



**AGENDA**  
**Committee of the Whole**  
**Monday, May 23, 2016 – 5:30 p.m.**  
**City Council Chambers, City Hall 10<sup>th</sup> Floor**

Councilmember Judi Brown Clarke, Chair  
Councilmember Jessica Yorko, Vice Chair

1. **Call to Order**
  2. **Roll Call**
  3. **Approval of Minutes:**
    - May 9, 2016
  4. **Public Comment on Agenda Items**
  5. **Presentations:**
    - New City of Lansing Chief Information Officer Collin Boyce
  6. **Discussion/Action:**
    - A.) {CLOSED SESSION} Legal Litigation Update
- Reconvene**
7. **Other**
  8. **Adjourn**

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



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**MINUTES**  
**Committee of the Whole**  
**Monday, May 9, 2016 @ 5:30 p.m.**  
**Council Chambers**

**CALL TO ORDER**

The meeting was called to order at 5:30 p.m.

**PRESENT**

Councilmember Brown Clarke  
Councilmember Jessica Yorko- arrived at 5:32 p.m.  
Councilmember Patricia Spitzley  
Councilmember Adam Hussain  
Councilmember Kathie Dunbar  
Councilmember Carol Wood  
Councilmember Jody Washington  
Councilmember Tina Houghton

**OTHERS PRESENT**

Sherrie Boak, Council Staff  
Joseph Abood, Interim City Attorney  
Angie Bennett, Finance Director- arrived at 5:42 p.m.  
Jim DeLine, Council Internal Auditor  
Randy Hannan, Mayor's Executive Assistant – arrived at 5:37 p.m.  
Elaine Womboldt  
Mary Ann Prince  
Stan Shuck  
Dennis Parker, UAW  
Carolyn Condell  
Steven Liedd  
Gary Gordon, Dykema Gossett  
Tom Edmiston  
Deb Parrish  
Eric Lacy  
Todd Heywood  
Art Hasbrook  
Lori MacCallister, Dykema Gossett

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**MINUTES**

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM APRIL 13, 2016 AS PRESENTED. MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM APRIL 18, 2016 AS PRESENTED. MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM APRIL 20, 2016 AS PRESENTED. MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM APRIL 25, 2016 AS PRESENTED. MOTION CARRIED 8-0.

**Public Comment**

Ms. Womboldt spoke about her continued concern with the separation agreement with Ms. McIntyre and encouraged Council to hire an independent Counsel to investigate where the tax dollars were spent.

Ms. Hasbrook referenced an earlier email he stated he sent to Council offering his services in internet safety so that what happened with LBWL lately would not affect the City. He encouraged Council to incorporate it into the budget. Mr. Hasbrook also offered suggestions for sidewalks.

Ms. Prince spoke in support of the UAW and in opposition to the elimination of employees.

**Budget- Wrap Up**

Mr. DeLine referenced his memo on remaining budget questions to Ms. Bennett on May 2, 2016 and the responses in the packet dated May 6, 2016. Mr. DeLine pointed out that as of the meeting there were no answers to the pending items Ms. Bennett stated would be answered May 9, 2016.

Ms. Bennett was not present so Council President Brown Clarke moved onto item C. – Reappointments.

**RESOLUTION – Reappointments of 13 Individuals to Various Boards, Commissions and Authorities**

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENTS OF 13 INDIVIDUALS TO VARIOUS BOARDS, COMMISSIONS AND AUTHORITIES. MOTION CARRIED 8-0.

**DISCUSSION ON CITY ATTORNEY ISSUES – DYKEMA GOSSETT**

Mr. Gordon introduced himself and Lori MacCallister his ethics expert. Mr. Gordon then went into a brief overview of his job experience and apologized for not making the previous scheduled meeting date of May 2, 2016. Mr. Gordon informed the Council he was available to answer questions however his involvement was late in the process. He also noted that some topics might be covered under attorney/client privilege. Mr. Gordon went on to confirm the Dykema/Gossett was on the approved outside counsel list, and obtained by the City for this item with an engagement letter from the Mayor on January 13, 2016. Mr. Gordon assured Council that Dykema has represented the City in this matter and do not represent the Mayor as individual. The client is the City, and they only represent the Mayor in his role as Mayor. Council President Brown Clarke asked Mr. Gordon to operationalize “City”. Mr. Gordon stated that Dykema Gossett and the Mayor are privilege on administrative matters according to ethics and case law. The privileged on legislative matters is the Council. Mr. Gordon stated they

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represent the City as an entity and protection goes to the City of the whole. The negotiations, technicalities and release were done to protect the City as a whole, and the Council as the City is client.

