MINUTES
Committee of the Whole
Monday, February 24, 2025 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER
Council President Kost called the meeting to order at 5:30 p.m.

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

OTHERS PRESENT
Sherrie Boak, Council Staff
Charles Randall, Internal Auditor
Greg Venker, City Attorney
Lisa Hagen-Lawrence, City Attorney
Mark Lawrence, Mayor's office
Jake Brower, Chief Strategy Officer
Desiree Kirkland, Finance Director
Kim Coleman, HRCS Director
Nicole McPherson, Public Service
Marc Jones, Public Service
Elizabeth O'Leary, HR Director
Nick Zande, President of Old Everett Neighborhood Association
Edwar Zeineh
Mitch Rice
Debra Mulcahey
Dennis Parker, Labor Negotiator
Andy Markowich

Minutes
MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE MINUTES FROM FEBRUARY 10, 2025 AS PRESENTED. MOTION CARRIED 8-0.

Public Comment
Mr. Rice spoke in opposition to the HRCS carry forwards from HRCS, specific to questioning the details he believes are lacking for the allocations. Mr. Rice spoke in support of the liquor license opposition.

Mr. Zeineh spoke on opposing to the resolution on the agenda for objection of the transfer of escrow from Rite Aid Inc. to three (3) addresses.

Mr. Zande spoke on the deficit elimination plan on the agenda, and asked for local input and authority not what is happening at the federal level.

Ms. Mulcahey spoke in opposition to the agenda item for CSO 015 South Project.

Mr. Markowich spoke on the resolution in opposition to the liquor license, supporting the sale of the liquor licenses.

Council Member Hussain stepped away from the meeting at 5:44p.m.

<u>Presentations</u>

<u>General Fund Status Report</u>

Mr. Brower referred to the 2nd quarter status report, with the budget 1.625 million, and 1.25 million in expenditures.

Council Member Hussain returned to the meeting at 5:46 p.m.

This the first report since the audit, the administration continues on making strategic investments and making notable strides in vacancy. Overall when looking at the budget, GF collected $99 million, expenditures slightly over 3-year average, and with revenues the property taxes generally come on July tax bill, and the City is going through the winter billing, currently being collected. Projecting property taxes on track, collection on income taxes year to date is $15 million and the City is watching the areas that are in development.
The city did get distribution for medical marihuana on the mark of projected. There is a budget amendment tonight that adjusts the revenue sharing down to what is the current state projection related to sales tax overall in the State. The BWL return on equity is 6% schedule and they are proceeding right on track with the payments. Other revenue amount to less that 10% of the budget. With GF expenditures, Media Center is higher due to parking with current location that adds $14,000 in their cost and when they move to the permanent OVATION site, there will still be an expense.

Mr. Randall asked for reports on other funds to make sure things are being watched similar to the general fund. Mr. Bower stated that would be a good practice to get into and have spoken on it in the past. Moving to the new BSA there are tools at disposal.

Council Member Jackson asked if the City has received anything on impacting the funds, similar to the recent Federal impact on DEI funds. Mr. Bower stated that the CDBG activities has strong impact in communities and could be impacted. But as of this time, staff is attending information calls and being told there is limited information. For the grants they are working on, they are keeping to the requirements and not getting too far out and are being cautious for the long term. There is a grant for reconnecting communities, which is on a pause status. Council Member Jackson asked for confirmation they are contemplating these and will it be reflected in the budget. Mr. Brower stated with the Federal funds for CDBG are proceeding on track but looking forward for federal budget which runs out in March, they will watch for the impact on that.

Council Member Spadafore cautioned that there is $3.5 million in CDBG funding, which is important and the leadership at the State and Federal level need to be made aware of how important those funds are for the residents, because they could be harmed if those funds are clawed back. Mr. Brower concurred, and some of the impact will hit hard on universities and non-profits. That impact would be kick back on income taxes, property tax revenues and the City does need to keep an eye on that.

