



AGENDA
Committee on Ways and Means
Wednesday, May 25, 2016 @ 8:15 a.m.
10th Floor Conference Room, City Hall

Councilmember Judi Brown Clarke, Chair
Councilmember Carol Wood, Vice Chair
Councilmember Tina Houghton, Member

- 1. Call to Order**
- 2. Roll Call**
- 3. Minutes**
 - April 6, 2016
 - April 20, 2016
 - May 4, 2016
- 4. Public Comment on Agenda Items**
- 5. Discussion/Action:**
 - A.) Update - Tie-Bar Memo Status
 - B.) Discussion - Lansing Housing Commission Financial Statements
 - C.) Discussion - Lansing Housing Commission Recovery Agreement with HUD and the City of Lansing
 - D.) Discussion – Fiscal Year 2016 Third Quarter General Fund Status Report
 - E.) Update - City Attorney Office Invoicing
 - F.) Discussion - Setting Threshold on Council Approved Separation Agreements
 - G.) Discussion - Process to Securing an External Investigator
 - H.) Evaluating the Budget Review process
 - I.) Internal Auditor Structure and Policies Update
- 6. Other**
- 7. Adjourn**



MINUTES
Committee on Ways and Means
Wednesday, May 25, 2016 @ 8:15 a.m.
10th Floor Conference Room, City Hall

CALL TO ORDER

The meeting was called to order at 8:15 a.m.

ROLL CALL

Councilmember Judi Brown Clarke, Chair

Councilmember Carol Wood, Vice Chair

Councilmember Tina Houghton, Member- absent

OTHERS PRESENT

Sherrie Boak, Council Staff

Joe Abood, Deputy City Attorney

Jim DeLine, Interim City Council Internal Auditor

Denise Estee, Retiree

Teresa Frassetto, Retiree

Randy Endsley, Finance

Lynne Meade, Teamsters 243

MINUTES

Action on the minutes from April 6, 2016 and April 20, 2016 were moved to the May 25, 2016 meeting.

PUBLIC COMMENT

No public comment

Discussion/Action

Update on Tie Bar Memo

Mr. Abood acknowledged his receipt of several claims and has forwarded those claims to HR. HR has done some investigation and now has asked the City Attorney for legal advice and seeks outside legal counsel. Mr. Abood has asked HR for specific questions and factual background. Once that information is provided, Law can make a determination if it needs to go to outside counsel. HR has indicated they believe that they need a labor and benefits specialist to review them. Council President Brown Clarke informed Mr. Abood that when Ms. McIntyre, former City Attorney and Interim HR Director, reviewed the topic she indicated she had worked with the current staff, so he was asked if he had spoken to those staff members. Mr. Abood admitted that in HR they do have Sue Graham who is a labor specialist and an attorney, but did

not confirm if he has spoken with any other staff. He has requested that Ms. Graham provide him with her files on the topic, back up, evidence and the City position on retirees following actives. Mr. Abood stated he would have a determination within the next week if it will go to outside counsel and if in house will make that determination within 2 weeks. Council Member Wood asked an earlier question for Mr. Abood if he had located the original memo on Ms. McIntyre City computer, and Mr. Abood stated he could still not answer that question.

Ms. Estee reminded Mr. Abood of the urgency because the open enrollment ends May 31st, and what if the retiree is unable to pick a plan because there is no decision that has been made. Ms. Estee also wanted the Committee to know that she has submitted a request to HR Director Mary Riley on this open enrollment issue and has received no response. The first letter was sent April 20th, 2016 on her personnel issue, with no response and then an email 2 weeks ago with no response asking for a decision by the end of the month because of the open enrollment time that could change a retiree's decision. Council President Brown Clarke asked Mr. Abood for a letter assuring the retirees that if the decision is made after the open enrollment deadline they can reopen it so retirees can make an adjustment if they have to. Mr. Abood confirmed he understood the request.

Mr. Maloney asked if the retirees after 2010, whose contract stated they were protected by 1%, appear to have gone away. Mr. Abood informed Mr. Maloney he would provide him with information on that, and Council Member Wood confirmed he was still protected by the 1%. Ms. Meade informed the Committee that the 1% of pension benefit doesn't specify what plan/rule it follows, so it isn't clear what plan the retirees would get. The contract stated they would never get charged more than 1% then their pension benefit. Ms. Meade stated she too reached out to Mary Riley to discuss. The concern stated by Ms. Meade was that the Union has always been told they do not represent the retirees, however the Union does believe that they represent the language of the contracts, therefore the language needs to be changed to protect the retirees. Council Staff acknowledged the Ms. Riley was invited to this meeting with no confirmation however. Council Member Wood Carol asked Mr. Abood to address the issue that there is no written collective bargaining agreement. It is not a negotiation but a change in written text. Mr. Abood admitted that Ms. McIntyre had created a protocol that when an agreement was decided, it was written up and finalized, and so there are tentative agreements out there, and he has been talking to HR to formalize. The Committee acknowledged that Ms. Riley needs to attend the next meeting to have input in the discussion on this topic. Ms. Estee reminded the group that the 2004 tie bar is a written contract, so this should be handled. Mr. Abood reiterated that if he determination there is need for outside counsel he will inform Council within a week, and also will provide information on notification status of the health care open enrollment option for open window if need be.

Discussion on Lansing Housing Commission Financial Statements

Discussion on Lansing Housing Commission Recovery Agreement (HUD/City of Lansing)

Council Member Wood asked Mr. Abood if he had sent the letter to Ms. Baines Lake that the Committee asked him to do on May 4, 2016 to request her attendance. Mr. Abood stated he did not send a letter, but did speak to her about attending and she informed him the Financial Audit was filed with the Clerk as it is required to be and she offered to meet with the Council.

Mr. Abood stepped away from the meeting at 8:39 a.m.

Council Member Brown Clarke asked Mr. DeLine to present his report on his review of the documents. Mr. DeLine reviewed his report of May 4, 2016. Council Member Brown Clarke

asked if they miss deadlines if there are financial penalties, and Mr. DeLine stated nothing that he had found.

Mr. Abood returned to the meeting at 8:41 a.m.

Mr. Abood noted that he had invited Ms. Baines Lake on May 16th and again May 23rd. Council Member Brown Clarke informed Mr. Abood that the Committee will have questions, and need her to be present. Mr. Abood asked for specific questions. Council Member Wood informed Mr. Abood that all financial reports that are required to be submitted, those entities are asked to come to a Council committee and address any outstanding issues, etc. Council Member Wood would like Ms. Baines Lake of the Housing Commission finance representative to attend the next meeting. Mr. Abood stated he would attempt again to have her at the June 2, 2016 meeting.

The Committee then discussed the Recovery Agreement, and Council Member Wood asked Mr. Abood if there was any City liability since the Mayor signed it and the City knows there are a number of issues brought up by their external auditor. Mr. Abood admitted the City does own the property, but would have to find out a definitive answer. Council Member Wood also asked him to find out if there are additional fines if the City would be responsible for those. Mr. Abood will seek that answer also. Council Member Brown Clarke added a third question, if LHC is reducing or the City is supplementing the operating dollars, who or is someone making up those dollars that are being recovered back to HUD. Mr. Abood concluded he will contact Ms. Baines Lake today.

Discussion on Fiscal Year 2016 Third Quarter General Fund Status Report

Mr. Endsley went thru the General Fund Status Report and highlights. As noted in the report the General Fund revenues were ahead of the past three years' March 31 collection rates at 70.4% compared to 66.7%. Property tax collection exceed budget at the time of the report, they are subject to tax tribunals, so they could go down. Council Member Wood asked if finance is placing the collection amount on tax tribunals in as general fund and reporting amount as revenue, with the potential we might have to take it out. Mr. Endsley stated that the funds flow thru the financial statements only. The amount is determined as of June 30 of the FYend. If they are significant in process, then Finance will accrue the liability and a reduction level on the balance sheet. They do track and disclose and that gets formalized per GASB. There was recently a GASB announcement that requires disclosures regarding those special SEV reduction liabilities. If it is not probable estimating is not effective or noted, Finance will track any outstanding challenges. Council Member Wood then asked if when a property goes up to auction or the land bank if the City gives the funds back to the County, since they had already made the City whole when the City turned over the taxes. Mr. Endsley admitted he was weak on that topic and had not a lot of knowledge on land bank and tax sales process. Council Member Brown Clarke asked that the question also be asked if the money is given back, how many years back do they go. The discussion then moved to Income Tax which is higher than the average collection rate at 60.7% of the budget compared to 56.2%. Mr. DeLine pointed out that income tax received was up \$2 million from the previous year and asked if that was trend. Mr. Endsley admitted there are many variables at the end of the quarter that because of the deadline for the quarter at March 31, 2016 but taxes are not due till April 15th. Review of the report continued, and Council Member Wood asked for an update on the fireworks revenue the City was supposed to be receiving once the State took over the licensing. Currently it is not noted as such in the budget, and therefore she was asking for clarification on where it was noted. Mr. DeLine referred to the budget questions and answers, where Ms. Bennett stated there was no revenue. Council Member Wood then amended her question as to if the State

guaranteed there was revenue, and the City enforces the licenses, where are the funds because it has been over 5 years. Council Member Brown Clarke added that the Committee would also need to know if the funds have not been provided how far back the City can pursue retrieving those funds. The Committee continued on the review of the report addressing Charges for Services, Licenses and Permits, Fines and Return on Equity. The Return on Equity form BWL is on par, however there is a variance due to significant changes in payment timing with the current agreement compared to the agreement two years ago.

Council Member Wood asked Council Staff to reach out to PN& D and ask about the recent posting for sale of Fire Station 7, because with the current owners there was a deed restriction that it must be owner occupied, and the question is if the new sale will have that same restriction.

Expenditures were addressed as under budget and adjusted for the vacancy factor which was up to 70.4% which is to adjust for the \$800,000. Council Member Brown Clarke asked if they cost out the lost contributions towards health care, because many of the vacancies are not just vacant but filled with contract employees, so how does that impact the lost capture. Mr. Endsley stated those are fixed fringes, independent of a contract employee or not, and that cost stays with the department, and it also flows into the actuarial report. Council Member Brown Clarke noted it was not the best plan because it is being covered by the department and not having people contribute is not the best. Mr. Endsley referred to Ms. Bennett for the normal aspects of that topic.

Council Member Brown Clarke asked if Finance anticipates any line item transfers over the next couple weeks. Mr. Endsley noted that it is to be expected with yearend approaching, however he was not sure which ones might require Council action. Council Member Brown Clarke noted that Council does approve the budget as it is presented, and so if finance anticipates any changes it would be informative to Council. Council would also be interested in any large unanticipated line item transfers. Mr. Endsley admitted he was not able to speak to it at this point, but some go under the administrative authority and some under Council level. Council Member Wood referenced 7-107.3 of the Charter that states "Whenever an agency of the City reports to the Finance Director that the funds appropriated for a particular purpose will be exhausted before the close of the fiscal year, and the agency has an unencumbered appropriation balance, the Mayor may authorize additional spending for that purpose within the total appropriation for the agency, but the additional expenditure may not exceed 15 percent of the Council's appropriation being added to or 5,000.00, whichever is less. The Finance Director shall report the transfer to the City Clerk for transmission to the City Council at the next regular meeting of the City Council." Currently Council is not getting this report. This information was to be provided to Ms. Bennett for an answer.

Council Staff was asked to forward the minutes from December 2015 and March 2016 where HR Director Mary Riley was asked to create the report that would clarify vacancies, contract employees, process of filling the positions, etc. Mr. DeLine pointed out that there was a vacancy report submitted at budget that was dated May 5, 2016, and Mr. Endsley stated the reason the current vacancy report in front of them was March because it was to compare to the March 31, 2016 Quarterly report and matches the \$800,000 at quarter end.

City Attorney Office Invoicing

Council Member Brown Clarke asked Mr. Abood for an update on the status of if the City Attorney office is still using Gallagher Bassett as their third party as was stated by Ms. McIntyre in late 2015. Mr. Abood confirmed that he is employing the third party pursuant to their

contract to administer the invoices then report back to the City Attorney office. He does have plans to meet with all third party entities, at which point he will update Council. The Committee asked if Gallagher Bassett could provide an updated list of litigation claims. Their contract allows for a limited amount of claims a year, so the City Attorney office is trying to keep it under. Council Member Brown Clarke noted the Committee will also be looking for how the invoices are submitted, since Ms. McIntyre previously stated all billing goes to Gallagher Bassett and the City is cc, what is the process now for authorization of payment. Currently there is no way to see what Gallagher Bassett is paying because in the City finance program (IFAS) it only shows payment to Gallagher Bassett, not who they are requesting payment on. Therefore the Committee would like to see an annual or quarterly report that shows outstanding invoices, what paid to date, and how they are charging it. Mr. Abood acknowledged he had never seen any reports. Mr. Abood was not aware of any finance practice on balancing invoices with Gallagher Bassett in the IFAS system to detail specific payments on invoices. Mr. Abood offered that Mr. DeLine can sit in on the meeting he has with Gallagher Bassett to voice their interests of information. Their contract was extended for 6 months, and is up shortly, so he will be meeting with them shortly. Council Member Brown Clarke asked if there was an RFP done or how they were chosen, and Mr. Abood could only assume they could have been recommended by the major broker, Willis.