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

Mr. Gordon continued by addressing a question he had heard about his time not noted on the invoices. Mr. Gordon confirmed he did not work for the file covered by the invoice in question. Mr. Gordon started on the case February 22, 2016, and the whole reason he got involved was because the original partner on the case resigned from the firm. By the time Mr. Gordon got involved in the matter the parties had already agreed on the fact of the resignation, and agreed on the sum, therefore he had no involvement in negotiating that, had no background on their agreement and no discussion with parties on that. Mr. Gordon confirmed he was brought in for the technical aspects of the release. Council President Brown Clarke asked if on February 22, 2016 the parties had already taken a position on the agreement and so he only looked at it for form, and if Dykema Gossett was used to negotiate the settlement or was it negotiated outside. Mr. Gordon confirmed Dykema was involved in the negotiations however as for the settlement numbers he could not answer.

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

Mr. Gordon continued by stating that his review was for the technical details, and Dykema was actively involved in the drafting of the document. Mr. Gordon did state on a side note that there has been statements made by the media of his refusal to respond to the media, and as a matter of ethics his office cannot address with the media anything that will develop into privilege, therefore that is why he is not responding.

Council President Brown Clarke restated what Mr. Gordon stated earlier that as it relates, the administration is Mayor and the legislative is Council, so can Council waive the legislative part of the negotiation. Mr. Gordon answered stating there was nothing legislative, it was all administrative. He noted he understood that Council wants to waive the privilege, but in this case since it is administrative in nature, it would be the Mayor's office to determine if the privilege should be waived, and he is bound by that. Mr. Gordon then opened himself to answer questions and apologized in advance if he could not answer a question due to ethics and privilege.

Council Member Wood distributed a timeline she had created based on information that was provided to the media via a FOIA request. This led to a request for further clarification, and Council Member Wood started with a reference to an invoice. Mr. Gordon confirmed that KYM on the invoice that Council had a copy of was the individual that he spoke about earlier that had resigned from the firm. Council Member Wood referenced the invoice again noting that it stated on 1/7/2016 KYM did work, however Mr. Gordon stated earlier they did not start until 2/21/2016. Mr. Gordon stated a letter from the Mayor dated 1/13/2016. He stated that there could have been a lag in the paperwork that he could not explain. Many times a file is started if there is an existing client. Council Member Wood then referenced Mr. Gordon's earlier statement about the date he started on the item (2/22/2016) at which point he stated the draft separation agreement and sum were already agreed upon. Mr. Gordon agreed to that statement. Council Member Wood then referenced an interview on February 23, 2016 on the Dave Ackerly show when the Mayor stated "the City Attorney McIntyre was on leave for personal matters and President Brown Clarke was blowing up something that she didn't know anything about." Based on the time lines the Mayor already knew. Mr. Gordon clarified that the settlement negotiations some are ongoing and until signatures are on the line a lot could happen. Council Member Wood agreed however added that it did not negate the Mayor to

lead people to believe that Ms. McIntyre was on leave. Mr. Gordon again stated there was no settlement agreement on February 22, 2016 but at any time things can blow up, even if they agree on a couple of terms in a settlement agreement and move forward, it is not at all uncommon for the negotiations to break down and people to walk away. Until the document is signed there is no settlement, until parties have put their names and their counsel names on the agreement nothing binding. Council Member Wood then referenced another interview the Mayor gave where he stated "the City Attorney is not just my employee but also their employee" referring to Council. Therefore the question would be how the Mayor can enter into an agreement without Council knowing. Mr. Gordon stated that the Mayor is Chief Administrative Officer of the City and the employee was a Director. Mr. Gordon noted that any other issues should be referred to the Interim City Attorney. Council Member Wood asked Mr. Gordon if he was aware that the City Council has to confirm the City Attorney position. Mr. Gordon admitted he was not aware of that. Council Member Wood then asked if that would change any of his answers, and Mr. Gordon stated it would not.