Vacancy Report: Fiscal Year 2024-2025, 2nd Quarter

Ms. O'Leary began the presentation with Mr. Brower and Mr. Parker.

Council Member Carter stepped away from the meeting at 6:00 p.m.

Ms. O'Leary stated with the questions

Council Member Carter returned to the meeting at 6:01 p.m.

Ms. O'Leary started with public service questions, noting they work off the department. The question on CDL, it is a struggle to hire with people who already have a CDL, and the city itself has a program to tackle this. The next question is on seasonal hiring struggle; operations and maintenance train people to fill in. Regarding hiring and attracting people, which they are continuing working on. Regarding any barriers, they provide a different process for internal, and processes are negotiated in the CBA. They offer flexibility in obtaining CDL, eliminate barriers along with working on a partnership with Refugee Development Center. With adjusting the pay scale to address positions with more competitive, they have reclassified 97 positions. With the yard waste collection concerns, the department did switch since pandemic due to staffing, and since then they have found there is limited needs. Lastly regarding the timeline for addressing vacancies, HR meets weekly with Public Service and UAW President. Everyone is on the same page and want to get positions posted.

Council Member Garza asked about the CDL inhouse training, and asked if all 12 are still employed, and Ms. O'Leary would have to get that information. Mr. Parker stated the 400-maintenance worker stops at $56,000-$57,000 and with benefits package they are close to the state average. Council Member Garza asked about the training packet, and Mr. Parker stated they are always looking to increase pay but have to be mindful of the budget. Council Member Garza asked how many vacancies currently that are budgeted across the board, but there are 20 online, and are there others posted internally. Mr. Brower stated the online posting does cover multiple candidates and referred to the vacancy report Council received today. There are 55 vacancies.

Council Member Hussain asked if there are a lot of grievances with the length on the posting. Mr. Parker stated there are no open grievances on the vacancies. There is a 6-day posting clause internally, and if there is no internal candidate then they post externally. Ms. O'Leary stated there is also a situation where things are getting reclassified, which would be why they are not reposting currently. If the union, they do contact HR for clarification. Council Member Hussain asked about an appeal on reclassification. Ms. O'Leary stated if an employee thing the pay should be higher, they can appeal to Segal Group, and the department director can appeal also.

Ms. O'Leary stated there has been 31 positions filled since 12/31/2024, excluding the District Court. There were 23 positions at LFD today. The question on date of vacancy was updated today, and the "new" was in the budget process, so not listed. Regarding the total funds being left off, it was updated in the new report. Regarding the positions for WWTP, Fleet, LPD vacancies, she updated. With LPD there are 7 in academy, 19 sworn vacancies, 12 open and 4 planned to retire. They will fill the retirement positions as fast as they can. There are 4 eligible form LFD, and there is a paramedic posting up and they are expediting that.

Council Member Jackson spoke on the LPD positions, and there are 12 sworn vacancies, with total 19 with 7 in academy. With adding officers to the budget in 2024, there is always vacant police officers. He asked for clarification because Council is funding positions, then they appear on the vacancy report, instead of adding officers to the street. He then asked how small the LPD officer vacancy list has been. Ms. O'Leary stated that the number sworn is 212 and can look historically. Council Member Jackson asked if they are adding officers to this year's budget. Mr. Brower stated they are working on it, and in this year's budget they are anticipating this years State dollars from Trust Fund, which would have hired 15 officers, and then the State had a new formula which was 10 officers, and then the bill that would have required that appropriation went away in the lame duck session in 2024. The Governor has put in a supplemental request in this proposed budget to get more officers. As adding officers to the budget, does not put body on the ground, as adding positions with promotions, it can grow. Ms. O'Leary stated as they reach 25 years of service, and over the last couple years there have been multiple and they have trying to keep up. They are posting twice a year, have a lateral process, this is something with staff of LPD meeting weekly to discuss strategy and recruitment. Council Member Jackson acknowledged the challenges, but with wanting to put officers on the street, take funds from the vacancies to increase the salary making it attractive to fill, understanding that would take discussions at collective bargaining. Just increasing the number on paper does not increase the officers on the street.