Setting a Threshold on Council Approved Separation Agreements

Council Member Wood reminded Mr. Abood that Council had asked Law to review and determine the best way to address the mechanism, whether in ordinance or charter amendments. Mr. Abood admitted the Charter amendments would be the clearest path, and he has a check list on what a Charter amendment entails. Council Member Brown Clarke asked that it be sent to Council Staff. Mr. Abood continued noting that he had looked at other separation agreements the City had engaged in over the years, and many had confidential clauses to them. Mr. Abood also stated he is reviewing to see if a government entity should event enter into a confidential agreement. Personnel issues are confidential, so Council Member Brown Clarke asked for the answer if it was not personnel. Mr. Abood admitted that generally any personnel item is a separation agreement. Council Member Wood referenced the Charter when stating that the Council approves the budget, and understands appropriation is not a mandate to spend, however the issue as a government the Council is not getting notification, acknowledging they may not have to approve the process, but should be provided the facts. There is never an opportunity to ask questions on the methodology. Mr. Abood stated that her issue boils down to communications between Council and the Mayor's office. The Charter is specific to administrative functions and legislative functions, and the Charter currently does not say they have to. Council Member Wood then informed Mr. Abood that if Council cannot address the issue to correct it by ordinance, then they need develop Charter language, even if nothing more than a review process. Council Member Brown Clarke added that they could update Council similar to the Litigation Updates that are provided to the Committee of the Whole. Mr. Abood commented that if Council goes thru a charter amendment it could go broader and will provide steps that have to be followed. Before he could issue an opinion on the topic, he wanted to make sure there is not already an opinion done, and he is currently only working from the last charter forward. The decision needs to be meaningful and enforceable.

Process to Securing an External Investigator

Council Member Wood apologized for not having researched the topic from the past Council experience with an investigator and she would pull information that she had. Mr. Abood did admit the Charter does allow Council to use an external investigator, and he will research so Council will know how to strategize on how they can secure one. Council Member Brown

Clarke asked if Law would have to approve and Mr. Abood admitted he was not sure because it was not in the Charter, but there may be nuances to that. Council Member Wood noted the only thing Law should have to sign off on is the contract, it would not need to go thru HR and Council can put perimeters together.

Evaluating the Budget Review Process

Council Member Brown Clarke detailed the topic outlining her plans to create a cover sheet for the Departments that will ask specific questions, similar to when grants are applied for. There will also be plans that all Departments present to Committee of the Whole before the budget, so that during the budget they only speak to the fiscal process and therefore Council will get what they need. Council Member Wood acknowledged past practices of Departments presenting beginning in December, and having Committee of the Whole meetings the opposite of Council Meetings so there were more opportunities for the budget meetings. In the past the Council also utilized all Council meetings in the Chambers for the budget hearings from the Departments so they would be televised. Then the neighborhood meetings were strictly for public input. Council Member Brown Clarke acknowledge she had heard from constituents that they would like the departments to present in the Chambers so they can be televised, and she pointed out that this year leadership did try to get every Department in before budget started. In the future, Council Member Brown Clarke stated her interest in setting the budget schedule in January to create a schedule and timeline, and provide expectations. Council Staff was directed to forward past budget timelines to Council Member Brown Clarke.

Mr. Abood left the meeting at 10:12 a.m.

Mr. DeLine acknowledged that he had prepared the template of questions and Council Member Brown Clarke asked that it be forwarded to Council Staff. The Committee will review it at the next meeting and her plan would be to provide to all of Council for their consensus. Council Member Wood suggest not setting the schedule until February, and being inviting the Departments in January.

Internal Auditor Structure and Policies Update

Mr. DeLine informed the Committee of the next two sections he is presenting to them for review; Mission Statement and Polices that the Internal Auditor would go through. The second document was dated October, 2015. Mr. DeLine asked the Committee to provide him input, and Council Member Brown Clarke asked Mr. DeLine to resend the documents to the Committee for them to review at the meeting on June 1, 2016. Mr. DeLine voiced his concern with the documents being public for public input, and confirmed with Mr. Dotson in the City Attorney office that if it states "Draft" there is no reason for it to be public. Council Member Wood clarified that once something is submitted at a public meeting it becomes part of the public record. Council Member Brown Clarke added that the document states "Draft" so the public will know it is not final.

ADJOURN

Adjourn at 10:26 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on _____

DRAFT



MINUTES

**Committee on Ways and Means
Monday, April 6, 2016 @ 8:15 a.m.
10th Floor Conference Room, City Hall**

CALL TO ORDER

The meeting was called to order at 8:15 a.m.

ROLL CALL

Councilmember Judi Brown Clarke, Chair
Councilmember Carol Wood, Vice Chair
Councilmember Tina Houghton, Member –arrived at 8:29 a.m.

OTHERS PRESENT

Sherrie Boak, Council Staff
Joseph Abood, Deputy City Attorney
Jim DeLine, Council Internal Auditor
Angie Bennett, Finance Director
Scott Taylor, BWL
Richard Peffley, BWL
Denise Estee
Eric Lacy, LSJ
Dean Johnson, Public Service

MINUTES

Council Member Brown Clarke passed the gavel.

MOTION BY COUNCIL MEMBER BROWN CLARKE TO APPROVE THE MINUTES FROM MARCH 23, 2016 AS PRESENTED. MOTION CARRIED 2-0.

Council Member Wood passed the gavel.

PUBLIC COMMENT

No public comment

DRAFT

Discussion/Action

BWL Commissioners Regarding Designation of BWL Auditor for FY2016-2020

Mr. Taylor informed the Committee of the review and procurement process the BWL staff did for the search of an auditor, the Charter requirements and their recommendation of Baker Tilley.

Mr. Peffley added that they chose Baker Tilley partly because of the vast experience with utilities. The BWL Board of Commissioners approved the recommendation March 22, 2016.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION SELECT BAKER TILLEY AS THE BWL OUTSIDE AUDITOR FOR THE YEARS OF 2016, 2017, 2018, 2019 AND 2020. MOTION CARRIED 2-0.

Internal Auditor Structure and Policies

Mr. DeLine confirmed he made the changes recommended by Law and the Committee from the last meeting. The recent version dated March 24th was distributed.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE STRUCTURES, POLICIES AND PROCEDURES OF THE CITY OF LANSING INTERNAL AUDITOR TO BE PRESENTED AS A COMMITTEE REPORT FROM WAYS AND MEANS. MOTION CARRIED 2-0.

Mr. DeLine then presented the proposed mission statement. Council Member Brown Clarke noted to the group that the mission statement along with the objective will provide guidance on what the process will look like and provide a template for all to use that is concise. The goal is to have in place by end of calendar year.

Ms. Bennett asked for changes to page 3, 3.a.i. rewording to have it state "Department Heads, Council Committee, etc." so it went to Departments first. Council Member Brown Clarke clarified for Ms. Bennett that the step she referred to was the Final Draft, and therefore the document goes to all entities at the same time, it is past the time of comments and input.

RESOLUTION- MDOT Local Bridge Program Funding

Mr. Johnson outlined the funding that occurs every year for State funding for up to 5 bridges.

The proposed resolution is written for five bridges, and must accompany the application.

Mr. DeLine asked why Cavanaugh over Sycamore Creek was removed from the list from 2015.

Mr. Johnson confirmed they were able to secure other funding for that bridge and therefore removed it and added a different one. Other bridges in the que for funding and design has begun on include Jolly/Sycamore Creek, Elm/Grand River, and Aurelius/Sycamore Creek. The bridges in this MDOT Bridge Program are:

Aurelius/Pawlowski Creek

Aurelius/GTW Railroad

E Elm Street/Red Cedar River

S. Washington/ Grand River

N. Grand River/Grand River

Council Member Wood asked what makes the bridges critical. Mr. Johnson noted it used to be a grading level system which made them critical, but the City bridges are good shape, so most funding is preventative.

The Committee and Mr. Johnson spoke briefly on specific locations, and then it was confirmed all are complete replacements with road closure and detours, except S. Washington/Grand River which is preventative replacement.

DRAFT

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE RESOLUTION FOR THE MDOT LOCAL BRIDGE FUNDING FOR FIVE (5) BRIDGES. MOTION CARRIED 3-0.

Council Member Wood asked for a list of local streets that will be paved in 2016, and Mr. Johnson referred the Committee to the Public Service website where the list and maps are.

Discussion – Tie Bar Memo

Council Member Brown Clarke asked Mr. Abood for an update. Mr. Abood confirmed he had been speaking to Council Member Wood about an email dated January 7th from former City Attorney McIntyre about the topic and also had received a claim from Denise Estee dated April 1, 2016. Mr. Abood referenced the June 24, 2015 memo from the City Attorney office and its recommendations. Council Member Brown Clarke noted to Mr. Abood that in August or September of 2015 Ms. McIntyre stated there was a tie bar memo that stated how the retiree health care was tie-barred and also stated she sent it to the Mayor and, informed the Committee she was waiting on the Mayor to approve before she could give to the Committee. This topic is the second issue with the retirees, which was also reflected in the email from January sent to Mr. Abood from Council Member Wood. Mr. Abood acknowledged he had never discussed this issue with Ms. McIntyre. Council Member Brown Clarke asked if he had asked the Mayor for the memo yet, and Mr. Abood stated he had not, but is working with Ms. Riley in HR to review this. Council Member Brown Clarke clarified for Mr. Abood that Ms. McIntyre was past that step of review with HR and Ms. McIntyre had stated this as the Attorney. Mr. Abood was asked to meet with the Mayor's office and ask where the memo is, then take that memo to Ms. Riley and determine what else needs to be done because until he has that memo in his hand there is nothing to talk about. Mr. Abood stated he would ask the Administration for clarification on when the memo was received from the City Attorney.

Ms. Estee recapped her notes from December 2, 2015 where Ms. McIntyre presented info to the Committee that she was done with 2004 tie bar issue, and stated it was given to the Mayor. Ms. Estee noted she too was told directly from Ms. McIntyre that a memo was sent to the Mayor and once he signed off she would send to the retirees, which was a correspondence, dated December 7th, 2015. Ms. Estee sent a letter to the Mayor's office on March 9th and again on March 30th with still no response.

Council Staff was directed to provide the past Ways and Means minutes from 2015 to Mr. Abood. An update is expected from the City Attorney at the April 20th Committee meeting.

Discussion – Health Care Re-Selection Option

Council Member Brown Clarke updated Mr. Abood on the 2015 information that was provided to the Committee and the retirees by Ms. McIntyre representing the HR Department which stated that since her offices were in the process of clarification on health insurance for the retirees and it was open enrollment time, Ms. McIntyre informed the retirees that if there was no resolution by the time open enrollment ended, the retirees could sign up for insurance, and if the clarification changed things they could make changes to their benefit. This has never happened, and therefore the Committee wants an update and an update provided to the retirees. The retirees now need the HR department assistance in making those changes. Mr. Abood stated he would have to check with HR. Council Staff was directed to provide Committee minutes to Mr. Abood.

Ms. Estee reminded the Committee that in 2010 the Mayor and Jerry Ambrose came up with the new policy, and predated it 6 years, effective February 20, 2004 that all retirees are tied to all active employees.

DRAFT

Ms. Bennett reminded the Committee that there is open enrollment every year, and Council Member Brown Clarke reminded Ms. Bennett the Committee was aware of that, but the issue was not the annual open enrollment, but the clarification and its effect on the choices they made while they waited for the clarification.

Mr. Abood asked for clarification on if it was limited to 2015, and Council Member Brown Clarke confirmed everything prior was addressed. Mr. Abood then asked Ms. Estee if there were other claims from her, and she confirmed there were multiple claims filed and no response on any.

Discussion- Recycling Contract (Revenues and Expenses)

Mr. DeLine distributed an IFAS spreadsheet on the recycling fund, and acknowledged that he was not able to obtain a copy of the contract with vendor ReCommunity, and the Clerk's office did not have it either. There has been no response from Laurie Welch or Chad Gamble for it either. Mr. DeLine then outlined the report noting that revenues should meet the expenses. Mr. DeLine then was asked to provide an understanding of the process, and Mr. DeLine noted it was a single stream process and the best explanation would be for the Council to watch the video on the City website. He did go on to note that the recyclables are sorted by the vendor into categories and they determine the value and pay the City by the ton for the overall weight. Council Member Brown Clarke asked Mr. DeLine what matrix was used to anticipate projected revenue of \$130,000 in 2013. Mr. DeLine could not provide an answer. Ms. Bennett stated to the Committee that recycling material is market driven and it fluctuates. Council Member Brown Clarke outlined the report noting the line item of Sale of Recycled Materials at FY2013 Actual at \$3,368.01; 2014 at \$11,060.73 and 2015 at \$0, leading to the question on when does the City revisit it when it is evident it is not performing the way we anticipate. Ms. Bennett defended that the budget is prepared for projections 18 months before it ends, so things change and projections were downgraded as anticipated. Council Member Wood noted that when the program started it was promised to residents that the sale of recycling would pay for the system, than asked Mr. DeLine what the details were for contractual services. Mr. DeLine and Ms. Bennett did not have an answer for the amounts that were FY2013 Actual \$79,282.31; 2014 \$125,495.66 and 2015 \$165,169.87. Council Member Wood asked them to provide answers for what the contractual expenses were for.

Council Member Wood then asked Mr. DeLine to update the Committee on the status of the recycling in East Lansing, and Mr. DeLine distributed a report he found on the East Lansing website, and the referenced page 5-6 which stated "The components included a fixed fee per ton from Lansing, consisting of \$45/ton (subject to change), a \$3.44 ReCommunity environmental fee (subject to change- not charged to Lansing)". Since Mr. DeLine was not able to obtain the contract with ReCommunity he could not verify what Lansing pays, and Ms. Bennett could not provide the information either.

Again Council Member Brown Clarke asked in a competitive marketplace, and what point does the City revisit it.

