



AGENDA
Committee on Ways and Means- Special Meeting
Friday, October 2, 2020 @ 8:30 a.m.

<https://us02web.zoom.us/j/81247020291>; ID: 812 4702 0291; Dial In: (312) 626-6799
email comments prior to the meeting to sherrie.boak@lansingmi.gov

Councilmember Wood, Chair
Councilmember Spadafore, Vice Chair
Council Member Jackson, Member

- 1. Call to Order**
- 2. Approval of Minutes**
 - September 25 , 2020
- 3. Public Comment on Agenda Items**
- 4. Discussion/Action:**
 - A.) DISCUSSION – City Retiree Healthcare
- 5. Other**
- 6. Adjourn**

With Executive Order 2020-4, Governor Whitmer declared a statewide State of Emergency due to the spread of the novel coronavirus (COVID-19). To mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this State's health care system and other critical infrastructure, it is crucial that all Michiganders take steps to limit in-person contact, particularly in the context of large groups. Therefore, the above meetings will be conducted via audio/video conference.

The meetings are being held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meetings using the website or phone number above, and meeting ID provided. Michigan Executive Order 2020-154 provides temporary authorization of remote participation in public meetings and hearings.

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

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MINUTES

Committee on Ways and Means Special Meeting Friday, September 25, 2020 @ 8:30 a.m.

<https://us02web.zoom.us/j/84745102107>; ID: 847 4510 2107; Dial In: (312) 626 6799

CALL TO ORDER

The meeting was called to order at 8:30 a.m.

Members Present via audio/video

Council Member Carol Wood, Chair

Council Member Peter Spadafore, Vice Chairperson-left meeting at 9:34 a.m.

Council Member Brian T Jackson, Member- unexcused

OTHERS PRESENT

Sherrie Boak, City Council Office Manager

Jim Smiertka, City Attorney

Lisa Hagen, Assistant City Attorney

Robert Widigan, Finance Director

Judy Kehler, Chief Strategy Officer

Heather Sumner, OCA

Joel Mires

J Roberts

Julia Hillery

Keller (no last name given)

Kim Lawrence

Linda Sanchez-Gazelle, HR Director

Lowell Nash

Marie Rosicky

Mark Parker

Dennis Parker

Mickey (no last name given)

Nancy (no last name given)

Nick Tate, Deputy Mayor

P Nash

Robert Davis

Ryan Wilcox

Sandra Schultz

Sara Morrison

Scott Dedic

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Scott Ellis
Susan Rouse
William Wright
Patricia Nash
Sandra Schultz
Amy Kraus
Barb (no last name given)
Ben Bakken, FHT
Cheryl Baker
Dan Riedel
Deb (no last name given)
Debbie (no last name given)
Del Costaine
Elizabeth O'Leary, HR
Eric Scorsone
Eric Tumbarella
Frank D Holmes
Sam Colgrove
Renee Korr

Minutes

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE MINUTES FROM SEPTEMBER 10, 2020 AS PRESENTED. ROLL CALL VOTE, MOTION CARRIED 2-0.

Public Comment

No public comment at this time.

Discussion/Action:

UPDATE – RFP on External Auditing Firm (Finance Director)

Mr. Widigan confirmed an RFP was issued and the City did receive five (5) interested parties, including the former Rehman Robson. The City chose Maner Costerisan based on experience with local governments and company responsibilities. Mr. Widigan confirmed they are currently working with this firm via weekly calls and providing them all the information they need. Council Member Wood asked if there was a signed contract, and was told they have signed on for 2020-2024. Mr. Widigan stated he would work with the firm on scheduling the annual meeting with the Council President.

No public comment at this time.

