



**MINUTES**  
**Committee of the Whole**  
**Monday, February 25, 2019 @ 5:30 p.m.**  
**City Council Chambers**

**CALL TO ORDER**

Council Member Wood called the meeting called to order at 5:30 p.m.

**PRESENT**

Councilmember Kathie Dunbar  
Councilmember Jeremy A. Garza  
Councilmember Adam Hussain  
Council Member Brian T. Jackson  
Councilmember Peter Spadafore  
Councilmember Patricia Spitzley  
Councilmember Jody Washington  
Councilmember Carol Wood

**OTHERS PRESENT**

Sherrie Boak, Council Staff  
Samantha Harkins, Mayor Executive Assistant- arrived 5:35 p.m.  
Jim Smiertka, City Attorney  
Greg Venker, Assistant City Attorney  
Eric Brewer, Council Internal Auditor  
Angela Bennett, Finance Director  
Doug Fleming, Lansing Housing Commission Interim Director  
Dr. Joan Jackson Johnson, HRCS  
Andy Kilpatrick, Director of Public Service  
Angelo Caramagno, Emterra USA  
Paulina Leung, Emterra Corporate  
Lori Welch  
Mayor Schor  
Loretta Stanaway  
Tonia Olson, Granger  
Kerrin O'Brien, Michigan Recycling  
Charles Hauser, Granger  
Emily Freeman  
Felicia Eshragh  
Joan Knapp  
Chris Hewitt  
Randy Dykhuis

Marshall Clabeux  
Anna Fisher

**Approval of Minutes**

MOTION BY COUNCILMEMBER SPITZLEY TO APPROVE THE MINUTES OF FEBRUARY 11, 2019 AS PRESENTED. MOTION CARRIED 8-0.

**Public Comment on Agenda Items**

Mr. Dykhuis spoke in support of action to approve funding on a climate action plan.

Council President Wood clarified to the public that the topic was only on the agenda for discussion at this meeting, the Committee on Intergovernmental relations meets on February 27<sup>th</sup> and after the Committee finishes their work, it will be on the Council agenda March 11, 2019.

Ms. Fisher spoke in support of a climate action plan commitment in \$5,000 for a sustainability manager.

Mr. Clabeux spoke in support of a climate action plan to move the City towards what he believes is compliance, and would also support an office of sustainability.

Ms. O'Brien spoke in support of recycling and establishing a facility in the City to serve the capacity needs.

Ms. Freeman spoke in support of the Emterra project being presented later in the meeting and noted that recently the State launched \$3.7 million to help fund investment into this type of programs.

**PRESENTATION**

Lansing Housing Commission Final Report w/ Supplemental Information (June, 2018)

Mr. Fleming began outlining details from the report, first noting that the report is being submitted to HUD and the LHC is financially operating the way it is intended to according to the generally accepted accounting practices. At the last meeting there were 28 findings from the 2014 Audit they were working on and those have all been resolved.

Mr. Smiertka stepped away from the meeting at 5:44 p.m.

Mr. Fleming provided updates on the progress that has been performed since the last meeting with the Committee. This included full procurement of the security cameras; a total investment of \$90,000 at the properties. Most of the work on the cameras will begin at S. Washington when the frost leaves the ground because the cameras at that location will be installed outside.

Ms. Harkins stepped away at 5:46 p.m.

Regarding the City inspections that were ongoing, Mr. Fleming stated he meets with the City weekly, and they are done with all the large items, and now addressing any items that needed re-inspections or were small items. The LHC has modified their inspection policies on cleanliness in the units and are working on new policy based on his conversation with Brian McGrain in Economic Development and Planning. This policy will include inspections and if issues are found, a lease violation will be noted and they will re-inspect in 7 days to assure they have met the lease. The policy will also have a 60 day probation period.

Ms. Harkins returned to the meeting at 5:48 p.m.

Mr. Fleming added that this would be a period for housekeeping and hoarding issues, any building safety issues will be addressed immediately.

Mr. Smiertka returned to the meeting at 5:49 p.m.

Mr. Fleming then announced that LHC has recently be notified by HUD that the participating properties in their REACT Program will get a 2 week notice on any site visits, not a 3-4 month notice, and HUD believes that it will give them a better picture of day to day look of property.

Regarding their Diversion Program, the LHC has applied to move the Lansing Housing Authority into a Section 8 program which will then determine their funding. Currently the program LHC is in is a moving funding number, this will allow for income based on the tenant's income, based on number of residents and this will allow the LHC determine their revenue for the year. The LHC anticipates a total investment of \$30-\$50 million into Lansing neighborhoods in the next 3-5 years.