Ms. Bennett then asked to refer back to the first spreadsheet that was handed out, noting it was not accurate due to the fact it was not done with the comprehensive financial reports. The conversion from modified to accrual for financial statements needs to be done and she can work with Mr. DeLine to show him. Council Member Brown Clarke encouraged the filling of an IT Director that could address this in a simple manner which computer science allows anyone to perform individual searches. Ms. Bennett was directed by Council Member Brown Clarke to sit down with Mr. DeLine to redact the items she referenced and produce the correct report by the

DRAFT

next meeting. Ms. Bennett noted she was not able to meet with him personally until the week of April 11th.

Council Member Brown Clarke asked Ms. Bennett how many vacancies she had in Finance, and Ms. Bennett confirmed she had three vacancies with contractual employees filling them.

Setting the Threshold on Council Approved Separation Agreement

Council Member Wood clarified why she requested the item on the agenda, noting that during the process of the departure of Ms. McIntyre, Council has run into issues in finding out why and they want to make sure it does not happen again. In the past the ordinance was changed to address the “golden parachute” to allow Council to have a say in the executive management plan. Therefore she asked to look at an ordinance to allow Council to look at any separation or litigation. A similar example would be the current process on workers compensation claims. Mr. Abood stated he had already met with Council Member Wood and is currently reviewing the Charter and past City Attorney opinions. Currently Law is finding it hard to find the authority for Council to enter into this area or review or approve because everything points to it as an administrative function. Council Member Brown Clarke asked the review to include how does Council do their oversight, and legislatively what is Council’s role. Mr. Abood agreed to target the May 4, 2016 Committee meeting to report back, however will continue to keep the Council updated.

ADJOURN

Adjourn at 9:29 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on _____

DRAFT



MINUTES

**Committee on Ways and Means
Wednesday, April 20, 2016 @ 8:15 a.m.
10th Floor Conference Room, City Hall**

CALL TO ORDER

The meeting was called to order at 8:17 a.m.

ROLL CALL

Councilmember Judi Brown Clarke, Chair
Councilmember Carol Wood, Vice Chair
Councilmember Tina Houghton, Member

OTHERS PRESENT

Sherrie Boak, Council Staff
Joseph Abood, Deputy City Attorney
Jim DeLine, Council Internal Auditor
Angie Bennett, Finance Director
Lisa Thelen, HR
Lynne Meade, Teamsters 243
Denise Estee, Retiree
Steve Maloney, Retiree
Mary Lou Andrews, Retiree
Lynn Doerr, Retiree

MINUTES

Moved to the next meeting.

PUBLIC COMMENT

No public comment

Discussion/Action

Workers Compensation Claim WC2062876-00610

Workers Compensation Claim WC2062876-00735

Council President Brown Clarke asked Mr. Abood for clarification on if the two claims could be discussed in open meeting since his cover memo states "Personal and Confidential Attorney Client Privileged Communication". He was also informed this was the first time the memos have been labeled that way for Workers Compensation Claims. Mr. Abood acknowledged that even though it had his name and letter head it was not from his office. He was aware the claims were coming to Council but they did not come from his office. Council Member Wood asked if the

DRAFT

“Personal and Confidential.....” information could be stricken and the Committee can discuss and take action. Mr. Abood asked that he have time to talk to the HR Department because he was not willing to waive that condition until he is aware of the particulars. Council Member Brown Clarke asked Mr. Abood to confirmed why they are now coming in this format, and if they are time sensitive. If they are time sensitive there can be a Committee on Ways and Means scheduled for Monday, April 25th, before Council to address them. Mr. Abood confirmed he would provide Council with the answer to the questions, and noted they did not appear to him to be urgent.

RESOLUTION – Defined Contribution Plan Restatement

Ms. Bennett stated that the plan is restated every six (6) years and it also addresses then any amendments.

Council Member Brown Clarke recused herself due to her connection with 54-A District Court. Council Member Wood recused herself since personally is part of the plan.

Council Member Brown Clarke discharged any discussion or action on the item to Committee of the Whole for Monday, April 25, 2016. Mr. Abood was then asked if he had signed off on the Resolution and he had. Ms. Bennett noted that Ms. Thelen had just clarified that judges are not part of the defined plan. Council President Brown Clarke affirmed it was discharged to Committee of the Whole and she requested language from law for Monday night that would clarify for the public that she can or cannot discuss the item or will or will not be recused from discussion and a vote. Mr. Abood stated he will provide her with that language.

Discussion – Tie Bar Memo

Council Member Brown Clarke recapped that Ms. McIntyre in late summer 2015 stated that she had written a memo that clarified retirees earlier than 2/20/2004. This was told to the Committee that she had submitted it to the Mayor and once he signed off on it for public distribution she would provide it. Mr. Abood stated he was not aware of a memo and if in the administration hands, they are the ones that would have to be asked to release it. Mr. Abood did claim to have two claims from Ms. Estee and another individual, and he had also spokn to Mr. Maloney. Since this is collective bargaining these were referred to HR.

Council Member Brown Clarke outline the two questions, one being the memo that Ms. McIntyre crafted and sent to Administration related to this, therefore has law asked the Mayor if he has the memo. Mr. Abood acknowledged the request to Administration if it even exists, and he is waiting on their response. Council Member Brown Clarke asked Mr. Abood if Ms. McIntyre returned her City owned computer and if they had search that hard drive yet. Mr. Abood stated he does have the computer and IT is aware they need to change the password so law can get into it, however if the memo was written on that hard drive, that is currently beyond his knowledge. Currently his office is unable to locate such a memo. The June memo that the Committee has and is aware of was found on the shared drive. The request to IT was made within the last 10 days however he is not aware if the password was reset yet. Council Member Brown Clarke asked the Mr. Abood continue to pursue the search of Ms. McIntyre computer for the missing memo. Mr. Abood stated he would approach the Administration again on the memo and will have IT look into the computer. Council Member Brown Clarke stated that the Council staff can put in a request if that would help speed up the issue for resetting the password so the Committee can get resolution, and a 10 day wait is unacceptable. Mr. Abood stated it would not be appropriate for Council, so he will ask. Council Member Wood added to the conversation that during the budget hearings IT can be asked why the delay, but in regards to this topic, obtaining from the Administration would be the fastest and easiest since the Committee was told

DRAFT

months ago it was already in their hands. Mr. Abood was then asked when he asked the Administration for it, and Mr. Abood noted he could not recall the exact date, however he did have a meeting on April 19th with Mary Riley, Sue Graham, Lisa Thelen and Randy Hannan. Currently the administration has not informed Mr. Abood if the memo exists, however Mr. Abood stated he is committed to getting answers, and will weigh in on the claims filed if HR requires.

Ms. Estee briefly outlined her frustration with the process and her role for the last 6 years. This included letters to the administration, Mayor and even working with the Union, who cannot help the retirees either. Ms. Estee approached the City Internal Auditor in 2014 and the Administration still has not answered his questions from 2 years ago. Ms. Estee concluded by stating that to pursue with the claims in HR now is frustrating, since the HR Department is the department that failed to correctly implement retiree benefits in the first place. Ms. Estee then distributed a time line to Mr. Abood.

Mr. Becicka spoke in opposition to the process thus far, stating when he was an employee he gave up raises to help the City save money, then when he retired what he was promised when he walked out the door is no longer in effect.

Ms. Meade added that the Union asked Ms. McIntyre for the list of retirees and the insurance plans they were receiving however were never given that information, therefore now does she need to approach Ms. Riley for that information. Mr. Abood stated the request should go to HR, however there may be an issue with releasing the names of the retirees and benefits publicly. Ms. Meade suggested an option of no names, but numbering the retirees with their dates and benefits. Mr. Abood again stated he would check with HR but it might be a FOIA request. Council Member Brown Clarke told Ms. Meade that if they are required to complete a FOIA request she as Council President is in full support of fulfilling the request.

Mr. Maloney asked what the reason for the list would be. Ms. Meade clarified that the Union would then know who is being charged what and if there are issues for bad charges they can help with consistency.

Mr. DeLine acknowledged meeting with HR to do a spot audit back to 2010. Council Member Brown Clarke noted that this phase is now 2004-2009. Ms. Thelen informed the Committee that when the decision was made in March 2015, a letter was sent to retirees signed by Ms. McIntyre stated that after a review they might have a refund, and that letter also noted and included the new rate sheets for the open enrollment for 2015. Mr. Maloney acknowledged he got the letter and reimbursement check but never knew if the new rates were correct. Council Member Brown Clarke asked Ms. Thelen to audit 2004-2009 and Ms. Thelen acknowledged their office did do anyone from 2004 forward to see if they had overpaid. The letter was form letter with no specifics on individuals noted in the letter.

Ms. Estee presented Ms. Thelen with an envelope for the HR Director.

Council Member Brown Clarke advised Ms. Meade to submit her request for information prior to the next Committee meeting on May 4th. Mr. Abood was also advised to obtain access to the City computer used by Ms. McIntyre to locate the tie-bar memo, directly ask the Mayor if he has the memo because this memo will determine everything. Mr. Abood clarified he had already asked and was waiting on a response. Council Member Brown Clarke instructed Mr. Abood to review the tie-bar memo to make sure it will determine everything, justify the decisions, co-pays, etc. and if he concurs. Mr. Abood agreed.

Discussion – Health Care Re-Selection Option

DRAFT

Council Member Wood brought everyone up to speed on the topic, which started in May 2015 during open enrollment and there was still the outstanding issue on the retiree healthcare corrections. Ms. McIntyre at that time stated that since it was during open enrollment retirees should sign up and if there is anything that needed to be corrected or they needed to change their new choice in plans they could do so. If the open enrollment was closed at that point, it could be opened up. Ms. Thelen stated that the retirees received their clarification letter in March along with the new rate sheets based on the findings they had made in March. Council Member Wood reminded the group that Ms. McIntyre did not release the memo of findings until June, and the Committee was told the retirees could reevaluate the options in case they wanted to change their plans. Ms. Thelen stated that the letter in March stated the new rate sheet with the letter was based on the decision. She acknowledged that there were no personalized letters sent but general information to all that it applied to.

Council Member Houghton asked if the memo can't be found can it just be done. The Committee census was yes, however Council Member Brown Clarke pointed out that Mr. Abood will still look in Ms. McIntyre's electronic files so as not to have to recreate. Mr. Abood acknowledged and stated he would also address the outstanding claim. Council Member Brown Clarke directed Mr. Abood that if he does not find the memo in the Mayor's office or Ms. McIntyre computer to scribe one.

Ms. Andrews asked Mr. Abood how long it would take to get answers on the claims, and Mr. Abood stated he was actively working on them and hoped to get an answer from HR quickly.

Discussion- Recycling Contract (Revenues and Expenses)

Mr. DeLine distributed a cover sheet outline and copies of purchase orders and invoices regarding the recycling contracts. Ms. Bennett clarified her comment from the last meetings, noting that the reason it appears we have no revenue is that the revenue is posted against the expenses and any balance after that we have revenue for. Council Member Wood asked where on the spreadsheets that amounts would show up, and Mr. DeLine and Ms. Bennett referenced contractual services.

Council Member Houghton referenced an invoice from Community Detroit which shows the calculation and an amount of (\$9,455.40). This reflects what the City paid them. Council Member Brown Clarke pointed out that the credit is not off-setting the processing and therefore the contract is not benefiting the City. Ms. Bennett was then asked how long the City is locked into the contract. Ms. Bennett assured the Committee it was bid out, this was the company chosen, but she was not sure how long the contract was for. Council Member Brown Clarke noted for the record it appeared their performance was not fiscally responsible for the City.

Council Member Wood requested that Ms. Bennett provide by April 29th the RFP for the recycling, the bids that came in, and the contract that was issued for both processing and hauling. This item will be placed on the agenda for May 4th. Council Member Houghton asked if there are only two categories. Ms. Bennett stated she would ask. Council Member Houghton also asked that they bring someone in to outline the process on recycling so the Committee understands the costs and contracts.

Ms. Bennett asked to speak to the handout from Mr. DeLine for clarification and Council Member Brown Clarke told her to email her questions.

Internal Auditor Structure and Policies Update

Mr. DeLine will address at the next meeting.

DRAFT

ADJOURN

Adjourn at 9:45 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on _____

DRAFT



MINUTES
Committee on Ways and Means
Wednesday, May 4, 2016 @ 8:15 a.m.
10th Floor Conference Room, City Hall

CALL TO ORDER

The meeting was called to order at 8:16 a.m.

ROLL CALL

Councilmember Judi Brown Clarke, Chair
Councilmember Carol Wood, Vice Chair
Councilmember Tina Houghton, Member

OTHERS PRESENT

Sherrie Boak, Council Staff
Joe Abood, Deputy City Attorney arrived at 8:18 a.m.
Jim DeLine, Interim City Council Internal Auditor
Lori Welch, City Operations and Maintenance/Recycling
Victor Rose, Operations and Maintenance/Recycling
Denise Estee, Retiree
Steve Maloney, Retiree
Angela Bennett, Finance Director

PUBLIC COMMENT

No public comment

Discussion/Action

Place on File – Lansing Housing Commission Financial Statements

Council President Brown Clarke clarified that originally the item was to be placed on file, however due to some recent issues and the next item, Recovery Agreement, the Committee is asking for Lansing Housing Commission to come in and present their Financial Statements. Ms. Baines Lake and a HUD Representative should be present at the next meeting. Council Member Wood suggested that Law send a letter to LHC and HUD informing of their presence required at the next meeting.

Discussion - Lansing Housing Commission Recovery Agreement with HUD and the City of Lansing-

Council President reiterated the same comments from the earlier item, and noted the LHC and HUD representatives will be required to attend the next meeting for both items. Mr. DeLine distributed his review of the LHC Financial Statements.

