



**MINUTES**  
**Committee of the Whole**  
**Monday, March 4, 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  
Jim Smiertka, City Attorney  
Joseph Abood, Chief Deputy City Attorney  
Eric Brewer, Council Internal Auditor  
Angela Bennett, Finance Director  
Mark Parker, ERS Vice Chairperson  
Dennis Parker, ERS Chairperson  
Eric Hassett  
Linda Sanchez-Gazella, HR Director – arrived at 6:00 p.m.

**Approval of Minutes**

MOTION BY COUNCILMEMBER SPADAFORE TO APPROVE THE MINUTES OF FEBRUARY 25, 2019 AS PRESENTED. MOTION CARRIED 8-0.

**Public Comment on Agenda Items**

Mr. Mark Parker provided a background on the retirement situation with Mr. Hassett that appears later on the agenda. This included details on Mr. Hassett moving from a defined contribution retirement plan to a defined benefit plan due to union changes at the City. Based on a document he received from the Administration at the time on how to participate in the plan, Mr. Hassett wrote a check to the City to get into the defined benefit plan. Mr. Parker referred the Committee to the information in their packet for the agenda item.

## **DISCUSSION/ACTION**

### **RESOLUTION – 2009 TIFA Bond Refinancing**

Ms. Bennett informed the Committee this was for interest cost savings, and estimated over the life of the bonds it could realize \$2 million savings. The resolution before the Committee is not an “authorizing” resolution but an affirmation in full faith in credit.

Council President Wood asked what the bonds were used for. Ms. Bennett answered that originally they were used for redevelopment projects downtown. The TIFA captures taxes from properties and those dollars are used to pay off the bonds. The repayment of bonds is dependent on the capture that occurs in that district, and in 2009, when market values dropped there was a cap in what they could pay for the bonds, so it was refinanced 3 times (2009, 2014, 2018). This allowed them to extend the payments to allow for values to come back up and recaptured them to be repaid over time. This request is only for a refund for interest cost savings. Council Member Spadafore asked if it was a savings of \$2 million over 10 years. Ms. Bennet clarified it would be 20 years (2039).

Mr. Brewer acknowledged he reviewed the document and had no questions.

**MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE 2009 TIFA BOND REFINANCING. MOTION CARRIED 8-0.**

### **RESOLUTION – 2009 Build America Bond**

Ms. Bennett informed the Committee that this bond was split with half the funds going to streets and the other half to the sewer system. At the time funds were available and there is now an interest credit so there is a reduced amount to pay. The City did bond at that time, and there has been a change on return and there will be a \$1.9 million in savings, and those go to 2031. Council President Wood asked if the projects this was used for were “shovel ready” projects, and Ms. Bennett confirmed. Council Member Spitzley asked if the costs were incurred, and Ms. Bennett acknowledged there were, and these are the savings after the costs. However, she noted until they go “to market” they will not know exactly what savings they will get. If they do not realize a savings they can pull out on the sale.

**MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE 2009 BUILD AMERICA BOND. MOTION CARRIED 8-0.**

### **General Fund Status Report; Fiscal Year 2019; Second Quarter & Vacancy Report**

Ms. Bennett went over the report that was dated 12/31/2018, the end of the 2<sup>nd</sup> quarter. She stated it represented that the revenues were slightly below the benchmark and the expenditures were within budgetary expectations. Property taxes were on target with expectations she added, and the income tax is ahead of budget with 38.8% collected. Ms. Bennett added that this report was created on 12/31/19 right before East Lansing income tax went into effect. She then moved further into the report pointing out that licenses and permits were below on budgetary expectations, and that would be based on timing. The “Charges for Services” are close to average and fines and forfeitures is at 38.9% collected which was lower due to lesser than average penal cases. Ms. Bennett then moved to the expenditure side noting all but the Clerk and HRCS are on target with their budget, but the Clerk has been affected by the timing of elections and HRCS by some of their programs.