Council Member Spadafore acknowledged HR on the efforts of filling, and asked about the vacant coding, and Ms. O'Leary stated those are FTE.

Mr. Randall asked if there can be standards or stats with comparisons to other cities. Ms. O'Leary stated they can speak to other government entities to see what other vacancies are.

Council Member Brown stated to Ms. O'Leary if they are looking at other municipalities to get a score card for historical data to see improvement, for example the legacy funding. Ms. O'Leary stated they could look into that.

Council Member Garza spoke on the community policing, is there 12 budgeted. Ms. O'Leary stated she could not speak to it, and Mr. Brower stated 12 does sound correct, but could not speak to it. Mr. Lawrence did not have the number but would find out. Council Member Garza asked about working with LPD to get more community officers, and Ms. O'Leary stated that she would touch base with the Chief. In the reporting period they are all listed as officers. Council President Kost stated that there are 5 filled out of 12 of community officiers.

Discussion/Action:

RESOLUTION – Deficit Elimination Plan; Fringe Benefits Plan

Mr. Brower explained the resolution which is a State plan, and overall this is an under looked part of the budget because it carries it's own fund balance, fluctuates yearly, and the IA memo demonstrates past expectations. This would be where the City could look at additional funds as well. Overall as it comes to this fund, it is an internal fund, and does not have to budgeted according to state law. The funding comes from, other activities with fringe costs spent in those become the revenue in this fund. Being an internal fund, the audit makes them do a journal entry.

Council Member Spadafore asked what is driving those costs. Ms. Kirkland stated the increase was healthcare. Council Member Spadafore asked where the City sits, and Mr. Brower stated it is the hard cap. Being there the City pays the projected premiums up to the cap established by State law and increase by 12 month inflation. With the self-funding, the insurance would charge rate and security premium, being self-insured they estimate the amount and expectation and the City pays that, and they City absorbs internally. This makes the impact at 15% on the fund balance.

Mr. Randall asked what the operating expenses year to date, and Mr. Brower stated in the middle of the year there are employer contributions and around what projected and not anticipating any surprises.

MOTION BY COUNCIL MEMBER CARTER TO MOVE THE RESOLUTION FOR DEFICIT ELIMINATION PLAN; FRINGE BENEFITS PLAN; AS PRESENTED. MOTION CARRIED 8-0.

RESOLUTION – Budget Amendment; Carryforwards from Fiscal year 2023/2024 to Fiscal Year 2024-2025

Mr. Brower referred to the document, addressing several items. The first is the GF revenue adjustments, revenue sharing adjustments, return on equity and the appropriation on Fund Balance. There are GF expenditures that comes from City Council operating, funding for Office of Community Media, HRCS obligated to be carried forward, supporting agencies from HRCS speaks to allocations. There is a public safety revenue fund, which were state dollars not passing at the State level if the state does decide to re-enact they will come back to Council.

Council Member Jackson spoke on items that were budgeted for, that could not be spent, reading basically has to do with housing, hotels, racial justice, HRCS, and racial equity. These are highlighted as proud accomplishment by Administration. Regarding the line item of carry forward there is one for emergency hoteling, racial justice item, emergency food were put in a place for a reason, and why is there another year where important things not being used. Ms. Coleman spoke to the programming, but Mr. Brower stated that one of the intents in the budget policies relate to HRCS that if funds carried forward for same purpose they did not need to be brough forward by resolution. The interpretation was disagreed, and in the next years budget process they would propose other language. Ms. Coleman introduced the contract manager and deputy director to assist with answering questions. Regarding the unused funds from the agencies is not uncommon, and if not used they are asked to return the funds. With the emergency food assistance, there has been a number increased at the shelters, and those funds are being allocated to larger shelters and accounted for. For the shelter there has been $9500 spent at Walter French, but just $4000+ that will need to be expended. With regard to the racial equity, the plan is to expend those, already dispersed $200,000 and expect to expend the other $200,000 in June. Working on getting them on same cycle to review by HRCS Board and DEI officer. Council Member Jackson acknowledged the information, but did not to hear accomplishments when there are funds not spent.