DRAFT

Council Member Wood asked Mr. Abood if the Recovery Agreement is not met, is there liability to the City, and noted LHC has already been fined per the auditor report. If there is liability, what is it, and on a side note she asked if the City Attorney office had signed off on the agreement for the Mayor to sign. Mr. Abood stated he was not aware if they signed off but would check with his department. Council President Brown Clarke asked for coordination on Law sending a letter to LNC and HUD to attend on both these topics.

Update on Recycling Contracts

Ms. Welch went thru the documents that the Committee received from Mr. Gamble at 4:30 p.m. May 3, 2016. Council Member Brown Clarke asked Ms. Welch to provide a visual description of the overall recycling process. Ms. Welch outlined the process stating that the City collects at the curb, returns to the City recycling station site, and processor. There is a contract with a hauling vendor and a vendor for processing. The City trucks pick up at the curb; take to the transfer station, and then there is a City operator that puts into the container, then the hauler vendor hooks up to the container with their trucks. The material goes to Ann Arbor or Detroit depending on where the hauler can go based on the amount. In regards to the single stream, the sorting is done at the station for any contaminates, then the vendor sorts by machine and manual labor. In the end there are separate piles. The City currently does not have a machine that contaminates, and so they pull out what they can. The City has not received any fines for being rejected for contaminates or for even being over.

Mr. DeLine referenced the vendor invoice which noted a market threshold price per ton, and asked if that is measured before the sorting. Mr. Rose confirmed it is based on raw weight, so before items are sorted, and Ms. Welch added it is based on an average commodity revenue and threshold price. They utilize that formula to determine the floor price.

Council Member Wood asked who drives the vehicles when at the City station. Ms. Welch stated the City employee drives and loads the trailers, but the vendor drives his trucks. Mr. Rose noted that the City extracts contaminates on their site so it never gets to the hauler. Residents are given one notice then the City takes the cart. A cart does get returned after the situation is resolved. If a rate is imposed and the contamination is fined the City pays only if we exceed 6% we have to pay. Mr. Rose then went into the hauling contract which was entered into before he started with the City. This requires the vendor provide enclosed haulers 2 loads a day, 4 days a week. Ms. Welch did add that the last RFP was in 2013 and the City is currently looking at another RFP now because the current contract ends the end of June 2016. There were five (5) companies that took out proposals, but only one submitted, and it was from the current vendor. So the City is reviewing and is negotiating with the vendor who has proposed a 10% increase.

Council Staff printed out and distributed the Stansley documents on single stream that were not distributed earlier. Council President Brown Clarke asked why the City is not seeking a one year extension on the current contract, and Ms. Welch stated that Ms. Robinson in purchasing did not want it bid that way in the hopes that there would be more interest with the lower gas prices, however it did not result that way and only bid was submitted. Mr. Rose noted that right now they pay \$130/hour and it is one hour to dump and one hour to drive back.

Council Member Brown Clarke asked if there had been any discussions on moving recycling from every two weeks to every three weeks. Ms. Welch agreed it had not been discussion; however they are trying to work with the industry standards and already receive complaints between the two week periods.

DRAFT

East Lansing has been bringing in their loads to the City station since fall 2015 and they do share in the cost of hauling, processing and administrative fees.

Council Member Wood asked if Freedland had submitted a bid because they were the previous vendor. Ms. Welch admitted they had not gotten any proposals from Freedland or spoken to them. Mr. Rose admitted that recycling market is down and our market will follow the global market.

Mr. DeLine noted that if the City signs another 3-year contract they are held to not looking at other alternatives. Mr. Rose noted that if the City were to purchase the vehicles and haul themselves the added cost of vehicles, employees, benefits, and maintenance on the fleet it would exceed what the cost is now. Ms. Welch added to the conversation by stating it is in the best interest of the City to negotiate with the existing vendor to make business happen today. It was also agreed that there should be a way out of the contract. Mr. DeLine asked for Ms. Welch to direct him to the line item in the financial system software where East Lansing revenue will be reflected.

Mr. Rose informed the Committee that the active proposal for the next 3 years that is currently in discussion is for hauling with a 10%, 5%, 3% increase, and an escape clause on contractor side. Mr. Rose was not sure of the time frame on that clause, but would provide that once he is sure.

Council Member Wood asked about enforcement of carts sitting at the curb after pick up date. Ms. Welch went thru the enforcement policy which included contacting Code Compliance for enforcement unless the cart violation involves contaminates, then operations and maintenance gets involved for letters, fines and taking of the carts. Council Member Wood asked for an electronic copy of the flyer sent to residents on the procedures.

Council Member Brown Clarke recapped that the outstanding items that need to be submitted is verification of "get out clause" in the contract from the hauler, direction on where the revenue from East Lansing can be found in the financials, and providing an electronic version of the flyer that is distributed to the residents on recycling.

Update on Tie-Bar Memo Status

Mr. Abood acknowledges that the claims that have been presented are in process with Human Resources. Mr. Abood admitted he had spoken to the Administration on the Committee inquiry into where the memo was. Currently his role is to pass the claims to HR to make the determination and if a policy needs to be made the Administration needs to do that. Law will become involved if they are asked for a determination. Council Member Brown Clarke reminded Mr. Abood that Ms. McIntyre the former City Attorney and Interim HR Director had already gone thru the process so the determination should have already been made by Law and HR and now with the Administration. Mr. Abood was then asked if he was able to access Ms. McIntyre computer to find the missing Tie Bar memo. Mr. Abood admitted he was able to review the computer but was not at liberty to indicate that such a document exists.

Council Member Wood asked Mr. Abood if he had asked the Administration a second time for the memo. Mr. Abood stated he had follow up with a second request, and told them that HR is reviewing the claims and the Administration will have a policy decision to make. The Administration did not inform him that they that they found the memo and they did not say they would look for the memo, Mr. Abood noted that is not where the discussion went. Council Member Wood then asked Mr. Abood if there was a memo. Mr. Abood stated his belief that

DRAFT

there could be several documents regarding this issue. Council Member Wood reminded Mr. Abood that the memo they are looking for was written after June 2015, and asked if there was one dated after that. Mr. Abood stated he did not know, and he had areas as City Attorney he could not breach. Council Member Brown Clarke asked what he would breach by communication with Council. Mr. Abood clarified that some ways an Attorney communicates is labeled "not FOIA able, not for release, work product." When it is labeled as such it gets to a point where it cannot be acknowledge. Council Member Brown Clarke reminded Mr. Abood of times in the past where a document was labeled "privileged and confidential" and Committee went into closed session to discuss. Mr. Abood noted that "privilege" could be held by Administration not by the legislative branch. Until the Administration releases what is privileged it is not available. Council Member Wood then reminded Mr. Abood that there are minutes from the public meeting of the Committee on Ways and Means where Ms. McIntyre stated there was a draft memo and it was going to the Mayor and she couldn't release it until it was signed off, so does the Committee need to bring in the Mayor. Mr. Abood stated that a memo of this nature could have a privilege of the Administration to release or not release. Mr. Abood concluded that the memo may exist or may not exist.

Council Member Houghton asked if the Committee knows what the memo would have said and Council Member Brown Clarke noted it should have said information that anchored and operationalized Ms. McIntyre decision as HR Director and City Attorney on the Tie-Bar and the CBA. Council Member Houghton asked if Law could just draft a letter now, since it appears the Committee will never see or know if the memo ever existed. Council Member Brown Clarke asked Mr. Abood what guidance the Committee was supposed to give to the retirees at this point. Mr. Abood referred to the Charter and stated it is clear that CBA is an administration function, and the designated bargaining unit for the Mayor is the HR department. Claims that are coming in are being addressed by HR, and the Administration is going to have to make a policy determination. He has had this discussion with the Administration. Council Member Wood asked how long the Committee has to ask the retirees to wait since this was started during the time HR and Law Director was the same person and there was the intention of bringing closure to it. Council understands the Charter on contracts, however Council signs off on those contracts, so Council is also responsible for upholding the decisions. Mr. Abood stated his goal of resolving in weeks not months.

Council Member Brown Clarke set the next Committee for May 25th instead of May 18th. This meeting is when LHC and HUD should attend to address the two items on Lansing Housing Commission and the Recovery Agreement. Ms. Bennett stated should not be available to attend on the May 25th and Council President Brown Clarke asked her to send a representative in her place.

Mr. Abood confirmed the direction that was given to him to have the City Attorney office contact the Lansing Housing Commission requesting their presence at the next meeting to address the annual audit and the Recovery Plan. Council Member Wood referred Mr. Abood to the City Ordinance that requires they present to Council.

Council Member Brown Clarke passed the gavel to Council Member Wood and left the meeting at 9:33 a.m.

Ms. Estee spoke in opposition to the Tie-Bar memo topic being placed back with Human Resources because that is where the discrepancies and issues started. Ms. Estee also outlined the 1% group time line and pointed out to the Committee it is "Open Enrollment" and the fee sheet references state mandated taxes.

DRAFT

Review of Budget FY2017 Policies

The members reviewed the document proposed by the Administration for this year and the approved Budget Policies from FY2016. The Committee agreed to keep the same policies as FY2016 except to remove the policy establishing the Ad Hoc on Housing since it is now established and to remove the item on Board of Water and Light that established the allocation of funds for a an audit.

MOTION BY COUNCIL MEMBER HOUGHTON TO RECOMMEND THE CHANGES TO THE POLICIES. MOTION CARRIED 2-0.

Setting Threshold on Council Approved Separation Agreement

Mr. Abood stated that he could not find anything in the Charter that allows Council to weigh in on contracts. Workers Compensation is different because it is self-insured. Any changes to allow approval by Council on contracts would be a Charter amendment. Council Member Wood asked Mr. Abood to research if they changed the policy for Council to "review" would that would require. Council Member Houghton asked if the workers compensation weren't self-insured would the Council see them. Mr. Abood noted there are no provisions for Council to weight on settlements when they meet certain thresholds.

Internal Auditor Structure and Policies Update

Mr. DeLine referenced the earlier binder he had given to the Committee and then stated he would submit the next section to them to review. Council Member Houghton asked if the mission statement he is proposing follows the Charter, and Mr. DeLine stated no, so Council asked Mr. Abood to have Law review it because it would reflect on why the decisions and intent were made on this position in the Charter. Ms. Bennett had suggestions and Council Member Wood asked her to forward those to Mr. DeLine in writing.

MINUTES

Action on the minutes from April 6, 2016 and April 20, 2016 were moved to the May 25, 2016 meeting.

ADJOURN

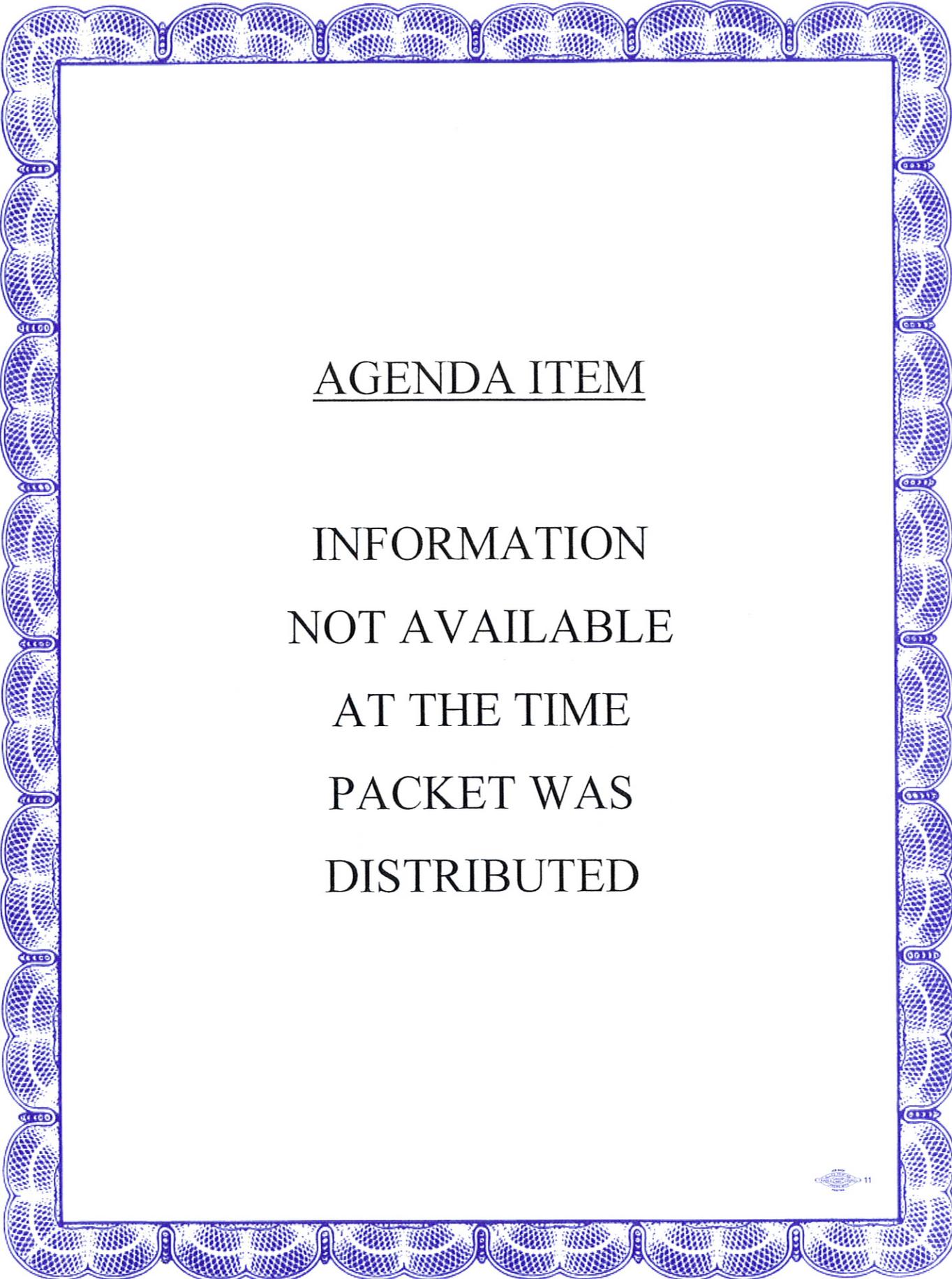
Adjourn at 9:50 a.m.