Council President Wood pointed out that since East Lansing income tax did not take effect until 1/1/2019, there would not be a substantial impact now, but asked if there was an increase in employees or wages paid, and Ms. Bennett acknowledged both. Council President Wood then asked why the court fines and forfeitures were lower, and Ms. Bennett was not able to

determine it exactly but noted that there have been some changes at the State that have effected it.

Mr. Brewer confirmed he had reviewed the document and had no issues.

Ms. Bennett handed out the vacancy factor report. Council President Wood asked Ms. Bennett why they were just getting the document now instead of being sent earlier so they could review prior to the meeting. Ms. Bennett stated that per the charter the general fund has to be run through the Clerk's office for referral, and the vacancy report is a Council priority and does not go through the Clerk's office for referral so she is presenting it at the meeting. Council President Wood pointed out it was listed on the agenda, and it was not prepared the morning of the meeting it should have been sent to Council. Ms. Bennett stated she never received a request for it prior to the meeting, but it was prepared a week ago. Council Member Spitzley added, to Ms. Bennett, that if it was ready a week ago Council should have had it then. She then asked for the status on vacancies and wanted the HR Director present to answer some questions.

Council Staff was asked to locate the HR Director and ask her to come into the meeting.

Council Member Garza asked Ms. Bennett why more than half of the positions state "On Hold" in the status column. Ms. Bennett acknowledged she could only speak generally, but it could be for a position that is being restructured. Council Member Spitzley added to the conversation stating her frustration with the report has also been that it states "On Hold" but then under "Estimated Vacancy Amount" states "Offset by Contract", noting it should either be "open" or "filled". Council President Wood added that she has inquired in the past that if the position states "off-set by contract", how much is the position and how much is being paid in the contract. Ms. Bennett confirmed she has looked into that question and most contracts are not full time and some are filled by temporary agencies, but it would be a time intensive project to determine those costs so they have not done it, noting that her belief is the document is only a budget tool. Council President Wood pointed out to Ms. Bennett that the document is something that Council has asked for, not an administration budget tool, and if Council is going to make a determination on the budget there are questions that need to be asked, one being if there is a temporary agency how much is paid to the agency; that should be on their bill, and if the person is contracted for 6 months or a year, their contract should tell them how much the expense is.

Ms. Sanchez-Gazella joined the discussion at 6 p.m.

Council President Wood pointed out to Ms. Sanchez-Gazella that Council has asked for this report but are just getting it, and asked what her understanding of processing and submitted the report was. Ms. Sanchez-Gazella answered that when they receive the request from Council it from via the Finance Department, they will then look into and provide the information back to Finance. Council President Wood informed her that the Council goal is to get the report at the same time as the General Fund Status Report, and asked her to work with Finance on that for the future. Ms. Bennett apologized and acknowledged it was ready a week ago and should have been moved forward a week ago when the topic was tabled until this meeting. Council voiced their frustration in not having the information ahead of time, and not getting answers to continual questions. Council Member Garza repeated his question from earlier, but this time to Ms. Sanchez-Gazella.

Council Member Spitzley stepped away from the meeting at 6:03 p.m.

Ms. Sanchez-Gazella confirmed that some that state “On Hold” is because their job descriptions could be being evaluated, and then she started to go through the list. For the Senior Income Tax Auditor she noted they are conducting interviews, the Principal Recruiter will be posted over the next couple weeks, but in the interim a Hiring Specialist is working in that position out of class.

Mr. Smiertka provided details on the interviewing process in the Attorney’s office for his three vacancies.

Council Member Spitzley returned to the meeting at 6:05 p.m.