Council President Brown Clarke asked Mr. Gordon if it is the understanding that the separation agreement was solely created by Dykema Gossett. Mr. Gordon confirmed that often the parties advise the lawyers of conditions, as far as they are aware the only law firm that represented the City in this matter was Dykema Gossett. Council President Brown Clarke then asked if Council should anticipate more billings from the separation agreement, and Mr. Gordon confirmed an invoice was delivered on this date, however he did not have a copy with him. Mr. Gordon estimated it at \$11,000, and he did confirm he was not billing for his or Ms. MacCallister attendance at this meeting. Council President Brown Clarke asked Mr. Gordon if Dykema negotiated or did work on the agreement, and Mr. Gordon confirmed they represented the City and no one else worked on it for the City. Council Member Wood asked who ASW on the invoice represented for working on drafting the separation agreement. Mr. Gordon confirmed it was a young associate that did research, but had nothing to do with the negotiation of the agreement and did not draft the agreement. Council Member Wood then asked for clarification on who drafted the agreement. Mr. Gordon stated it was collaboration with himself and the attorney representing the other party, but to say who the "father" of the agreement was, there was probably several involved. Mr. Gordon did admit there were previous drafts before his involvement, and his assumption is that there were collaborative drafts with Dykema's representative and the other party attorney. Council Member Wood asked an additional question to Mr. Gordon to determine how much of the separation agreement was from the original that started on January 7<sup>th</sup>, and Mr. Gordon stated he had no answer because there were numerous drafts, and counter drafts. Council President Brown Clarke asked Mr. Gordon to confirm when he started on the separation agreement it was already draft, and if so who worked on it. Mr. Gordon noted KYM worked on the original, and that would be K. Ford and she was the lead, and ASW was only doing the research. So prior to handing it off K. Ford was drafting it within Dykema.

Council Member Wood asked Mr. Gordon who wrote the March 4<sup>th</sup>, 2016 press release from the Mayor, and Mr. Gordon confirmed he was not involved. Council Member Wood then asked, other than signing of the agreement on February 26, 2016, has Dykema done any other work. Mr. Gordon stated they had prepared a memorandum for Mr. Abood as it relates to the aspects of the agreement, and he would have to look at the detail billing to verify if anything else was done.

Council President Brown Clarke asked Mr. Gordon if during his involvement in the negotiation final did he see Ms. McIntyre's 2015 contract extension. Mr. Gordon stated he had not, and they would have arrived at the compensation and amount of benefits prior and then provided that info to him by the City. The details of the release of the rest of the separation agreement, stand alone and independent of the employment contract, and he added the operation

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language of the employee he would not have. Council Preside Brown Clarke asked if Dykema had negotiated a separation contract, how could they not have looked at the employment contract to make the recommendation for the separation agreement. Mr. Gordon stated the document is a separation agreement and release, the employment contract ceased when the resignation was agreed to. Any numbers in the executive compensation document and leave were computations done by the City not by Dykema. Council President Brown Clarke asked if Dykema had an interest in looking at the employee agreement, or no interest because they were only looking at separation. Mr. Gordon agreed that at that point in time, if an employment contract has pay, compensation, executive decisions so by that time that is resolved not relevant. Mr. Gordon now admitted he may have seen it, and if ask if it was signed he could not recall, nor did he recall specifically referring to an employment contract nor draft the terms. Again he stated he may have seen it but could not recall.

Council Member Wood read the Mayor's March 4<sup>th</sup> press release to Mr. Gordon and asked Mr. Gordon if in his opinion it could lead someone to believe the parties had entered into a separation agreement, but Mr. Gordon could not respond to that.

Council Member Yorke asked if there are any conditions that would invalidate the separation agreement considering the clause of any party discussing it in the agreement. Mr. Gordon would be if the City did not pay her that would invalidate the agreement. The object of an agreement is not to look for a way to invalidate, but to enforce. Another example Mr. Gordon gave would be if either party were to sue, that would be invalidate the agreement. Council Member Yorke asked if, based on recent discussions from Council on hiring other legal counsel for further investigation to reveal what lead to the separation, would that pose a threat to the protections built in for the City. Mr. Gordon admitted he had not thought thru that, but was hesitant to answer without looking at the agreement itself. He continued again stating his hesitation but it could be a liability.