Submitted by,

Sherrie Boak, Recording Secretary

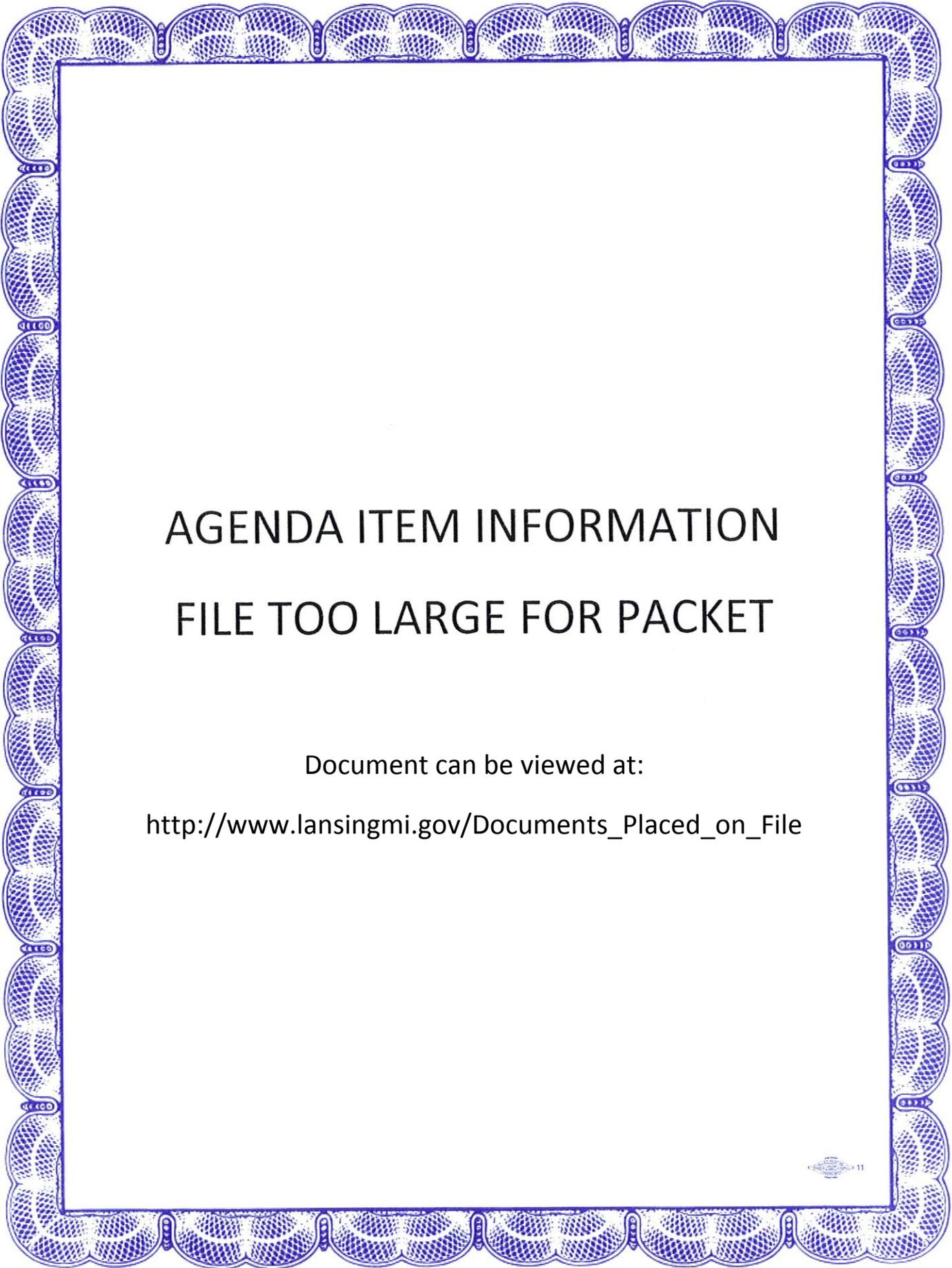
Lansing City Council

Approved by the Committee on _____



AGENDA ITEM

INFORMATION
NOT AVAILABLE
AT THE TIME
PACKET WAS
DISTRIBUTED



AGENDA ITEM INFORMATION

FILE TOO LARGE FOR PACKET

Document can be viewed at:

http://www.lansingmi.gov/Documents_Placed_on_File

RECEIVED

2016 APR 15 PM 4:49

LANSING CITY CLERK

Recovery Agreement between
Lansing Housing Commission

And

the United States Department of Housing and Urban Development

And

the City of Lansing

This Recovery Agreement is entered into between the Lansing Housing Commission, the UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") and the City of Lansing as of this 1 day of March, 2016.

RECITALS

WHEREAS, under the United States Housing Act of 1937, as amended, ("Act"), 42 U.S.C. § 1437 *et seq.*, the United States Department of Housing and Urban Development ("HUD") is responsible for administering low income housing programs, and pursuant to the Act, HUD has entered into an Annual Contributions Contract ("ACC") with the Lansing Housing Commission to develop and operate public housing projects of the Lansing Housing Commission; and

WHEREAS, pursuant to the Act, HUD must evaluate public housing performance and has instituted the Public Housing Assessment System ("PHAS"); and

WHEREAS, on the basis of an annual PHAS score, the Lansing Housing Commission has been designated Troubled or Substandard for financial, physical and/or management indicators, or other such deficiencies as HUD has identified; and

WHEREAS, the Act requires HUD to enter into agreements that establish performance targets, set out strategies for meeting targets, provide for incentives and sanctions for effective implementation of the strategies leading to recovery of performance and attain an improved status of at least a Standard Performer; and

WHEREAS, the recovery of performance is intended to lead to a sustainable sound fiscal management and good governance; and

WHEREAS, the parties desire to correct all HUD-identified deficiencies through the implementation of this Recovery Agreement, ("Agreement");

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, HUD, the Lansing Housing Commission and the City of Lansing agree as follows:

- I. The Lansing Housing Commission agrees to achieve the outcomes outlined in the Action Plan and incorporated into this Agreement as Exhibit A.
- II. The Lansing Housing Commission and the City of Lansing agree to work together to develop and implement a Sustainability Plan if necessary to achieve recovery.

- III. The Action Plan describes the results following HUD's review and assessments of PHA performance, the measures that need to be implemented to improve the performance and the desired outcomes to be achieved and establishes a timetable to achieve those outcomes. The Action Plan also identifies the available remedies to resolve HUD's determination of non-performance.
- IV. Upon execution of the Agreement, the Lansing Housing Commission will commence with the required actions listed in the Plan within the timeframes set forth therein.
- V. The Lansing Housing Commission will cure identified deficiencies within the timeframes established in the Action Plan.
- VI. Subject to section XII, regardless of possible changes in the Lansing Housing Commission's Board composition, or the decision-making individuals for HUD or the City of Lansing, the term of this Agreement is effective as of the execution date of this document and will continue until completion of the Action Plan in accordance with 6(j) (2) and (3) of the Act, and any agreed upon extensions. This Agreement will remain in effect until the Lansing Housing Commission has completed all items listed in the Plan, even if HUD removes the Lansing Housing Commission's troubled/substandard designation.
- VII. HUD, in its discretion, may provide technical assistance, including training or contract support, to the Lansing Housing Commission to facilitate accomplishment of the items in the Action Plan. The Lansing Housing Commission's compliance with the Action Plan, however, shall not be contingent on HUD's provision of any technical assistance or other discretionary assistance.
- VIII. The Lansing Housing Commission shall provide HUD with written progress reports as identified in the Action Plan. The report shall detail the Lansing Housing Commission's progress towards the completion of the items required by the Action Plan. The reports shall identify those items that have been completed and provide any necessary documentation to support this determination.
- IX. HUD will review the Action Plan progress reports submitted by the Lansing Housing Commission and supporting documentation. HUD will confirm in writing to the Lansing Housing Commission the items that HUD determines to have been successfully completed, those that require additional documentation and those that are past due.
- X. If the Lansing Housing Commission disagrees with HUD's determination concerning the completion of any item, the Lansing Housing Commission may request a reconsideration of the determination and submit additional information to support its position. HUD will provide the Lansing Housing Commission with a written notice of its decision.
- XI. The failure of the Lansing Housing Commission, its employees, officers, agents, or contractors to comply with this Agreement, including the failure to achieve the agreed upon outcomes or to take the actions or comply with the time frame set forth in the Action

Plan, may result in HUD seeking any available remedies, including any of the following actions sequentially or simultaneously:

- a. Consolidation;
 - b. Consortia/Joint Venture;
 - c. Contraction of Operational Activities;
 - d. Cooperative Endeavor Agreement;
 - e. Debarment;
 - f. Deliver possession and control of project(s) to HUD;
 - g. Limited Denial of Participation;
 - h. Receivership; and/or
 - i. Suspension.
- XII. The parties by mutual written agreement may agree to extend the timeframes set forth in the Action Plan from time to time. In the event said timeframes are extended, HUD agrees that it will not take any of the actions against the Lansing Housing Commission as set forth in this section of the Agreement for noncompliance with original timeframes.
- XIII. Communication related to the Recovery Agreement and Action Plan shall be provided to the Public Housing Director and the HUD Recovery Team leader, if applicable.
- XIV. HUD, the Lansing Housing Commission and their employees, subcontractors, partners or assigns, and the City of Lansing shall comply with all applicable federal, state, and local laws and regulations relating to the performance of this Agreement to which their activities are subject.
- XV. Notwithstanding any provisions of this Agreement to the contrary, the parties shall not be held liable for any failure or delay in the performance of this Agreement that arises from fires, floods, strikes, embargoes, acts of the public enemy, unusually severe weather, outbreak of war, riots, civil commotion, force majeure, acts of God, or for any other cause of same character which is unavoidable through the exercise of due care and beyond the control of the parties, provided that said failure or delay in the performance of this Agreement attributed to any of the events described herein is acknowledged in writing by HUD. Upon the issuance of HUD's written acknowledgement, the failure to perform shall be deemed excused during the continuance of such circumstances as determined by HUD, but this Agreement shall otherwise remain in effect.
- XVI. In the event of any conflict between terms in this Agreement, including all exhibits, attachments and all other documents specifically incorporated by reference, and HUD's applicable Public Housing requirements including, but not limited to, the Act, HUD regulations there under (and, to the extent applicable, any HUD-approved waivers of regulatory requirements), the ACC, HUD notices, the HUD-approved Declaration of Trust or

Declaration of Restrictive Covenants in favor of HUD, and all applicable Federal statutory, executive order and regulatory requirements, as those requirements may be amended from time to time, the applicable Public Housing requirements shall prevail. HUD reserves the right to resolve any conflict.

- XVII. Any modification or amendment of any condition or provision in this Agreement by either party will not imply or constitute a further modification or amendment of the same or any other condition or provision, nor shall it relieve the parties from performing any subsequent obligations strictly in accordance with the term of this Agreement. No modification or amendment shall be effective unless in writing and signed by the party against whom enforcement is sought. Such modification or amendment shall be limited to provisions of this Agreement specifically referred to therein and shall not be deemed a modification or amendment of any other provision. No modification or amendment of this Agreement shall constitute a HUD-approved waiver of regulatory requirements.
- XVIII. Should any term or provision of this Agreement be held, to any extent invalid or unenforceable, as against any person, entity or circumstance during the term hereof, by force of any statute, law, or ruling of any forum of competent jurisdiction, such invalidity shall not affect any other term or provision of this Agreement to the extent that the Agreement shall remain operable, enforceable and in full force and effect to the extent permitted by law.
- XIX. To the extent authorized by the Act and HUD regulations, HUD can unilaterally amend this Agreement. Otherwise, this agreement may be amended by mutual agreement of the parties.
- XX. This Agreement states the entire understanding and agreement between the parties and supersedes any and all written or oral representations, statements, negotiations, or agreements previously existing between the parties with respect to the subject matter of this Agreement. However, this Agreement does not supersede, modify or amend the ACC as further described in Paragraph XXII. The parties recognize that any representations, statements or negotiations made by the staff of either party does not suffice to legally bind either party in a contractual relationship unless they have been reduced to writing and signed by their authorized representative(s). This Agreement shall inure to the benefit of and shall be binding upon the parties, their respective assigns, and successors in interest.
- XXI. This Agreement may be executed and delivered in separate counterparts, which, when so executed and delivered, shall be deemed an original.
- XXII. This Agreement does not supersede, modify or amend the ACC between HUD and the Lansing Housing Commission, or in any way excuse the Lansing Housing Commission from complying fully with its obligations under the ACC. HUD does not waive its statutory, regulatory or contractual rights. Nothing contained in this Agreement shall serve to limit, modify or preclude HUD's right to take any remedial action allowed by the ACC or any provision of the Act or related regulations. Nothing contained in this Agreement

shall serve to limit, modify or preclude HUD or the Lansing Housing Commission's right to take any remedial action allowed by the Agreement.

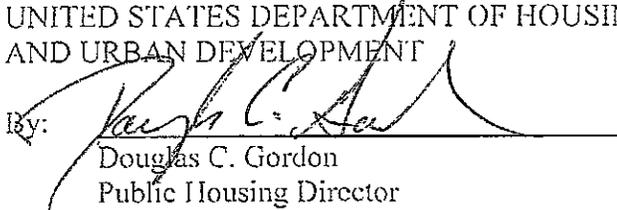
XXIII. The parties agree that any cost associated with the implementation of this Agreement, the Action Plan and the Sustainability Plan shall be their individual responsibility unless specifically agreed in writing between the parties.