Council Member Brown referred to the ratio equity grant amount, and asked about the plan for the alliance. Ms. Coleman stated those are for the MRJA plan, and the grants go into the community; 14 awarded in September that use the $200,000, then 30+ applications in the upcoming cycle. There will be an allocation in July of $166,000. Council Member Brown asked for the list of the providers who were awarded. Ms. Coleman stated she will but also believe that they are on the website.

Mr. Randall asked Mr. Brower about account balances.

Council Member Brown stepped away at 6:55 p.m.

Mr. Randall asked if the carry forward can be sent with the financial packages to be approved earlier. Mr. Brower stated that some of that comes from the reallocation portion, but there is room for improvement on how they do it, amend the language to approach it.

MOTION BY COUNCIL MEMBER CARTER TO MOVE THE RESOLUTION FOR THE BUDGET AMENDMENT CARRYFORWARDS FOR FISCAL YEAR 2023/2024 TO FISCAL YEAR 2024/2025. MOTION CARRIED 6-1.

Council Member Brown returned to the meeting at 6:56 p.m.

Council Member Brown asked for reconsideration on the previous vote.
MOTION FOR RECONSIDERATION OF THE VOTE, MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER CARTER TO MOVE THE RESOLUTION FOR THE BUDGET AMENDMENT CARRYFORWARDS FOR FISCAL YEAR 2023/2024 TO FISCAL YEAR 2024/2025. MOTION CARRIED 7-1.

Place on File – Human Relations and Community Services Advisory Board Rules of Procedures

Ms. Coleman summarized the changes, which are updates on location, date and quorum on consideration, which changed to the number of seats currently filled. These are reflected in the rules in the packet approved to form by the City Attorney for this meeting. Itemized changes in document dated September 24, 2024.

Council Member Brown asked about the quorum changes and asked if they were having issues with attendance. Ms. Coleman stated they currently have a great board, but with vacancies, and previous rules if there were five (5) they would not have quorum and not be able to hold business.

Council Member Garza asked about adjustment of quorum and if that effects the Open Meetings requirement. Mr. Venker stated that it does not, it is set to "open meetings".

MOTION BY COUNCIL MEMBER CARTER TO PLACE ON FILE THE HRCS ADVISORY BOARD RULES OF PROCEDURE CHANGES. MOTION CARRIED 8-0.

RESOLUTION – Noise Special Permit; Leavitt and Starck Excavating, Inc. request to allow for the Combined Sewer Overflow 015 South Project

Mr. Jones spoke on the project and the time line to get it done as quickly as possible.

Council Member Carter asked him to speak about the public comment on limiting the air quality and trucks. Mr. Jones stated that generally in work zone, trucks will be uncovered before they arrive in work zone. Due to the mechanics of the trucks due to limited height over the truck, and as they travel through the work zone they are at lower speeds and particles are not flying out and they have spoken to contractors about being aware of the residents. They are asking speaking to the contractor on limiting idling the trucks in the neighborhood.

Council Member Jackson asked about the timeline, and Mr. Jones stated 42 days in a work week. Council Member Jackson noted he has heard from the residents they do not want work on Saturdays and Sundays.

Council Member Pehlivanoglu noted complaints in the past of contractors working too early and later, and asked how they are advised. Mr. Jones stated some of those have to do with City crews in the past on doing leaf pick up earlier to be there before the contractor. Early in the project they were starting the machine before 7 am, but most of those issues have been addressed. Council Member Pehlivanoglu noted resolution says "some Saturdays" but it appears they plan every Saturday. Mr. Jones stated last year they were on MLK and they wanted to get it done as quick as possible, but with weather days and getting the project done, this contractor would be looking to work on Saturdays.