Council Member Spitzley referenced paragraph 14 in the agreement that addressing either party and subject to disparages. The question was asked if there was anything that says parties can speak in a non-disparaging way. Mr. Gordon stated only if the privilege was waived. Council Member Spitzley asked Mr. Gordon to explain the difference between the employment contract and the separation agreement and why they don't have to have a contract to enter into the agreement. Mr. Gordon was able to clarify that employment contracts cover terms and conditions of existing employment, and they sometimes have severance. Therefore he clarified earlier answers that he must have looked at the employment contract to reach his conclusions. Those provisions go towards what goes to the amounts between the parties, and that was already agreed when he got involved. Once both parties agree that the employment contract will cease to exist, to a certain point in time, then the severance agreement takes over. Once the separation is complete and the resignation is accepted then it is contained in the separation agreement. Mr. Gordon admitted it is typical to have an infinite number of separations, and with a volunteer resignation it is usually recommended to have a non-disparagement clause. Most other provisions are standard. If Council were to look at it as a whole and compare to other separation agreements and releases, most have terms similar but details will vary. Council President Brown Clarke asked Mr. Gordon again, based on his recent answers, if his recollection now is that there was a possibility he did see the 2015 contract extension, ensuring the employment status. Mr. Gordon admitted he probably did but could not specifically recall.

Council Member Dunbar asked how common a release of claims is in a separation agreement and does there have to be a claim to ask for release. Mr. Gordon stated a release of claim is always in a separation agreement.

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Council Member Washington asked Mr. Gordon if these types of separation agreements typically benefit the employer or employee, and Mr. Gordon confirmed it is mutual, and the release of claims is worth something, and always an element, and always had compensation tied to it, but hopefully both parties have a benefit.

Council Member Wood referred to an interview done by the Mayor with the Editorial Board where the Mayor stated there were many more separation agreements that the media were not aware of, and so she asked if Dykema had written any other agreements. Mr. Gordon clarified that the agreement in this discussion is the only one he represented, and he could not speak for the firm. Council Member Wood asked Mr. Gordon to check with his firm, and provide a list, and if they can't release anything, at least provide a number. Council Member Wood asked if Dykema was involved in the separation agreement for Peter Lark, and Mr. Gordon stated no they were not.

Council President Brown Clarke stated to the rest of the Committee that she was hesitant on what the next steps are, and if they secure outside counsel, where those funds would come from, but Council does need to go thru due diligence. Therefore she then posed the question to Council if there would be a vote on a resolution for outside counsel, and to invest more money into this. Council President Brown Clarke then presented details on funds available since the Internal Auditor is currently part time contracted at 32 hours a week. This would allow for unallocated dollars and dollars unspent. Council President Brown Clarke then proposed that Council look at outside counsel, and places a cap on the spending and what that person can look at. Council Member Spitzley asked what the process would be for seeking outside counsel, and Mr. Abood answered that if there are legal matters the City needs managed legally it will go thru the City Attorney office, and if they can't answer it then they can seek outside counsel. Questions can be brought to the City Attorney's office and if they determine there is a conflict, and secondly he noted this is not the same situation as when the Mayor assigned approved counsel to represent the city. That was when the active City Attorney was involved and that is not the case now. Council President Brown Clarke noted it is still a conflict. Mr. Abood encouraged questions from Council to be submitted and confirmed they had not received any questions yet. Council President Brown Clarke reminded Mr. Abood that Council has asked for clarification before and he has always stated he cannot answer. Mr. Abood agreed but stated those questions before had been items they wanted to be looked at about the outside counsel. Mr. Abood again stated that in regards to the former City Attorney, his office has been recused. If there are other questions, he stated that his office has a history of legal opinions that can be reviewed for determination. Council Member Washington noted that procedurally Council would go to Law, then Law would advise Council if it was a conflict and then Council would seek outside counsel. Recently Mr. Abood has repeatedly come to say it is a conflict. Council Member Yorke stated that it appeared that legal questions were not presented to Mr. Abood, so Mr. Abood needs to clarify the nuance of legal questions and other questions. Mr. Abood stated it is difficult to indicate because some are political and some are fact. Legal questions are things law does, and can look at and if they are conflicted to a question they can recuse themselves on a lot of legal principals. In regards to specific to this situation, if a legal questions regarding Ms. Janene McIntyre specifically and Law is at conflict that would lead to special counsel request. Council Member Washington pointed out that during most cases Council does not know what questions they will have until they confer with Council's counsel and many times Council's counsel will lead to them to ask the right questions. She continued by adding that since this situation involves the former City Attorney, it is not appropriate to provide a list of questions for his office to determine. Council needs to be lead in the right direction. Mr. Abood again stated his belief that he will not know if there is a conflict unless he knows the question. Council Member Washington reminded Mr. Abood that Council might not know what questions to ask and that is why counsel assists. Council Member Spitzley added to the conversation that Council does

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not have the expertise to know which questions are appropriate, do how do they get to the point where we write the questions, does Council sit with the City Attorney and discuss generalities. Mr. Abood compared it to other issues, where Law always get tasks from Council all the time, and it would be treated the same way. The City Attorney office will do research, get answers and look to outside counsel to assist if needed. If it is technical or if there is a conflict there is a process and Law routinely follows it.