Ms. Sanchez-Gazella outlined the difficulty in filling the vacancies in Public Service because of the specialty skills that are needed. Council Member Garza asked if it was difficult because of the wage they were offering, and she answered that with the benefit package the City offers, the total package is not that low. Ms. Sanchez-Gazelle then stated to the Committee that her department’s priority is to get all positions filled, and she believes that they have done good job in moving forward. Council President Wood pointed out to her that when the report says “On Hold” it appears as if nothing is happening, and suggested they should change it to “Active” or “In progress” or something that shows it is moving through the system. Council Member Washington pointed out that some state they have been vacant since 2013, and if they are not priorities and will not be filled, they should come off the roster. Council President Wood pointed out that some of those state “Contract” so they are not vacant, and Council Member Washington noted she understood that but if they are under “Contract” for 6 years, they are not specialized and should be filled or taken off the roster.

Ms. Sanchez-Gazella acknowledged the Committee and thanked them for all their comments and stated they will make it a priority to also look at positions that have been vacated and move those up on the list to fill.

Council Member Hussain asked about the Commercial Property Officer, since Council was told it was already filled. Ms. Sanchez-Gazella also acknowledged her understanding it was filled, even though it states “Active” in the hiring process, and she would confirm.

Council President Wood pointed out the report was dated 12/31/2018, so by this time (March) some positions could be filled. Ms. Sanchez-Gazella confirmed she would look into the status of the positions.

Council President Wood placed the document on file.

PLACE ON FILE - Mayor’s Executive Order 2019-01; Renaming of Park Land; RE: Rotary Park

MOTION BY COUNCIL MEMBER SPADAFORE TO PLACE ON FILE THE MAYOR’S EXECUTIVE ORDER 2019-01 FOR THE RENAMING OF PARK LAND; RE: ROTARY PARK. MOTION CARRIED 8-0.

PLACE ON FILE - Mayor’s Executive Order 2019-03; Mayor’s Lansing Veterans Commission

Ms. Harkins stated that the Mayor signed the order in February as part of the State of the City, and this Commission will help to bring awareness and highlight Veterans and engage the veteran community to make sure they have input on policies. The Commission will consist of 13 members (not to exceed) and they are currently getting applications and hope to have it active in around 10 days. She added that the Chairperson will be former Police Chief Mark Alley. Council President Wood asked if the members have to be City of Lansing residents and Ms. Harkins confirmed. Council President Wood asked that if someone does not want to use

the computer application if they can call the Mayor's office and it was confirmed one would be mailed to them.

MOTION BY COUNCIL MEMBER SPADAFORO TO PLACE ON FILE THE MAYOR'S EXECUTIVE ORDER 2019-03; MAYOR'S LANSING VETERANS COMMISSION. MOTION CARRIED 8-0.

DISCUSSION – Ordinance Review on Employees Retirement

Mr. Dennis Parker, Mr. Mark Parker and Mr. Eric Hassett presented details and their appeal to the Committee. Mr. Dennis Parker began the discussion by outlining the situation stating that Mr. Hassett had a transfer in 1995 from UAW to Teamsters, and had 18 months in the ERS system, and at the time in Teamsters they were in a defined contribution plan. Mr. Hassett continued there until 2003, then Teamsters went back to the ERS defined system. At the time he returned he wrote check for \$24,000 to buy in for service credits. The Committee then was referred to the Frequently Asked Questions handout in their packet, which is what employees were provided at the time to help them determine what steps they need to take if they want to buy back in, and that is what Mr. Hassett did.

Council Member Spitzley asked if Mr. Hassett was only for service credits for the years he was in the other program and Mr. Dennis Parker confirmed. He added that Mr. Hassett understands he will not receive any monetary credit, he is just looking for eligibility. At this time he has worked for the City for 25 years. Mr. Dennis Parker acknowledge that the request has gone through the ERS Attorney, and the ERS Board voted 5-4 to deem him eligible to retire based on the years, but then when he came back to the ERS on September 21, 2018 to be approved to retire the Board voted not to approve retirement based on the years. He then asked them to refer to the Section 292.15 quoted in the letter from AML Group, PLC in their packet. Council Member Spitzley asked if the issue was that there is 19 months when he was with the UAW that he wants applied for years eligible to retire, and Mr. Hassett confirmed he is only looking at getting the time served to be eligible, and his time was served in two separate areas. Council Member Spitzley asked if there was no mechanism in place to bridge time from one bargaining unit to another, and Mr. Hassett stated no, other than the ordinance which states an appeal can be made to Council and they can review and make a determination.