DISCUSSION – CSO & Finance Director Update on Outside Counsel Expenses

Mr. Smiertka acknowledged that based on the Committee request in August, his office began the initial work on this project since they would have all the initial documents. He added they no longer have a contract the 3rd party, Gallagher Bassett, they have become a member of the Michigan Municipal Authority and perform the administrative function. The OCA reviews all outside attorney bills, even if risk management engages. Over the last year there has been 30 law suits and any marihuana lawsuits have been handled in house; there is no criminal prosecution in this report, however it included the hiring of an auditor for expenses and expert witnesses. Mr. Smiertka concluded by stating when his office was complete with their role in this request, it went onto the CSO and Finance director, and in the future they intend to work with the Council Internal Auditor. Council Member Spadafore asked why the expenses have gone down, and Mr. Smiertka admitted that his predecessors practice was to send everything out. Council Member Wood asked about the IRS reporting. Mr. Widigan confirmed the City was successful

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with the fines and their work with Plante Moran. They have received word the fines were waived, however are waiting for the official letter in the mail.

Council Member Wood asked for the OCA to provide a breakdown on the \$165,290 spent on Plante Moran and Mr. Widigan stated he would confirm if those charges were coming out of the Finance department or the OCA.

DISCUSSION – City Retiree Healthcare

Barb (no last name given), inquired to how this would impact retirees already in a medical treatment.

Mr. Costain, LPD retiree, spoke in opposition to the changes, appealing the retirees have no representation.

Ms. Hillery spoke in opposition to the proposal and voice her concerns for retirees currently already in medical treatments.

Mr. Ellis stated his confusion with the suggestion, since he sat on the FHT in the past and this was not suggested

Ms. Riedel first noted she never got a letter that some retirees are referencing and then spoke in opposition to the proposed changes, and financial burden.

Ms. Morrison spoke in opposition.

Mr. Wright spoke in opposition and asked how the Mayor had obtained the company handling this.

Mr. Mark Parker spoke in opposition to the proposed changes and lack of communication. He confirmed that when he was steward the union proposed cost proposals, but the City did not want to negotiate.

Mr. Colgrove spoke in opposition, noting strikes might be considered if the City does not honor the good faith act and stick to arbitration.

Ms. Korr spoke in opposition to how the Mayor determines where the funding goes.

Mr. Parker stated he too was part of the FHT under Mayor Bernero and decisions were made but everyone was excluded. Mr. Parker went onto reference the Segal Report which provided 7 avenues the City could take and the actuarials that were done on that. Mr. Parker asked the City to provide details on what the impact of this will be. He concluded by stating his frustration in a recent contract negotiation 9 months earlier and this not being any topic of discussion at that time, therefore stated the City bargained in bad faith, and they should see the actuarial numbers so they can see the history and how the City got to where we are.

Mr. Mires spoke in opposition to the changes.

Mr. Wilcox spoke in opposition and short notice of the new plan.

Council Member Wood asked Ms. Kehler to review the new plan, report how it came about and where it is currently.

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Council Member Wood set a special Committee on Ways and Means for Friday, October 2, 2020 at 8:30 a.m.

Council member Spadafore left at 9:34

NO QUORUM OF COMMITTEE PRESENT AT THIS TIME SO MEETING IS ADJOURNED AT 9:34 A.M. AND ANY FURTHER DISCUSSIONS AND COMMENTS ARE PART OF AN INFORMATIONAL MEETING.

ADJOURN

Adjourned at 9:34 a.m.

Submitted by,

Sherrie Boak, Council Office Manager

Lansing City Council

Approved by the Committee on _____

TOPICS IN INFORMATIONAL PORTION

Council was not present or part of any discussions on these proposed changes.

Request on the cost for the firm handling this. (CSO)

Who applied for this project.

What was the criteria the Administration used to pick this specific company.

What is the cost in hiring them.

What was the RFP used to review the plans.

Provide copies of the five (5) plans.

Provide the actuarial used to determine what savings there could be.

Provide the new plan.

CSO, Finance and HR work on a comparison to show multiple options with different retirees; what their cost is now and what the cost will be with the new plan.