XXIV. The City of Lansing, through its Appointing Authority, acknowledges the importance of effective governance as part of the recovery and sustainability of the Lansing Housing Commission. As a signatory of this Agreement, the City of Lansing commits to oversee and monitor its duly appointed agents, the appointees to the Lansing Housing Commission Governing Board, in the discharge of their duties. Upon the discovery of any failure of the Lansing Housing Commission Board to discharge its duties under this Agreement, the City of Lansing will take all necessary steps to correct the Board's actions or omissions and ensure compliance with the terms of this Agreement.

IN WITNESS WHEREOF, the parties or their duly authorized representatives hereby execute this Agreement on the date first written above.

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By:

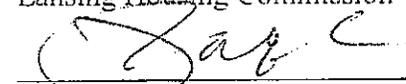

Douglas C. Gordon
Public Housing Director
Detroit Field Office

Lansing Housing Commission
ATTEST: BY ITS BOARD OF
COMMISSIONERS

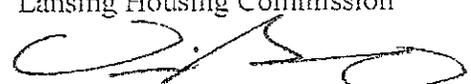
By:


Tony Baltimore
Board Chair
Lansing Housing Commission

By:


Patricia Baines-Lake
Executive Director
Lansing Housing Commission

By:


Virg Bernero
Mayor
City of Lansing

Action Plan--Exhibit A to the Recovery Agreement between the Lansing Housing Commission and HUD

Item Number	Results and Determinations from Assessment	Desired Outcome	Statutory Measurement		Target Accomplishment Date	Actual Accomplishment Date	Remedies	Comments /Accomplishments
			Baseline Data and PHAS Score as of 6/30/2014	Required PHAS Score				
AREA: GOVERNANCE								
G001	The Board is ready, willing and capable to govern but is unable to provide sufficient oversight of the PHA's finances, budget, and use of funds as evidenced by the lack of financial reports, the Housing Commission's history of substandard Financial Assessment Subsystem Scores, and low reserves. The LHC has failed the Financial Assessment Subsystem Score since 2012 and has not submitted financial information timely as required by regulation and statute since 2009.	The Board becomes more prepared to perform its fiduciary duty of overseeing the finances of the PHA. The Board participates in trainings for capacity building, Board roles and responsibilities, and PHA financial management. PHA must have 15 points out of 25 to pass the Finance Indicator. PHA must have 15 points out of 25 to pass the Management Indicator. PHA must have 25 points out of 40 to pass the Physical Indicator. PHA must maintain an occupancy rate of 96.0%	Current Finance Score: 0 Current Mgmt Score: 17 Current Physical Score: 27 Current Occupancy Rate: 94% (12.30.15 rate)	Required Finance Score: 15 Required Mgmt Score: 15 Required Physical Score: 25 Required Occupancy Rate: 96%	6/16/2016		If the Housing Commission fails to provide oversight and attend training, HUD will seek any available remedies as set forth under the terms of the agreement under article XI	The board has completed HUD's Lead The Way Training. HUD provided board training on August 26, 2015
G002	The Housing Commission lacks the ability to effectively manage the LHC's finances, as evidenced by the lack of financial management knowledge and leadership at the Commission, the inability to facilitate the preparation of statements and reports to permit timely and effective audits; in addition, to its failure to maintain a complete and accurate general ledger.	a) The Board provides adequate oversight of the Housing Commission's financial actions as evidenced by a passing FY 2015 FASS score and timely submission of reliable unaudited and audited financial statements. b) The Board identifies Members to "specialize" in reviewing financial reports and providing feedback about finances to the balance of the Board. Meaningful financial reports with an emphasis on FASS and cash flow, are provided to the Board at least 10 days prior to the monthly meeting. c) The Board reviews the annual audit and tracks required correction of findings and management letter issues. d) The Commission provides updated financial policies and written procedures to HUD and will incorporate recommendations identified in the financial review conducted by the Departmental Enforcement Center (DEC).	Current QR Score: 0 Current Menar Score: 0 Current DSCR Score: 0	Minimum QR Score: 7.2 Minimum MENAR Score: 6.6 Minimum DSCR Score: 1	a) 3/30/2016 b) 4/30/16 c) 5/31/2016 d) 7/31/2016		If the Housing Commission fails to show substantial improvement the Department will consider administrative sanctions as provided in the ACC and Section 6(j) of the Housing Act.	
AREA: FINANCE								
F001	The Commission has not received a standard financial score since 2011. The Housing Commission lacks the ability to effectively manage the LHC finances, as evidenced by the inability to facilitate the preparation of statements and reports to permit timely and effective audits resulting in LHC receiving Late Presumptive Failures (LPP) resulting in a FASS score of 0 for three consecutive reporting periods, FY 2012, FY2013 and FY 2014.	a) The Executive Director and financial management staff will be trained in financial management. b) Monthly financial statements including a year-to-date budgeted to actual revenue and expense statement and balance sheet should be prepared for each AMP and program area for the Board meeting and the AMP managers by no later than the 15th of the succeeding month. c) The Commission must provide monthly accounting reports to HUD by the 30th of the succeeding month showing assets and liabilities, and must also include its year to date balance sheet, revenue and expense statement, and statement of cash flows. All monthly reports must contain and a comparison of budgets to actual costs. d) Prepare an annual budget prior to the beginning of the new fiscal year and submit the respective Board resolution form to the HUD Field Office prior to the beginning, of the fiscal year. e) Complete bank reconciliations by the 12th of the succeeding month. f) Unaudited financials are submitted no later than 2 months after the Commission's fiscal year end. g) Audited financials are submitted that audited financial statements within 9 months after its fiscal year end. h) The PHA receives a standard FASS score and establishes a reasonable plan to achieve and sustain Standard Performer performance scores in FASS.	Current QR Score: 0 Current Menar Score: 0 Current DSCR Score: 0	Minimum QR Score: 7.2 Minimum MENAR Score: 6.6 Minimum DSCR Score: 1	a) 3/31/2016 b) - h) beginning 4/30/2016		If the Housing Commission fails to provide the required reports, the Department will consider administrative sanctions as provided in the ACC and Section 6(j) of the Housing Act.	Monthly reports must be submitted until the Commission obtains a standard FASS score.
F002	The Housing Commission lacks effective internal financial controls. The Housing Commission does not have effective internal controls, as evidenced by the Executive Director's lack of knowledge of the Housing Commission's day-to-day finances leading to an excessive number of unpaid invoices and extremely low reserves.	a) The Housing Commission effectively creates, executes, and maintains plans, policies, and written financial procedures, including a cost allocation plan, that result in an efficient internal controls process as corroborated in annual independent audit. b) Document that internal controls have been instituted, all staff have been trained on these internal controls, and that said controls are sustainable. This is to include improvement in vendor payment documentation, quality controls, personnel costs, other contract administration, etc. c) Increase reserves at all AMPs by increasing occupancy to 96% and analyze expenses to achieve all cost savings possible.	Current QR Score: 0 Current Menar Score: 0 Current DSCR Score: 2	Minimum QR Score: 7.2 Minimum MENAR Score: 6.6 Minimum DSCR Score: 1	a) 5/31/2016 b) 6/30/2016 c) immediately and ongoing		If the Housing Commission fails to ensure that internal controls are properly instituted as evidenced by an independent audit and/or HUD review, the Board will contract out the day-to-day management of the finances of the Commission, no later than December 31, 2016.	
F003	FSS escrows are not being tracked accurately and files do not contain adequate supporting documentation.	The Executive Director needs to set up a system whereby the Finance Division and the FSS coordinators meet on a quarterly basis to review the FSS participant's escrow account and to make any necessary adjustments. The outcome of each of these meetings should be documented in the tenant and financial files.			3/31/2016			
AREA: MANAGEMENT								

Action Plan--Exhibit A to the Recovery Agreement between the Lansing Housing Commission and HUD

Item Number	Results and Determinations from Assessment	Desired Outcome	Statutory Measurement		Target Accomplishment Date	Actual Accomplishment Date	Remedies	Comments /Accomplishments
			Baseline Data and PHAS Score as of 6/30/2014	Required PHAS Score				
M001	Based on the historical review of its occupancy rates of its public housing portfolio, the Housing Commission lacks capacity to manage its public housing units effectively.	a) The Executive Director enhances the housing commission's team knowledge, skills and abilities of the PH program area to effectively manage the LHC's entire Public Housing inventory via a training plan. B) The Housing Commission will adopt a timeline to re-occupy or demo/dispo vacant units as of the date of this executed agreement. Each vacant unit will require a target date for occupancy or resolution and the identification of funding to ensure the Housing Commission has allocated appropriate resources to the plan.	Current occupancy score 94.0%	Increase Occupancy rate to 96%	a) 6/30/2016 b) 3/31/2016		If the LHC does not improve its occupancy rate, on a consistent monthly basis, the PHA will work the Department to consider alternatives including but not limited to securing a private management firm to oversee its PH program.	
M002	The Housing Commission has failed to institute the required asset management model that includes project-based funding, project-based budgeting, project-based accounting, project-based management, and project-based performance assessment.	a) The Executive Director will provide the board an organizational structure with revised position descriptions and performance criteria that provides for project based budgeting, project based accounting, project based management and project based performance matrix. b) Ensure performance evaluations are conducted for each employee in accordance with LHC policy.		Adopt organizational structure and performance requirements of LHC staff.	a) 6/30/2016 b) 9/15/2016			
M003	There is a significant loss of revenue from rental income and operating subsidy generated by the high level of vacancies.	The Executive Director will provide the board monthly occupancy reports, cash flow statements and budget to actual financial statement for each AMP and provide an action plan to mitigate financial losses at the project level. This will be part of the regular board package.		Adopt project based reports for the board to review monthly.	4/30/2016			
AREA: SUSTAINABILITY								
		Long-term standard performer or higher for all PHAS indicators		Develop and implement a Sustainability Plan in conjunction with the local governing entities and other community partners that supports the PHA's mission, addresses outstanding compliance deficiencies, and ensures sustainable performance of the PHA				
The Housing Authority shall submit monthly progress reports to the Field Office using this Action Plan as the reporting template commencing 3/1/16 and every Month thereafter until the Recovery Agreement is terminated."								



Virg Bernero, Mayor

OFFICE OF THE MAYOR

9th Floor, City Hall
124 W. Michigan Avenue
Lansing, Michigan 48933-1694
(517) 483-4141 (voice)
(517) 483-4479 (TDD)
(517) 483-6066 (Fax)

RECEIVED

2016 APR 29 PM 12:55
LANSING CITY CLERK

TO: City Clerk Chris Swope
FROM: Mayor Virg Bernero
DATE: April 29, 2016
RE: FY 2016 3rd Quarter General Fund Status Report

Pursuant to Section 7-110 of the City Charter, attached please find the General Fund Status Report for the third quarter of Fiscal Year 2016.

General Fund Status Report – FY 2016 Third Quarter

Please see accompanying summary detail (page 3)

Revenues

In total, General Fund revenues collected in the first quarter of Fiscal Year 2016 (July – March) were ahead of the past three years' March 31 collection rates, as a percentage of year-end amounts, at 70.4% compared to 66.7%.

- The vast majority of **Property Taxes** are collected in the first month (July) of the fiscal year. At the end of March, they were equal, as a percentage of budget, to the average of the past three year's March 31 collection rates. While collections exceed budget at this time of year, they are subject to tax appeals and other adjustments throughout the remainder of the year.
- As a percentage of budget, **Income Tax** collections were higher than the average collection rate for the past three years, at 60.7% of budget, compared to 56.2%. While it should be noted that income tax revenues fluctuate from previous point-in-time trends due to timing differences in remittances, income tax revenues have been strong this fiscal year.
- As of March 31, **State Revenue Sharing** and Fire Protection/Bad Driver Fees were ahead of projections. However, State sales tax revenue projections, on which revenue sharing is based, are projected to come in less than had been anticipated by the State. Current State projections for payment to the City are approximately \$400,000 less than was budgeted for this fiscal year.
- **Charges for Services** were slightly ahead of collection rates from the average of the same period for the last three years, at 69.1% of budget compared to 68.3% in prior years.
- In total, **Licenses and Permits** revenues were less than the average collection rate of the same period for the last three years as a percentage of year-end totals, at 47.6% of budget, compared to 50.0%. Licenses and permits make up only 1.5% of General Fund revenues.
- Collection rates for **Fines and Forfeiture** through March were higher as a percentage of year-end totals for the average of the last three years, at 77.3% of the budget compared to 67.6%, due to higher penal case and ordinance fine revenues.
- The City's **Return on Equity** payment from the Board of Water and Light (BWL), was on par with expectations, at 50.9% of budgeted revenues collected as of March 31. From a trend standpoint, March 31 revenues were higher than the average of the past three years; however that variance is due to a significant change in payment timing with the most recent agreement which took effect two years ago.
- The General Fund **Other Revenue** category was behind previous years' trends at 44.0% compared to 71.2%, as a result of higher operating transfer amounts in previous years, as well as the sale of Fire station #7 last year.
- As a category, **Interest and Rents** were only slightly behind previous years' trends. Interest revenue is posted as investments mature, the timing of which varies from year-to- year.