Recently the LHC Board approved Mr. Fleming to negotiate with a developer and he will resend that agreement to the Board for final approval, and move forward.

There will be two resident meetings and the Board will hold a meeting 2/27/2019 @ 5:30 p.m. at their office on Cherry Street.

Recently an RFP was sent out for a contractor for project work, and after receiving 6 applications, they interviewed 3 and chose Chesapeake Partners. They will work on and do an analysis of all programs.

Regarding the Resident Council, Mr. Fleming stated he has worked with the S. Washington group and drafted their By-Laws, and once they adopt them they will be used as a model for all other properties.

Lastly, Mr. Fleming spoke about programs that will benefit the residents including a housing choice voucher program that was renewed and take any increases in rent due to their income increasing and put into a bank account for them. They have also partnered recently with the City HRCS Department on two programs – Cleaning Life Skills Program and a Financial Empowerment Program.

Council Member Spadafore first acknowledged Mr. Fleming for addressing all 28 points from their audit in a six (6) month time period. He then asked when his term as Interim Director ended. Mr. Fleming confirmed his final day on his contract is 2/27/2019. He noted he however has been in preliminary discussions with the Board and intents to discuss extending the contract for another six (6) months that would get the LHC through the preliminary of all the new programs, and finish out the City inspection process.

Council Member Hussain acknowledged Mr. Fleming for the progress he has made in six (6) months.

Council Member Washington inquired into more details on the funding programs mentioned earlier. Mr. Fleming stated it was FSS – Family Self Sufficient Program, which is a grant program they apply for and this is a renewal for that grant, only for the Housing Choice Program voucher side. Once LHC becomes a RAD member, they will be considered Section 8 for all their property and all residents in their units will be eligible for FSS. Council Member Washington asked Ms. Harkins why LHC was working with HRCS on a financial

empowerment program, when the City has and employee (Amber Paxton) and their own Financial Empowerment Department and he should be working with them. Ms. Harkins was not aware of the reasoning, and Dr. Joan Jackson Johnson was invited to the table. Dr. Jackson Johnson stated they are utilizing the HRCS financial empowerment program because they can reach more people directly compared to any other.

Council Member Jackson asked how the City inspections and work that was needed, impacted the LHC bottom line for labor and staff. Mr. Fleming answered that there is a building and safety Code the City enforces and they will comply with the code no matter what the impact was. They have moved funds around in their budget, but once they are in the RAD program they will put funds in monthly reserve account to address these future issues.

Council Member Hussain stepped away from the meeting at 6:16 p.m.

Council Member Spitzley asked if Mr. Fleming was introducing all the recently new LHC Board Members to all the properties and offering education classes to them. Mr. Fleming confirmed there are 4 new members in the last 12 months, and they have several options for Board training on housing programs and he hope to get them trained in the next 12 months.

Council Member Hussain returned to the meeting at 6:17 p.m.

Mr. Fleming acknowledged that he has not held a Board meeting at one of the properties yet, but will in the future, and he has encouraged Board Members to go the properties. Council Member Spitzley strongly encouraged him to hold Board meetings at LHC locations, not just their office on Cherry Street.

Council Member Garza inquired into any furnace issues at the properties. Mr. Fleming confirmed that he had a contractor inspect the units and that contractor reported there were 80 with cracked heat exchanges. Mr. Fleming then got a second opinion and it was confirmed there were not 80 cracked heat exchanges. They did go into the units with a carbon dioxide reader and he worked with Consumers and DTE and they installed 83 high efficiency furnaces and 50+ water heaters through their energy programs, at no cost to the LHC. All furnaces that were in doubt were replaced.

Council Member Washington asked Mr. Fleming to update the Council on the RAD program and when they will have public discussions on it.

Council President Wood asked if there were any repeat comments in the recent audit, and Mr. Fleming confirmed there were not. Council President Wood then asked what was in their investment portfolio and retirement pension. Mr. Fleming confirmed it was addressed with the LHC Board and they were \$1.8 million unfunded for healthcare, but fully funded 90% in retirement. Under PA 202 to fund health, they converted to a health savings account and back funded employees for their years of service and now are more portable. With this they were able to reduce from \$1.8 million to under \$800,000, and on 1/1/2019 they made an \$80,000-90,000 payment into the health account.