Council Member Garza asked if this is Saturday work, and overtime, does that create additional cost to the City. Mr. Jones stated no, that contract was already bid, and unit prices when bid, at no more cost to the City.

Council Member Brown noted that listening to constituents he has heard multiple concerns.

MOTION BY COUNCIL MEMBER CARTER TO MOTION THE RESOLUTION FOR THE NOISE PERMIT FOR CSO 015 SOUTH PROJECT. MOTION FAILED 0-8.

RESOLUTION – Objection of Transfer of Escrow on three (3) liquor licenses from Rite Aid of Michigan Inc to ADVANCE UZP INC to 4700 Pleasant Grove Rd., 1019 E Michigan Avenue, 4519 S Martin Luther King Jr. Blvd.
MOTION BY COUNCIL MEMBER CARTER TO MOVE THE RESOLUTION TO THE OBJECTION OF THE THREE LIQUOR LICENSE TRANSFERS FROM RITE AID INC TO ADVANCE UZP INC.

Council President Kost referred to the packet which included opposition letters from Council Member Hussain, Kost, SWAG and RSL, and briefly referenced the locations. Council Member Kost then spoke to his reasoning for opposition. He then asked the OCA if the promises made in the letter from Mr. Zeineh were legally binding, and Mr. Venker stated no.

Council Member Spadafore clarified that the role of City Council in this process is advisory and MLCC will have final decision, and that was confirmed.

Council Member Hussain spoke on his opposition to the proposed location in the 3rd Ward in relation to other businesses and housing, along with the number of violations.

Council Member Garza clarified why he did not submit a letter in opposition in his ward, because it has been vacant and was hoping it would be rejuvenated. Hearing the community, and even though non-binding, would support.

Council Member Jackson asked if when transfer they have to be sent to Lansing, and Mr. Venker stated yes they are Lansing licenses.

Council Member Carter referred to the resolution, agreed with Southwest Action Group, and agree on the economic impact. In Mr. Zenieh letter it will not be just a liquor store, but similar to Quality Dairy, so questions what is the difference because it will provide food. The packet included letters from Zoning which stated there has not been violations, but the resolution speaks to violations. Council Member Carter noted there are some discrepancies.

Council Member Hussain stated there are 24 violations, just nothing currently. There is nothing holding Mr. Zenieh to any of his stated improvements. He again spoke in opposition to the liquor licenses.

Council Member Pehlivanoglu noted for the record she works for MLCC, and liquor control commission is a branch of that, and spoke to OCA to make sure there is no conflict of interest, and she does not have any controlling power. Then she spoke about the letters from the community and that suggestions are non-binding.

Council Member Brown stated he thinks Council should take a different approach on addressing it City wide versus this one specifically with no information on the violations. His thoughts would be to approach it on what can they do as a City. Council Member Brown asked Mr. Venker if this has done in the past. Mr. Venker stated yes Council has done resoltuions opposing transfer out of escrow, and revocation. Council Member Brown asked if there is precedence. Mr. Venker stated it is not precedent setting, MLCC sent the letter and this resolution has been sent forth by Council. Council Member Brown asked if there were any outcomes, and Mr. Venker stated there was one in 2009 he found, but not sure if that is the most recent.

Council Member Spadafore stated the MLCC does ask the Council opinion if they want, and Council speaks through resolution, so it is not out of the realm.

MOTION CARRIED 6-2.

RESOLUTION – Introduction and Set Public Hearing; Ordinance Amendment to 404.15 Parking

MOTION BY COUNCIL MEMBER CARTER TO MOVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR MARCH 10, 2025 TO AMEND THE ORDINANCE 404.15 FOR STREET PARKING ENFORCEMENT.

Council President Kost stated this dates back to 10/22/2024 and approved at the Committee on Public Safety but fell off. This allows the City to cite vehicles in the streets with no plates versus towing, this would give power with a car with no plate can be cited.

MOTION CARRIED 8-0.

OTHER

No other topics.

Adjourn

The meeting adjourned at: 7:34 pm
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee March 10, 2025