General Fund Status Report – FY 2016 Third Quarter

Please see accompanying summary detail (page 3)

Expenditures

In total, taking into account the vacancy factor, expenditures for General Fund operating departments (excluding debt service and transfers to other funds) were under the budgetary target, at 68.0% as of March 31, compared to a budgetary target (taking into expected expenditure patterns such as payroll timing) of 70.4%. All departments were within budgetary targets as of March 31 (again, taking into account expected expenditure patterns), with the exception of Public Service, where building maintenance costs and street lighting costs were above budgetary expectations, and City Clerk's Office, due to election costs.

It should be noted that no General Fund expenditures were incurred for the Financial Empowerment Center, because that program was covered by grant funding through December 31, 2015. Additional, one-time, external funding sources have resulted in less-than-anticipated amounts needed for Financial Empowerment through March 31.

Also of note, the majority of General Fund debt service principal payments occur on June 1; as a result, debt service expenditures appear low compared budget at this time of year.

Summary

Through March 31, total General Fund expenditures and revenues were within and exceeding budgetary expectations, respectively.

Third Quarter General Fund Status Report – FY 2016 (as of March 31, 2016)

Revenues	Annual Budget	Actual as of 3/31/16	Percent of Budget	Avg. Percent of Year-End Actuals as of March 31
				FY 2013 - 2015
Property Taxes	\$ 38,090,000	\$ 37,312,535	98.0%	98.0%
Income Taxes	32,150,000	19,520,399	60.7%	56.2%
Revenue Sharing	15,738,000	8,412,415	53.5%	50.1%
Licenses & Permits	1,574,500	748,869	47.6%	50.0%
Charges for Services	8,615,400	5,955,805	69.1%	68.3%
Fines & Forfeitures	2,542,100	1,965,627	77.3%	67.6%
Interest & Rent	36,500	25,205	69.1%	71.2%
Return on Equity	22,000,000	11,201,834	50.9%	33.7%
Other Revenue	353,500	155,577	44.0%	71.2%
Total Revenues	<u>\$ 121,100,000</u>	<u>\$ 85,298,267</u> ⁽¹⁾	<u>70.4%</u>	<u>66.7%</u>
Less: Addition to Reserves	(500,000)			
	<u>\$ 120,600,000</u>			

Expenditures	Annual Budget	Actual as of 3/31/16	Percent of Budget	Target, Including
				Vacancy Factor
Council	\$ 706,400	\$ 449,597	63.6%	
Internal Audit	209,200	135,503	64.8%	
Courts	6,313,200	4,038,775	64.0%	
Mayor's Office	1,130,100	729,263	64.5%	
Media Center	394,200	254,873	64.7%	
Financial Empowerment Center	60,000	11,186	18.6%	
Clerk's Office	1,060,000	807,664	76.2%	
Planning & Neighborhood Development	910,600	635,894	69.8%	
Finance	5,192,600	3,189,207	61.4%	
Human Resources	2,052,900	1,081,044	52.7%	
Attorney's Office	1,915,800	1,103,621	57.6%	
Vacancy Factor	(800,000)	-	0.0%	
Police	37,801,800	25,764,104	68.2%	
Fire	33,840,200	23,157,238	68.4%	
Public Service	10,373,700	7,989,037	77.0%	
Human Relations & Community Service	1,128,200	730,197	64.7%	
Parks & Recreation	7,891,400	4,840,704	61.3%	
Subtotal - Departmental Budgets	<u>\$ 110,180,300</u>	<u>\$ 74,917,908</u>	<u>68.0%</u>	<u>70.4%</u>
Human Services & City Supported Agencies	\$ 1,851,400	\$ 1,558,061	84.2%	
Library Lease	165,000	120,272	72.9%	
Debt Service	1,007,100	137,671	13.7%	
Transfers	7,396,200	6,894,468	93.2%	
Subtotal - Non-departmental Budgets	<u>10,419,700</u>	<u>8,710,471</u>		
Total General Fund	<u>\$ 120,600,000</u>	<u>\$ 83,628,379</u> ⁽¹⁾		

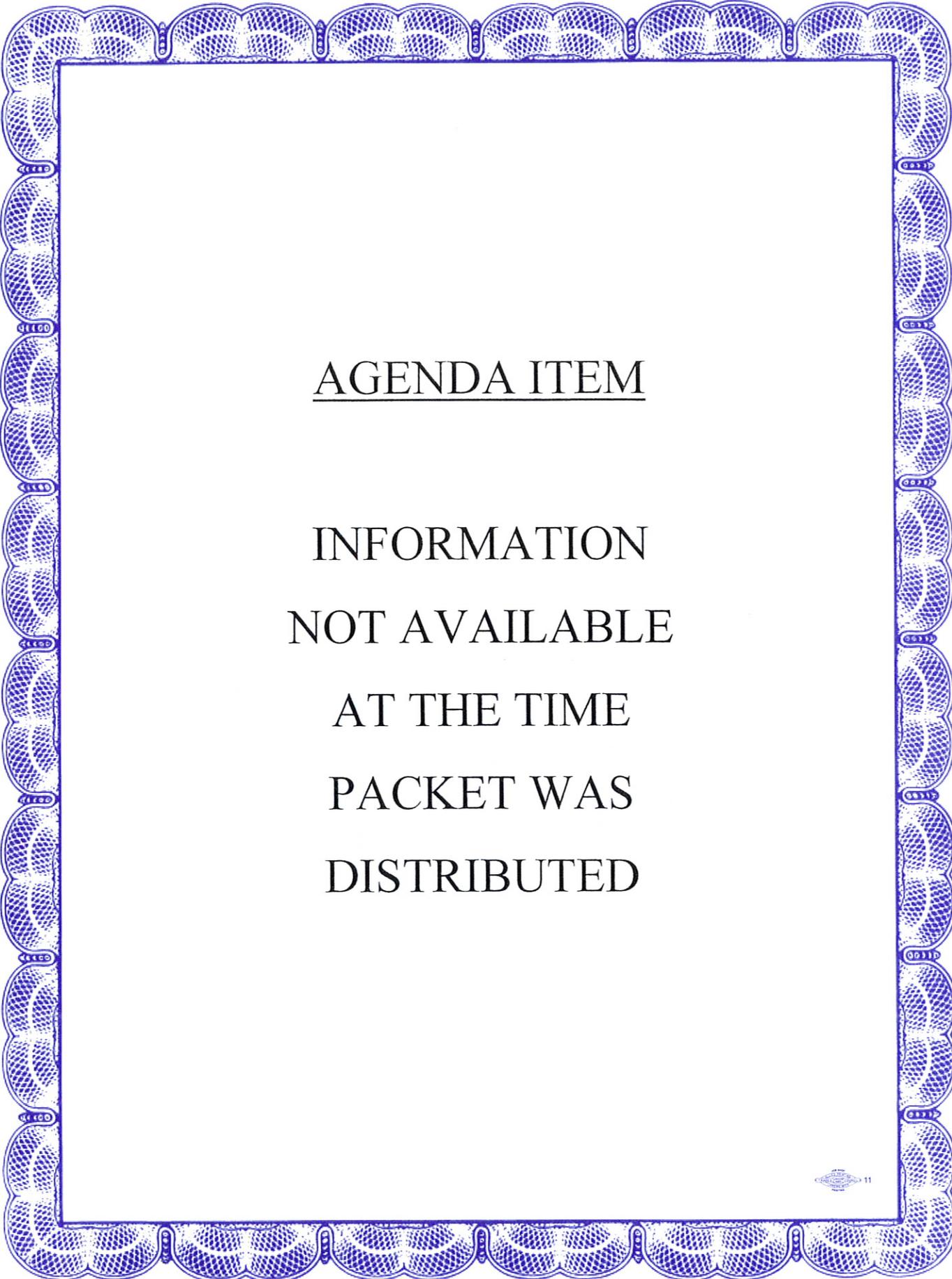
Please see Pages 1 and 2 for an explanation of revenues and expenditures.

⁽¹⁾ Note: Year-to-date revenues is always greater than expenditures at this time of year as property taxes, accounting for 31% of General Fund revenues, are collected at the beginning of the year. Property taxes include delinquent amounts that will be reimbursed by the counties upon settlement. Property tax collections exceed budget at this time of year, but are subject to tax appeals and other adjustments throughout the year.

**FY 2016 Vacancies
As of 3/31/2016**

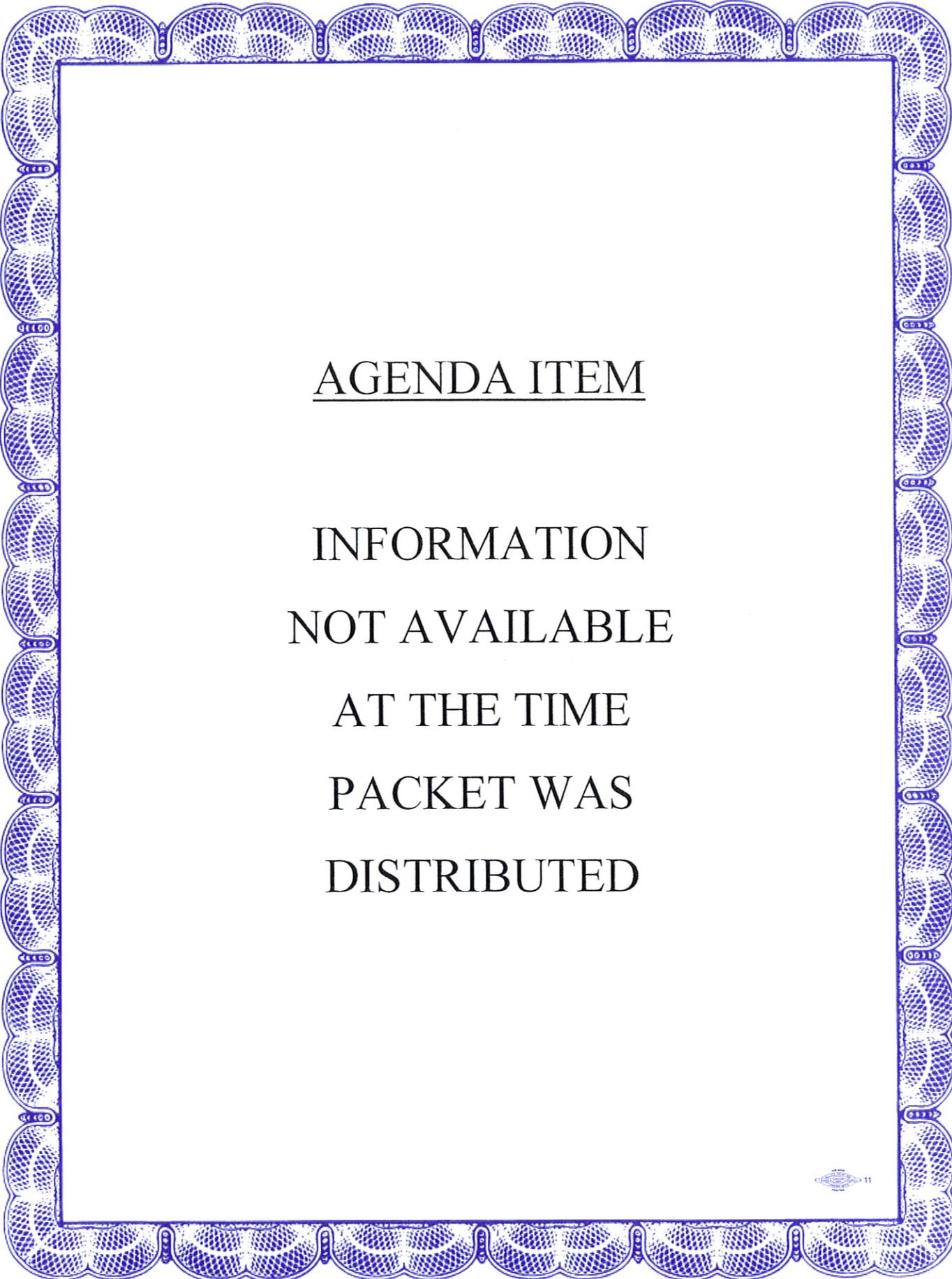
<u>Dept/Div</u>	<u>Position</u>	<u>Bargaining Unit</u>	<u>Amount Towards Vacancy Factor 03/31/16</u>
<u>Vacancies Counted toward General Fund Vacancy Factor</u>			
City Council	Internal Auditor	Council	offset by contract
City Clerk	Election Coordinator	T-243 Sup	offset by contract
Finance/Accounting	Accountants (2)	T-243 CTP	offset by contract
Finance/Accounting	Budget Analyst	T-243 CTP	43,755
Finance/Accounting	Administrative Specialist	T-243 CTP	offset by contract
Finance/Treasury	Deputy City Treasurer	T-243 Sup	20,850
Finance/Treasury	Part-Time Auditor	T-243 PT	offset by contract
Finance/Assessing	Deputy Assessor	T-243 Sup	75,024
Finance/Assessing	Administrative Assistant	T-243 CTP	offset by contract
Human Resources	Part-Time Clerk	T-243 CTP	offset by contract
City Attorney's Office	City Attorney	Executive	10,975
City Attorney's Office	Legal Advisor	T-214	offset by contract
City Attorney's Office	Legal Assistant	T-214	offset by contract
City Attorney's Office	Legal Assistant	T-214	offset by contract
City Attorney's Office	Legal Secretary	T-214	offset by contract
City Attorney's Office	Assistant City Attorney	T-214	16,763
HRCS	HRCS Supervisor	NB	60,397
HRCS	Commission Investigator	T214NS	offset by contract
Public Service/Facilities	Building Maintenance Manager	T-243 Sup	offset by contract
Public Service/Facilities	Facility Maintenance Worker (2)	UAW	offset by contract
Parks & Recreation	Part-Time Clerk	T-243 CTP	offset by contract
Parks & Recreation	Part-Time Community Center Prog.	T-243 Sup	10,168
Parks & Recreation	Part-Time Communications & Dev.	T-243 CTP	27,620
Fire	Clerk	T-243 CTP	offset by contract
Fire	Part-Time Clerks (3)	T-243 CTP	offset by contract
Fire	Part-Time Premise Officer	T-243 CTP	13,228
Fire	Inspector	IAFF	65,923
Fire	Firefighters (14)	IAFF	substantially offset by overtime costs
Fire	Captain	IAFF	
Fire	Maintenance/Alarm Chief	IAFF	
Police	Detention Officer (2)	T-243 CTP	26,330
Police	Administrative Specialist	T-243 CTP	offset by contract
Police	Clerk	T-243 CTP	offset by contract
Police	Clerk	T-243 CTP	offset by contract
Police	Part-Time Clerk	T-243 CTP	offset by contract
Police	Police Technicians (2)	T-243 CTP	offset by contract
Police	Radio Technician	T-243 CTP	offset by contract
Police	Detective	FOP NS	substantially offset by overtime costs
Police	Sergeants (3)	FOP Sup	
Police	Police Officers (11)	FOP NS	
<u>General/Subsidized Funds - Former Vacancies (Now Filled) for Vacancy Factor Purposes</u>			
Human Resources	Human Resources Director	Executive	47,783
Finance/Accounting	Accountant	T-243 CTP	12,047
Finance/Treasury	City Treasurer	Executive	56,888
Finance/Assessing	City Assessor	Executive	64,810
City Council	Administrative Secretary	Council	18,824
Human Resources	Labor Relations Specialist	NB	offset by contract
Human Resources	Human Resources Specialist (2)	T-243 CTP	offset by contract
City Attorney's Office	Assistant City Attorney	T-214	28,564
City Attorney's Office	Deputy City Attorney	NB	43,144
Parks & Recreation	Community Center Programmer	T-243 Sup	24,937
Fire	Code Compliance Officer	T-243 CTP	26,314
Fire	Premise Officer (3)	T-243 CTP	offset by contract
Police	Lead Detention Officer	T-243 Sup	44,626
			<u>\$ 738,971</u>
	FY 2016 Budgeted Vacancy Factor:	\$	800,000 92%

