developing and presenting the Fiscal Year 2025/2026 Budget; and

.
WHEREAS, the City Council established the following Mission;

The City of Lansing's mission is to ensure quality of life by:

I. Promoting a vibrant, safe, healthy and inclusive community that provides opportunity for personal and economic growth for residents, businesses and visitors,
II. Securing short- and long-term financial stability through prudent management of city resources,
III. Providing reliable, efficient and quality services that are responsive to the needs of residents and businesses,
IV. Adopting sustainable practices that protect and enhance our cultural, natural and historical resources,
V. Facilitating regional collaboration and connecting communities; and

WHEREAS, the standing committees of the City Council have met to evaluate the budget and recommend an annual statement of budget policies and priorities to guide the Administration in developing and presenting the Fiscal Year 2025/2026 budget.

NOW, THEREFORE BE IT RESOLVED, that the Lansing City Council has established the following as its Fiscal Year 2025/2026 Budget Policies and Priorities and requests that the Administration review them and encourages that they, to the extent practical, be included in the Administration's budget presented due to the City Council by the fourth Monday in March 2025.

BE IT FURTHER RESOLVED, the **Committee of the Whole** has established the following priorities:

1. $100,000: (1) FTE focus specifically on housing legal assistance for tenants and homeowners in the City.
2. Fund sidewalk repair by $200,000 for a total of $600,000, with a priority placed on underserved areas.
3. Fund local street repair funding by $1.7 million for a total of $7 million, with a priority placed on underserved areas.
4. Funding for GED prep and passage program.
5. Sustainability; $134,000 Funding for marketing, training, professional development, needed risk assessments and updated plans, along with an additional part-time employee.

6. $400,000: Funding for additional staff arborists and equipment in forestry to more efficiently survey and maintain tree inventory consisting of hundreds of thousands of trees in what is known as a USA City of Trees.
7. $75,000; Feasibility Study for a community center located in southeast Lansing.

BE IT FURTHER RESOLVED, the **Committee on Development and Planning** has established the following priorities:

1. $80,000: (1) FTE LEDC; RE: Focus on Small Business, Minority Businesses; Female Owned Businesses
2. $250,000: Increase funding for the Façade Improvement Grant Program
3. Analysis of Facade Improvement Grant Program to include Return on Equity Report on Previous Façade Grants provided to small businesses including a statistical breakdown of what wards have been impacted by the program.
    a. It's requested that this report be submitted to City Council no later than ______________.
4. $40,000: Initiate an RFP for Engagement of Stakeholders and Completion of Community Facilities Plan, including school and county buildings, complete with inventory of assets and goals/objectives for facilities, that will serve as the basis for community facility decisions into the future.
5. $80,000: (1) FTE compliance employee to ensure all development agreements are being followed including but not limited to: income tax collection, TIFAs, PILOTS, and Brownfields.

BE IT FURTHER RESOLVED, the **Committee on City Operations** has established the following priorities:

NOTHING IN FY 2024/2025 RESOLUTION

BE IT FURTHER RESOLVED, the **Committee on Equity, Diversity, and Inclusion** has established the following priorities:

1. ~~The City of Lansing will include in their FY2024/2025 Budget public safety planning, a commitment, support, and a partnership with Advance Peace which will help lives and reduce the life altering trauma experienced by people living in the impacted communities and by the service providers who support them, including law enforcement. Council asks the Administration to focus the budget allocations to fully fund the City portion for FY2024/2025.~~
2. $80,000: (1) FTE Human Resources Employee; RE: Focus on DEI in the hiring process to work towards having a workforce that reflects the diversity of the City of Lansing.- **ASKED HR DIR. TO CONFIRM 8/15**

BE IT FURTHER RESOLVED, the **Committee on Public Safety** has established the following priorities:

1. Zoning Personnel Staff for Administrative tasks relating to Commercial Corridor Specialist.

2. Portable Speed Bumps (Public Service Department)
3. Reinstate the LFD apprenticeship/intern program (Lansing Fire Department)
4. Economic Development and Planning:
    a. Dedicate resources to searching appropriate databases for non-homestead ownership.
    b. Implement a pilot program to incentivize landlords to accept Section 8 vouchers

BE IT FURTHER RESOLVED, the **Committee on Ways and Means** has established the following priorities:

1. Continue to explore new municipal incentives under the Inflation Recovery Act to invest in solar energy for City facilities.

BE IT FURTHER RESOLVED, the City Council would like to continue its commitment, if funding is available, to:

- Maintain and improve the City's infrastructure;
- Preserve and ensure clean, safe, well-maintained housing and neighborhoods;
- Provide comprehensive and affordable recreational programs and youth and family services;
- Explore alternatives for improved efficiency in service and delivery.

BE IT FURTHER RESOLVED, the City Council has accepted the following recommendations from the 2024 Board of Public Service for FY 2025/2026:

1.

BY THE COMMITTEE OF THE WHOLE
RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANSING

WHEREAS, the City of Lansing and the Capitol City Labor Program Inc., Non-Supervisory Unit have negotiated additional provisions to the collective bargaining agreement (the "CBA") for the period covering July 1, 2022 through June 30, 2026, which is summarized in the Tentative Agreement Document approved by the parties ("Tentative Agreement") and which contains the changes to the prior CBA; and

WHEREAS, the Union membership ratified this agreement on August 16, 2024; and

WHEREAS, the Mayor recommends the CBA, as summarized in the Tentative Agreement, be approved;

NOW, THEREFORE BE IT RESOLVED, that the City Council hereby ratifies the Tentative Agreement of the parties for the CBA between the City of Lansing and the Union, Capitol City Labor Program Inc., Non-Supervisory Unit for the period covering July 1, 2022 through June 30, 2026.

Approved for placement on the City Council Agenda:

____
Greg Venker, City Attorney

____
Date