Council Member Washington acknowledged she sits on the ERS Board as Council trustee and the change in this matter was done during the Benavides Administration, and it was not his intention to not let any time be un-eligible for retirement. The intention of Mr. Hassett, she continued, is to retire with the time, and he is not look for any monetary contribution, so there is no cost to the City.

Council Member Jackson reference Section 292.15 which stated "in other special circumstances", and asked what Mr. Hassett special circumstance was. Mr. Hassett stated he was not made aware that he would lose those 18 months until 6 months ago when he turned in his paperwork to retire. He was relying on the Frequently Asked Questions and Answers she he was provided in 2003. Council Member Spadaforo asked what is used to calculate retirements and it was defined as service credit by FAC (Final Average Compensation) minus the period of time. Mr. Hassett confirmed he signed eh acknowledgment in 1995, however at the time he believed he was forfeiting the funds not the time. He added that he signed the agreement and then received the Frequently Asked Questions sheet.

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

Council Member Spitzley commented that Council needs to address this and resolve it without having to open the Charter, because she believed Mr. Hassett was entitled to the time.

Council Member Washington returned to the meeting at 6:30 p.m.  
Council Member Spadafore stepped away from the meeting at 6:30 p.m.

Council Member Spitzley then asked Mr. Parker if there were or will be other people involved with the same situation that Council will have to address.

Council Member Spadafore returned to the meeting at 6:31 p.m.

Council President Wood noted that this was not an issue in the Charter, it is an ordinance that gives Council the ability to make decision.

Mr. Abood referred to the FAQ document, page 1, paragraph 4 which states "Assuming you were not a UAW employee prior to becoming a Teamster employee, your "Service credits for the retirement benefit calculation" is the number of years you have worked for the City." He added that this presentation is the second step, this a collective bargaining item, and a grievance was filed and not granted. Mr. Walter Allen was in the same situation, however he wanted the monetary determination also, and the ERS Board denied him the same type of relief. He recommended that decisions need to be done prospectively, not retro-active and if Council amends the ordinance, it should be consistent.

Council asked for potentially an actuarial on what the cost will be to the City for them to consider before they amend any ordinance.

Mr. Dennis Parker noted that in the case of Mr. Allen, there were no UAW contributions, and that would be why in this case Mr. Hassett wrote a check.

Council President Wood pointed out to the Committee and claimant that Council at this time is not being asked to amend the ordinance, but under the current ordinance and any special circumstances make a determination.

Council Member Garza asked if Mr. Hassett was still employed and the answer was yes, and if he stays another 18 months, his retirement will increase by \$3,300 per year for the rest of his life.

Council Member Spadafore asked if they were seeking a decision at this meeting, and Council President Wood stated they were seeking something soon. Council Member Spadafore asked if others would be effected by this decision, and Mr. Dennis Parker stated it would affect three people; Mr. Allen, Mr. Hassett and one other person. Again Mr. Allen also asked for monetary, and this effects only the people that were in UAW and went to Teamsters but at the time were not vested yet (8 years). Council Member Spadafore asked why he paid \$24,000 to the City. Mr. Hassett confirmed it was to buy time, because at the time the 401K was underperforming so he bought back into the ERS system pension program, it was not to buy years to retire early. Council Member Spadafore then asked Ms. Bennett what the cost would be to retire now or in 18 months. Council Member Dunbar then asked if this decision would open the case back up for Mr. Allen, and Mr. Dennis Parker said no. Council Member Washington pointed out to the Committee again that Mr. Hassett did not buy time.