Council Member Wood noted the question that needs to be investigated is why, how did they go into a separation agreement. The second question to that would be in what way can Council make a policy so they don't fall into this situation again. This will involve how Council got to this point with this one, so they know how to move forward. This was addressed in the past when there was a situation and Council hired an investigator and then there were 3-4 items to look at. Mr. Abood spoke to the investigation and a way to take a policy, however those are not legal questions. Investigations are fact based and political, the City Attorney does legal and not investigations. Council Member Wood reminded everyone that Council hired an attorney before when they addressed the executive management plan, at which point that person looked at it and made recommendations. That came with outside help and Law recused themselves for that, so maybe Council should look into hiring an investigator instead of outside counsel. Mr. Abood stated in that example, the City Attorney had a conflict so they suggested outside counsel. Mr. Abood again stated he was happy to take questions, review and if there is a conflict he will make the appropriate recommendation.

Council Member Dunbar agreed with having questions in mind, however also agreed that sometimes Council does not know the questions and the City Attorney will give the questions based on a potential outcome. So the question is what is the outcome that Council is looking for and what are they hoping to find. Also, what can someone learn that Council doesn't already know. In the example given for a past situation, it was a Council employee, but that was not outside of Council staff. Council Member Dunbar appreciated the suggestion other than outside counsel because outside counsel will not investigate. Currently Council has a 2005 Law opinion that states the Charter does not give Council the authority to hire outside counsel. We need to figure out the end result. Council President Brown Clarke added that the Council needs to question the amount that was given out because it was tax payer dollars. Council Member Dunbar answered that Council already knows how much was paid so there is no question.

Council Member Hussain acknowledged Mr. Gordon was bound by attorney client privilege, however this is the 3<sup>rd</sup> meeting where Council has heard no results, and management has signed into a separation agreement with a gag order and worked hard to keep Council in the dark for months, therefore there is still not much clarity. Council Member Hussain then asked the question if it is it time to look at an outside investigation. The residents deserve to know why the tax payer's money was spent. Council Member Washington also acknowledged residents commenting to her to continue to pursue the situation for answers.

Council Member Wood stated that in her example from the past investigator it was a recommendation from Jim Smerka, however she could not recall the cost. Council Member Yorke asked her to explain the process. Council Member Wood outlined the process which included interviewing employees, Council Members, looking back thru files and information then making recommendations to Council. Council Member Yorke asked for more information about the process regarding an investigator. She also stated her frustration with the Charter Amendment last year that protected the City in paying out multi-year contracts, because that was supposed to be in the right direction. Council needs more checks and balances in general. Council has responsibility to act swiftly and create a better system. Council Member Houghton acknowledged her agreement with Council Member Yorke and it would not be the

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last time Council is faced with this situation until they set perimeters around the separation. She did add that she too has heard questions from her constituents, however wants to spend the funds on setting a policy change, not putting funds into an investigator or legal counsel. Council Member Wood pointed out to the Committee that the recent charter amendment is not applicable to this separation agreement. Council needs to have something under severance and needs to have all the information so they can write the policy to address it correctly.

Council Member Washington stepped away from the meeting at 7:00 p.m.

Council Member Spitzley' opinion was that the citizens do have the right to know where tax dollars are being spent, and she herself is frustrated with the process. Her example given outlined it that if Council decides to pursue outside counsel, they have to go to the City Attorney who in turn will the go to the Mayor, who will then say no outside counsel, so Council would be going in circles. Council just needs to make sure this does not happen again.

Council Member Washington returned to the meeting at 7:02 p.m.

Council Member Spitzley stated the Council has no other options than to work forcefully with Mr. Abood to get the questions answered and make a policy change is where the best efforts will be spend.