**MOTION BY COUNCIL MEMBER HUSSAIN TO PLACE THE LANSING HOUSING COMMISSION FINAL REPORT WITH SUPPLEMENTAL INFORMATION DATED JUNE, 2018 ON FILE. MOTION CARRIED 8-0.**

**DISCUSSION/ACTION**

**RESOLUTION – ACT-4-2019; Sale of City Property; Townsend Ramp; 221 Townsend Street to the Michigan Senate**

Council President Wood pointed out that the approval will include the buy/sell agreement as well, and will be on for action at Council later in the evening.

Council Member Dunbar stepped away from the meeting at 6:26 p.m.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE RESOLUTION FOR ACT 4-2019, SALE OF CIT PROPERTY; TOWNSEND RAMP; 221 TOWNSEND STREET TO TH MICHIGAN SENATE. MOTION CARRIED 7-0.

**RESOLUTION – Appointment; Joan Elizabeth Knapp; At-Large Member; Board of Review; Term to Expire June 30, 2020**

Ms. Knapp stated she was recommended for the position by a current board member who is resigning. She briefly outlined her work experience with supervisory skills and a Bachelor's of Science degree from MSU.

Council Member Dunbar stepped away from the meeting at 6:29 p.m.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF JOAN ELIZABETH KNAPP FOR THE BOARD OF REVIEW. MOTION CARRIED BY 8-0.

**RESOLUTION - Appointment; Felicia B. Eshragh; At-Large Member; Board of Review; Term to Expire June 30, 2022**

Ms. Eshragh provided a brief overview of her work experience and residency in Lansing.

Council Member Dunbar returned to the meeting at 6:30 p.m.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF FELICIA B ESHRAGH AS AN AT-LARGE MEMBER TO THE BOARD OF REVIEW. MOTION CARRIED 8-0.

**PRESENTATION- Ten Year Recycling Agreement w/Emterra Environmental USA Corp.**

Council Member Garza stepped away from the meeting at 6:32 p.m.

Council President referred the Committee to two (2) communications they received prior to the meeting. One from the Chamber of Commerce encouraging the Council to consider local labor and not to act fast. The second communication was from Granger with a list of questions.

Mr. Kilpatrick began the presentation by stating that the Administration, due to their contract for processing expired in 2018 and increased costs, decided to put out a RFQ and RFP to see if there was any interest in establishing a processing center in the City. They received four (4) responses back, one came in only for processing, one was only for hauling and the current contractor submitted two- one to transfer process and haul and one to transfer and haul. Emterra provided a proposal to have processing in the City which would allow the City to stop processing at their current salt shed. Mr. Kilpatrick then referenced a handout that Council had that listed the reasons, proposals and costs based on 2017 data for recyclables transferred by the City (7,212 tons in 305 loads) 80 miles.

Council Member Garza returned to the meeting at 6:36 p.m.

Mr. Caramagno introduced himself and then introduced Ms. Leung who would go through the presentation. Ms. Leung provided highlights of the presentation that spoke to their 40 years in the businesses beginning with paper recycling, the divisions of the company including recycling, tire recycling and division of liquid waste into ethanol. Included in the presentation was a snap shot of the numbers of employees, locations, fleet, commodities, etc. Also noted were three locations in Michigan which included their head office in Flint, a transfer location in Port Huron and a fleet location and land fill in Bad Axe. She then briefly highlighted climate action details and different recycling. Lastly she stated that with the creation of the processing plant in Lansing they will create 12 new full time jobs, and add seasonal help during those times of year. Their intent is not to only service the City of Lansing, but East Lansing and the tri-counties allowing also access to local haulers.

Council Member Spitzley asked about a breakdown on the \$345,000 and what portion is from “partners”; details on the financial stake of the MRF for the City, Emterra and any regional partners; list any resources anticipated from East Lansing; and a list any resources anticipated from Lansing on the project. Lastly she asked that they clarify in the agreement better what is expected from the City since it currently states vaguely “resources” so what will those specifically be. An inquiry was made by Council into a comparison of Emterra vs. all other bids including cost, services, and commitments; comparison of Emterra vs current City contractor and a comparison on Emterra vs doing it in-house.

Council Member Spadafore asked about any suspension of services, a breakdown on the ACR so clearer understanding and hat is the anticipated increase to the residents with or without this agreement with Emterra. He then asked Mr. Kilpatrick if the fees is using the CPI, during the contract or well beyond the 10 years. Lastly he inquired into if the processing center proposed would be constructed in the City of Lansing, and Mr. Caramagno confirmed it would be located in the City.