Council President Wood stated the Committee would resolve their decision by resolution which would go back to the Retirement Board stating the Council overturned their decision. Council Member Spitzley asked if that resolution would be subject to veto by the Mayor, and it was confirmed it would be. Council Member Dunbar asked if this situation could come up again, and Mr. Dennis Parker assured her that all units are now in defined benefit.

Council Member Jackson stepped away from the meeting at 6:45 p.m.

Mr. Abood stated that to the effect if this would require an ordinance amendment, he would research that further. Council President Wood stated that the ordinance says Council can make a special determination, that this is a unique circumstance, and Council is not looking to add into the ordinance that Mr. Hassett gets 18 months, so the situation should not amend the ordinance. Council Member Washington also agreed that the ordinance specifically says a special circumstance can come before Council. Council Member Spitzley agreed to grant Mr. Hassett his time.

Council President Wood recapped outstanding questions from Council:

Cost breakdown if now vs. 18 months.

Need information on if the ordinance needs to be amended or a resolution can address it.

If it is to amend the ordinance, then a draft amendment and resolution to set a public hearing should be prepared for the March 11, 2019 Committee of the Whole meeting.

Council Member Hussain stepped away from the meeting at 6:49 p.m.

Council President Wood asked if the Council resolution is relayed to the ERS would they reconsider their vote, and Mr. Parker confirmed they would take the Council recommendation.

Council Member Jackson returned to the meeting at 6:50 p.m.

Council Member Hussain returned to the meeting at 6:50 p.m.

Council Member Washington informed the Committee that as a trustee on the ERS she was not present when they took the vote but will be at the next meeting. She also noted that with the absence of a City Treasurer, Ms. Bennett has been acting Treasurer and voting at the meetings. Council Member Spitzley voiced a concern because as the Finance Director she should not be voting. Council President Wood pointed out the ordinance requires the Treasurer to vote, but since there is currently no Treasurer, Ms. Bennett is filling the position as acting Treasurer. Council Member Spitzley again stated her opposition to Ms. Bennett serving two (2) roles on the Board.

## **OTHER**

### **Council Annual Training (Recess into Back Conference Room)**

Council President Wood recessed the Committee meeting allowing Council Members and staff to move to the Council Conference Room for their annual training at 6:55 p.m. and called the meeting back to order at 7:00 p.m.

Others present at the training

Linda Sanchez-Gazella, HR Director

Courtney Roberts

Jim Smiertka, City Attorney

Joseph Abood, Chief Deputy City Attorney

Heather Sumner, Assistant Deputy City Attorney

Amanda O'Boyle, Assistant City Attorney

Greg Venker, Assistant City Attorney

Mark Matus, LBWL General Counsel

LaSondra Crenshaw, City Council Administrative Assistant

Ms. Sanchez-Gazella presented a video to all attendees on work place harassment.

Mr. Smiertka presented an overview handout and presentation on the duties of the City Attorney's office.

Council Member Dunbar stepped away from the meeting at 7:29 p.m. and returned at 7:40 p.m.

Mr. Smiertka then moved into a presentation on duty of loyalty, duty of care, desirable conduct, forfeiture of office, removal for cause.

Ms. Sumner presented on ethics, gifts, conflict of interest, and misuse of power.

Mr. Venker presented on open meetings, public access to meetings and minutes and closed sessions.

Council Member Garza stepped away from the meeting at 8:15 p.m. and returned at 8:17 p.m.

Mr. Abood introduced Mr. Matus with the LBWL who was just observing.

Mr. Abood did a presentation on human rights.

Ms. O'Boyle did a presentation on FOIA.

This portion of the meeting was recessed, and the Committee returned to the regular meeting which was then adjourned.

**ADJOURN**

The meeting was adjourned at 9:00 p.m.

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

Approved by the Committee on March 11, 2019