Council President Brown Clarke asked Mr. Abood if he had any roll or was in the room during discussions or negotiations for any aspects of the Janene McIntyre separation agreement here at City Hall or any other law firm. Mr. Abood stated he had already answered the question four (4) times, took offense to being asked the question but did state that he had no involvement with the separation agreement with the prior employee and the Mayor, was not in a room, and has recused his office from this. Mr. Abood moved onto the topic of hiring an outside attorney and if Council did it would be in method acting outside their authority. Council President Brown Clarke stated she was trying to proactive in a new policy and has not put anything forward yet on hiring outside counsel but they need to find out how the money was spent. Council Member Dunbar confirmed her agreement with statements by Council Member Spitzley and not hiring outside counsel. It is not unusual that the City has settled something regarding an employee where the conditions of separation and Council goes into closed session. With civil litigation nothing is disclosed and the public is not aware of where the money went. Council Member Dunbar concluded by stating that if Council wants to change , then they need to open the Charter and make the changes so Council approves all pay outs. Right now what happened, according to Law, is legal. The tenure of the discussion is to know what happened, but sometimes some Council Members do not want to speak on the record. Council needs to move forward and change the policy. Council Member Hussain gave his opinion that opening the Charter and continued search for answers on this case should complement each other, so Council can push for answers. Council President Brown Clarke apologized to Council Member Dunbar and clarified she asks for everyone to speak during discussions so they have an opportunity as a unified body. Council Members have been receiving emails from the residents asking to stay diligent and strong in finding out the answers. Council Member Washington stated her support in addressing in the Charter. Council Member Wood asked to discuss the option of an investigator at the next meeting.

Council Member Yorke referred back to a comment by Mr. Abood where he eluded to questions his office can respond to, those being legal based. Her question to Mr. Abood then was can the Office of the City Attorney instruct on any recommendations that Council can consider for conducting an investigation of separation that would not invalidate the agreement. Council President Brown Clarke also asked that the Committee consider the potential of cost

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and a process for an investigator, so she referred that topic to Ways and Means to organize and bring back for full discussion at Committee of the Whole.

RESOLUTION – Adoption of the Budget FY2017 and Policies

Council Member Dunbar presented an amendment to address Fleet Maintenance by taking \$305,000 out of Contractual Services and \$1,000,000 from Equipment Repairs and Maintenance and place into two (2) Control Accounts. This would represent the attempt to get answers on the cost savings and performance of the NAPA contract. This is not proposed to control the spending, the bills will still get paid, it is a way to ensure invoices, itemized inventory and prices of all parts used in repairs, address a procurement timeline for all parts used in repairs, review time sheets and hours of all NAPA employees and document all funds paid to NAPA for equipment, operations, personnel including wages and fringe. The proposed period of review will be July 1, 2016 to October 31, 2016, and it will be reviewed by an Ad Hoc Committee which would include a NAPA representative on it. The Ad Hoc Committee then would make a recommendation to Council on how to proceed and release of funds.

The Council discussed timeliness of paying the bills, cost savings, turn around on parts, operational aspects and potential delays on fleet maintenance. Council Member Wood asked that it be handled in the Committee on Ways and Means not in Ad Hoc. Council Member Houghton asked for a clearer understanding of a Control account and the jurisdiction of the proposal. Mr. Aboud could not provide any information on Control accounts and referred Council to Ms. Bennett. Ms. Bennett stated that appropriation is the authorization to spend, and once adopted by Council then the administration works within those. The Control account would be the appropriation account. Council Member Wood added that a Control account is like a holding place instead of a line item, and allows the Administration to spend throughout the year once they have asked Council for approval on how the money will be spent.

The Council discussed payment of bills, and funding during the Ad Hoc review so that NAPA is paid in a timely manner. Council Member Dunbar referenced the NAPA agreement which states they are paid once a month, so they have to request payment 30 days ahead, and so the Committee will review to release the funds. When the FY2017 budget is passed there will be funds and the Ad Hoc will review the month of June for payment. There is balance in both of the proposed effected accounts, so they will spend for July and then report for June, etc. The administration can ask to replenish the line item accounts from the funds in the Control Account on a monthly or quarterly request. The point would be there will be criteria for spending, and it will comply with the Council agreed upon performance based budgeting.

Council Member Washington supported the creation of an Ad Hoc Committee because there is more involved than the financial issue; there were two full time City employees in the union replaced by NAPA employees.

Council Member Yorke proposed the changing the language in the resolution to reflect the goal of doing the review with the Ad Hoc. Council needs checks and balances on contracts the Administration can award.

Council Member Dunbar clarified that this amendment is not designed to prevent NAPA from getting paid, it is to provide leverage that Council gets documentation they need. \$92,000 for parts, \$11,000 payroll, and operational expenses at \$14,000 totals \$117,000. Council would be leaving in the account \$290,000 which is three month funds to be spent, and then when funds are needed to be replenished the Ad Hoc Committee can review documents.