<u>Dept/Div</u>	<u>Position</u>	<u>Bargaining Unit</u>	<u>FYTD Unspent</u>
<u>Non-Vacancy (non-General Fund) Factor Vacancies</u>			
PND/Development	Housing Rehabilitation Agent	T-243 CTP	offset by contract
PND/Development	Community Dev/Planning Specialist	T-243 CTP	59,713
PND/Building Safety	Building Inspector	T-243 CTP	8,759
PND/Parking	Parking Manager	NB	83,596
PND/Parking	Assistant Parking Coordinator	T-243 Sup	66,277
PND/Parking	Customer Service Representatives (3)	T-243 CTP	offset by contract
PND/Parking	Parking Revenue Collectors (4)	UAW	144,979
IT	Chief Information Officer	Executive	112,500
IT	Information Technology Manager	T-243 Sup	102,372
IT	Part-Time Secretary	T-243 CTP	offset by contract
IT	Network Administrator	T-243 Sup	59,784
IT	Programmer Analyst	T-243 CTP	offset by contract
IT	Programmer Analysts (2)	T-243 CTP	52,131
Public Service/Eng	Engineering Technician	T-243 Sup	offset by contract
Public Service/Eng	Deputy Public Service Director	NB	84,674
Public Service/Eng	Assistant City Engineer	T-214	66,370
Public Service/Eng	Engineer	T-214 NS	47,360
Public Service/Eng	Administrative Assistant	T-243 CTP	offset by contract
Public Service/O&M	Assistant O&M Superintendent	NB	82,684
Public Service/O&M	Accounting & Operations Specialist (3)	T-243 CTP	offset by contract
Public Service/O&M	Arborist (2)	T-243 CTP	1,415
Public Service/O&M	Parks Maintenance Worker	UAW	53,988
Public Service/O&M	Landscape Manager	T-243 Sup	69,817
Public Service/O&M	Solid Waste Operator	UAW	50,529
Public Service/O&M	Solid Waste Supervisor	T-243 Sup	offset by contract
Public Service/O&M	Equipment Operator	UAW	44,134
Public Service/O&M	Sewer Maintenance Worker	UAW	42,598
Public Service/Fleet	Asst. Garage Supervisors (2)	T-243 Sup	98,671
Public Service/Fleet	Mechanics (2)	UAW	94,127
Public Service/Fleet	Vehicle Maintenance Worker	UAW	42,598
Public Service/WWTP	Plant Maintenance Supervisor	T-243 Sup	offset by contract
Public Service/WWTP	Field Operations Supervisor	T-243 Sup	56,179
Public Service/WWTP	Laboratory Supervisor	T-243 Sup	51,155
Public Service/WWTP	Chemist	T-243 CTP	56,179
Public Service/WWTP	Electrical Technician	T-243 CTP	offset by contract
Public Service/WWTP	Industrial Surveillance Supervisor	T-243 Sup	53,106
Public Service/WWTP	Plant Operations Supervisor	T-243 Sup	offset by contract
Public Service/WWTP	Plant Operations Supervisors (2)	T-243 Sup	51,224
Public Service/WWTP	Utility Electrical Worker	UAW	45,903
Public Service/WWTP	WW Plant Operators (4)	UAW	offset by contract
Public Service/WWTP	Wastewater Residual Handler	UAW	49,972
Public Service/WWTP	Wastewater Systems Analyst	T-243 CTP	47,148
Public Service/WWTP	Wastewater Maintenance Workers (4)	UAW	164,404



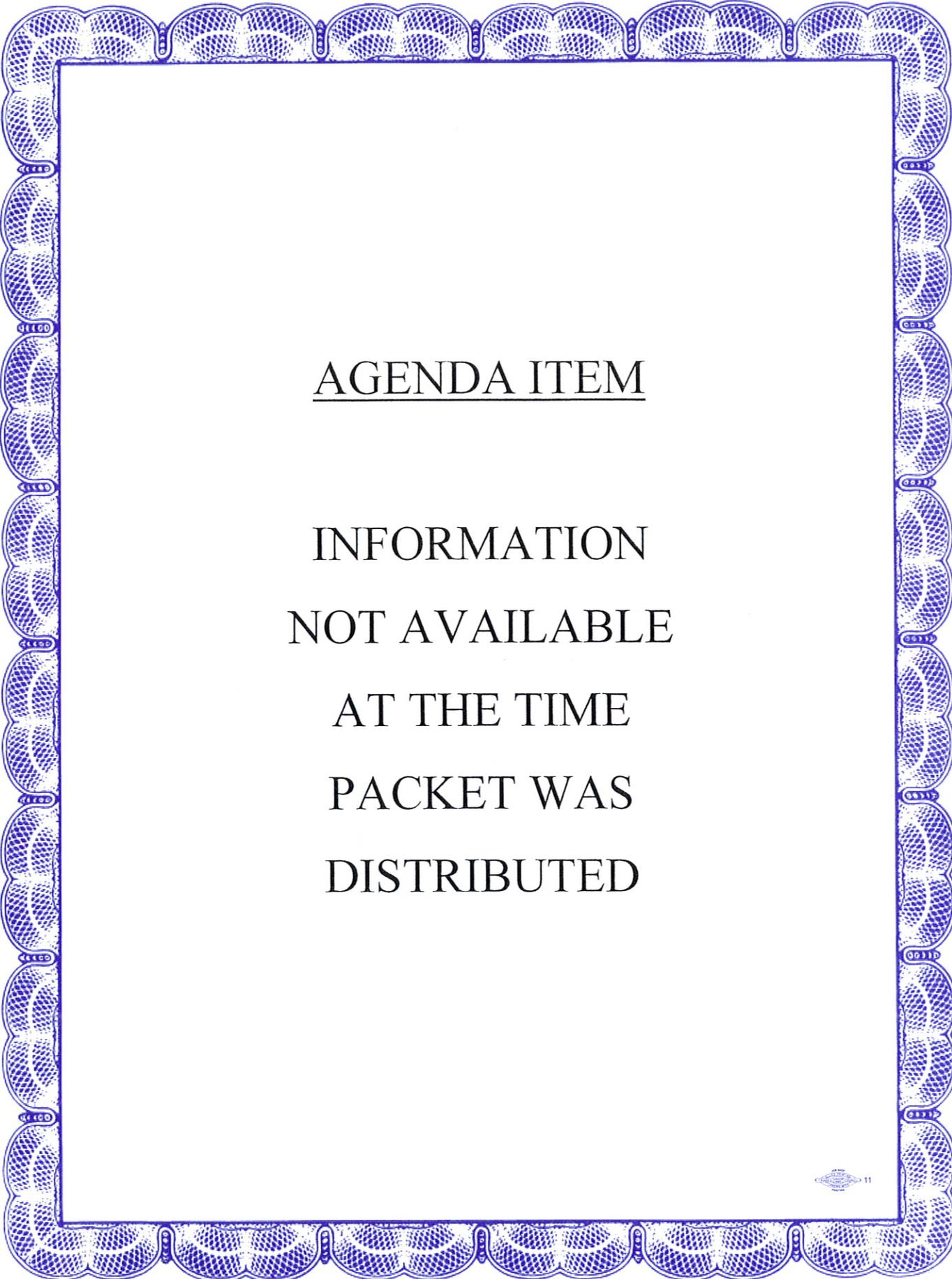
AGENDA ITEM

INFORMATION
NOT AVAILABLE
AT THE TIME
PACKET WAS
DISTRIBUTED



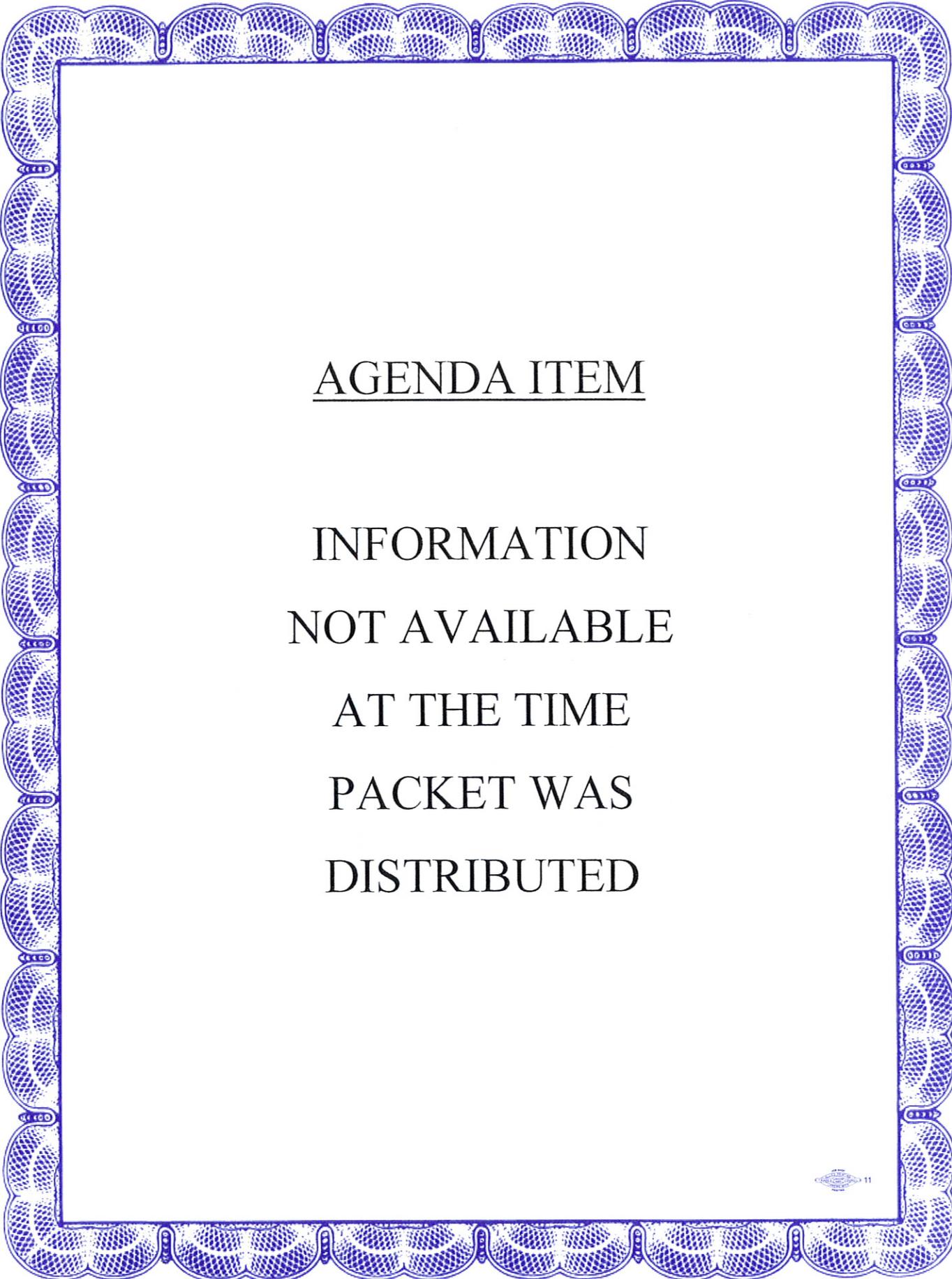
AGENDA ITEM

INFORMATION
NOT AVAILABLE
AT THE TIME
PACKET WAS
DISTRIBUTED



AGENDA ITEM

INFORMATION
NOT AVAILABLE
AT THE TIME
PACKET WAS
DISTRIBUTED



AGENDA ITEM

INFORMATION
NOT AVAILABLE
AT THE TIME
PACKET WAS
DISTRIBUTED