Council Member Dunbar inquired with Mr. Kilpatrick if this change would mean they would pick up recycling every week for every resident, since currently it is every other week, but truck go out every week hitting different quadrants. Mr. Kilpatrick admitted they are currently not planning but it would depend on the pricing, and with this agreement they would need to meet 4% on minimal recyclables so they might have to change their practice. Council Member Dunbar inquired in the details in the spreadsheet on cost, and Council Member Wood asked that be addressed at the next meeting since there was time constraint tonight.

Council Member Spitzley asked about what would happen if Emterra does not get regional or partner participation in using their facility, what will be the financial impact on the City as the only user, and also asked for a clear explanation on the financial impact on the City. Council Member Washington added that she would be interested in knowing what Granger offered, and why it would not be cost effective to do in house.

Council Member Jackson asked for the Administrations/Mayor’s position on the agreement, and details on what a processing plant looks like, and on how Emterra addresses odors, noise, and any other nuisances generated by a processing plant.

Council President Wood asked Council members to submit any additional questions to Council Office Manager by March 5<sup>th</sup> and the discussion will continue at the March 11, 2019 Committee of the Whole meeting. Council Member Spitzley asked if there would be requested action on this agreement at the March 11, 2019 Council meeting and Council President Wood confirmed there would not.

RESOLUTION – Fiscal Year 2018 Budget Carry Forwards

Council Member Hussain stepped away from the meeting at 7:10 p.m.  
Council Member Jackson stepped away from the meeting at 7:11 p.m.

Ms. Bennett noted that the carry forwards are for projects that were not able to be completed, mostly all from the HRCS Department. Council Member Wood added that there was also an item on the resolution from City Council to forward unused Community Funding dollars also.

Dr. Jackson Johnson outlined some projects on the list that were no longer happening, and funds where other organizations have taken them over and those funds are not needed to put into other programs.

Ms. Harkins stepped away from the meeting at 7:14 p.m.  
Mayor Schor arrived at 7:14 p.m.  
Council Member Jackson returned to the meeting at 7:15 p.m.

Council Member Spadafore asked for details on specific accounts such as Kids Connect, One Church One Family and Human Services Discretionary Fund.

Council Member Hussain returned to the meeting at 7:18 p.m.

**MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE FISCAL YEAR 2018 CARRY FORWARDS. MOTION CARRIED 8-0.**

General Fund Status Report; Fiscal Year 2019; Second Quarter  
Council President Wood moved the item to a future meeting.

#### **OTHER**

DISCUSSION- Committee on Intergovernmental Relations' Resolution for Budget Transfer RE: Climate Action Plan Program

As Chairperson of the Intergovernmental Relations Committee, Council Member Jackson deferred to Council Member Dunbar to explain.

Ms. Harkins returned to the meeting at 7:19 p.m.

Council Member Dunbar acknowledged that in 2018 the Committee and smaller groups met with citizens with various expertise in creating a City Climate Action Plan. The belief from these meetings as that the City needed a specific department with general focus on Climate Action. She continued, that in speaking with the Mayor, his office worked on the contract and it would be a joint project with Council and the Administration. The resolution in front of the Council at this time is to transfer \$2,500 from contractual temporary services and \$2,500 from equipment into the Public Service Contractual Services line item to pay towards Phase 1 of the program. Mayor Schor added that he is in support of the efforts, and comfortable with the contract.

Council President Wood stated to the public that the discussion and resolution for this contract will take place at the Committee on Intergovernmental Relations which meets on February 27, 2019 at 8:30 a.m. She noted to the Committee that the Internal Auditor recommended the two Council accounts the funds could come from, and she did not anticipate any hardships coming from that deduction. She then asked the IGR Committee to make sure they amended the agenda to include the account where the other funds approved by the Mayor would be coming from to cover the total cost of the contract.

Council Member Jackson added to the discussion that in the future Council will need to consider future budgets to address actions.

Council President Wood referenced the last paragraph of the resolution that noted the deliverable would be presented to IGR and they in turn would be presenting to Council no later than October 1, 2019. This would allow Council to place a need in their Budget Priorities that go to the Mayor in the fall for the Fiscal Year 2020-2021 Budget.

Council Members spoke on being proactive, the need for specifics in costs to be in the plan, an exercise on funding if there will be a full time staff person, what impact on out sourcing would do, and strongly consider the next steps because a plan is no good if there is no funding to implement it.

**ADJOURN**

The meeting was adjourned at 7:31 p.m.

Respectfully Submitted by,  
Sherrie Boak, Recording Secretary  
Lansing City Council

Approved by the Committee on March 4, 2019