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MOTION BY COUNCIL MEMBER DUNBAR TO ADOPT THE AMENDED RESOLUTION FOR THE FY2017 BUDGET AND POLICIES TO INCLUDE THE CONTROL ACCOUNT. MOTION CARRIED 8-0.

Ms. Bennett noted that the budget does include two new mechanic positions, and the \$175,000 was for NAPA and the other contractual is for other contractual services. Council President Brown Clarke pointed out that the Contractual Service account is at \$350,000, and if \$175,000 is for NAPA, and the balance would be for other contractual services. If all of the \$350,000 is not being appropriated then there are no funds to pay other services. Council Member Dunbar noted that \$175,000 in Contractual Services is NAPA, but asked how much of the \$1,250,000 of Equipment was NAPA. Ms. Bennett stated she was not sure if there was a breakdown.

MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER WOOD TO ADD “TRANSPARENCY AND ACCOUNTABILITY IN GOVERNMENT” TO THE BUDGET POLICIES, WHICH WILL STATE:

Transparency and Accountability in Government

Council will review, and when necessary, pass policies, procedures and ordinances to achieve improved transparency and accountability with respect to economic incentives, outsourcing of service and contracting within City government.

MOTION CARRIED 8-0.

Council Member Wood then moved onto a budget amendment regarding the Block by Block program. According to the budget hearings with Planning and Neighborhood Development this was a program suggested by the Fire Chief and started off in other states. Many neighborhoods already know what they want. So Council Member Wood suggested taking \$75,000 from the Contractual Services and put \$30,000 into restarting the Residency Incentive Program in HR, leaving the balance in the General Fund. Council Member Houghton asked how successful the Program was the last time they had it. Council Member Wood noted that people weren't applying because the City wasn't hiring. Council has recently heard of all the vacancies the departments have to fill. Ms. Bennett confirmed it was discontinued in the past due to lack of use of funds. Council Member Yorke noted in the proposed policy on it the incentive was noted for \$6,000, and asked what that intended for. Council Member Wood stated in the previous program, the employee could use \$6,000 for a down payment, moving, or anything that would help get them into the house. Then each year after that their amount was reduced by \$1,000. If the employee moved during that time they had to pay the money back. Council Member Yorke asked if it was a 0% interest forgivable loan or grant, and Council Member Wood asked law for legal verbiage. Council Member Yorke then referenced the note \$7,000 in the policy and the goal of that amount.

Council Member Houghton stepped away from the meeting at 7:53 p.m.

Council Member Wood noted that it is for rentals if someone is willing to take on a property that had been a rental and convert it and stay over 7 years.

Mr. Abood asked to research to see which language would be more appropriate. Council Member Wood amended her suggestion to consider changing the language to “reinstate the residency incentive program”. This would create the policy to state:

Residency Incentive Program (L-Hope Program)

Human Resources will reestablish the Residency Incentive Program (L-Hope program) for City employees. This tool will also help with recruiting of new employees.

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Council Member Houghton returned to the meeting at 7:55 p.m.

Council Member Yorke proposed to keep the funds in the Block to Block for research, data analysis, resident engagement, and connecting needs of the neighborhoods. Council Member Spitzley recalled the vacancy discussions during the budget hearings and supports any incentives to bring people to Lansing, but also supports keeping the Block to Block program. The Council could look at other sources out there to see what they are doing, and find a stable funding process to reestablish. Council Member Houghton asked if there are private companies they find beneficial for the Block to Block program. Council Member Hussain spoke in support of putting all \$75,000 into the Residency Incentive Program. His concern with the Block to Block Program is there is no funds for implementation.

Council Member Spitzley stepped away from the meeting at 8:03 p.m.

Council Member Washington spoke in opposition to funds for the Block to Block Program.

Council Member Spitzley returned to the meeting at 8:04 p.m.

Council Member Dunbar commented there had been studies done over the years, and asked Mr. Hannan if existing City staff could handle the Block to Block Program. Mr. Hannan informed the Committee that the model is based on one done in Illinois for 20 years. As to the question of City staff, he stated they do not have the equivalent amount of staff to handle the program. This research looks at crime, health, infrastructure and neighborhoods to help drive the plans for the neighborhoods. Council President Brown Clarke asked if they have contacted HRCS who already has data for their Continuum Care program. Council Member Dunbar asked if the funds can be used to hire in house, and Mr. Hannan stated they would consider that, and would encourage a dialogue because it is a great concept. Council asked for a review of where the funds go, how determined and if the RFP for the contractor come back to Council if they decide to keep the program. Council Member Washington suggested using current in house staff since the Mayor's office has a full time neighborhood person that can collect the information and data that is already out there. Council President Brown Clarke encouraged the in house City employee to partner with MSU and other entities and working with neighborhood associations to include a gap analysis.

Council Member Wood suggested amending her proposal to take HR Residency Incentive from \$30,000 to \$24,000. Then Administration can use funds as they choose and if they bring details to Council on how to use funds. Council Member Dunbar stated that if Administration hires in house then they wouldn't need to come to Council, but if they contract outside then they should. She believed that the administration can do in house. Council Member Washington asked if she was considering a term limited employee or outside contract. Council Member Dunbar stated she would agree to put funds in temporary help to cover it. Mr. Hannan stated they could work with the suggestion and would speak to the Mayor and the Planning and Neighborhood Development office. Council Member Wood amended her suggestion to have funds from \$45,000 earlier in General Fund to \$51,000 to Planning and Neighborhood Development Temporary Help.

**MOTION BY COUNCIL MEMBER WOOD TO ADD THE AMENDED "RESIDENCY INCENTIVE PROGRAM (L-HOPE) PROGRAM" DESCRIPTION TO THE BUDGET POLICIES AND TAKE \$75,000 FROM THE BLOCK TO BLOCK PROGRAM AND PLACE \$24,000 IN RESIDENCY INCENTIVE PROGRAM AND \$51,000 IN THE PND TEMPORARY HELP LINE ITEMS.**

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Council Member Houghton asked where the \$75,000 was determined, and Mr. Hannan noted that was an estimate based on retaining a consultant .

MOTION CARRIED 8-0.

MOTION BY COUNCIL MEMBER TO APPROVE THE BUDGET AS AMENDED.

Council Member Yorke asked to be recused from the HRCS Budget because her employer, Ingham County Health Department, sometimes receives funds.

MOTION BY COUNCIL MEMBER WOOD TO RECUSE COUNCIL MEMBER YORKO FROM THE HRCS BUDGET. MOTION CARRIED 7-0.

Council Member Spitzley asked to be recused from the LEAP Budget because there maybe economic incentives that will impact her employer.

MOTION BY COUNCIL MEMBER WOOD TO RECUSE COUNCIL MEMBER SPITZLEY FROM THE LEAP BUDGET. MOTION CARRIED 7-0.

Council Member Dunbar asked to be recused from the HRCS Budget because their services fund her employer.

MOTION BY COUNCIL MEMBER WOOD TO RECUSE COUNCIL MEMBER DUNBAR FROM THE HRCS BUDGET. MOTION CARRIED 7-0.

Council President Brown Clarke passed the gavel to Council Member Yorke.

Council Member Brown Clarke asked to be recused from the 54-A District Court Budget due to the fact her husband is a judge in the 54-A District Court.

MOTION BY COUNCIL MEMBER WOOD TO RECUSE COUNCIL MEMBER BROWN CLARKE FROM THE 54-A DISTRICT COURT BUDGET. MOTION CARRIED 7-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE BALANCE OF THE FY2017 BUDGET. MOTION CARRIED 8-0.

#### CLOSED SESSION – Litigation Update

Council President Brown Clarke offered two options to the Committee to consider. They could move the Litigation Update out of Committee of the Whole and discuss at Council later in the evening, or move the item to the next Committee meeting.

Council Member Washington supported moving it to the next Committee of the Whole meeting. Council Member Wood asked Mr. Abood if there were any pending litigations that would have any implications on the budget they will be voting on. Mr. Abood admitted there were a number of cases in litigation currently, but he had not reviewed the budget to see if any judgements were made if there would be sufficient funds to pay. His additionally admitted that there is nothing right now that will have impact so it was difficult to answer. Council Member Yorke asked for the number of cases. Mr. Abood admitted that the time frame allotted would depend on the number of questions posed by Council. Council Member Spitzley concurred with Council Member Washington to move to the next Committee meeting, and therefore the consensus ended up being to place on the next Committee of the Whole agenda.

#### **ADJOURN**

The meeting was adjourned at 8:34 p.m.  
Respectfully Submitted by, Sherrie Boak  
Recording Secretary, Lansing City Council  
Approved by the Committee on