



**MINUTES**  
**Committee of the Whole**  
**Monday, March 11, 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  
Jeff McAlvey, EOCC  
Derek Melot, EOCC  
Andy Kilpatrick Public Service Director  
Lori Welch, City Recycling  
Dennis Parker  
Mark Parker  
Eric Hassett  
Loretta Stanaway  
Ken Lane  
Mayor Schor  
Angela Bennett, Finance Director  
Robert Harr  
Charles Hauser

**Approval of Minutes**

MOTION BY COUNCILMEMBER SPADAFORE TO APPROVE THE MINUTES OF MARCH 4, 2019 AS PRESENTED. MOTION CARRIED 8-0.

## **Public Comment on Agenda Items**

No comments.

Council President Wood spoke about potential new dates for the budget schedule, proposing all items from the currently posted April 1<sup>st</sup> date to be moved to April 15<sup>th</sup>. That would cancel the April 1<sup>st</sup> Committee of the Whole meeting. Mr. Smiertka asked when the Red Cedar Development was planned to be heard, and it was stated that hearing would not even be until April 8<sup>th</sup>, 2019 so there would be nothing on the April 1<sup>st</sup> agenda on it.

## **PRESENTATIONS**

### **2019 Elected Officers Compensation Commission (EOCC)**

Mr. Melot and Mr. McAlvey provided a power point presentation (part of the meeting packet) to the Committee. Council President Wood asked them to address the roll of the EOCC and why they are presenting to the Committee. Mr. Melot referred to slide 2 and 3 which outlined the purpose and procedure of the Commission, noting that they have had 4 meetings to date, and have to make a recommendation by March 23, 2019. Mr. Melot then explained that the focus of the Commission in 2019 was to address the fact that there has been no adjustment since 2015 for the elected officials, not even to meet inflation. He continued clarifying that when looking at the Mayor's position he was not identify that any Mayor from Lansing has gone onto a higher elected positions, so they approached his position as a "Chief Administrative Officer", and compared to Madison, WI which had similar population in an urban area, is also a Big 10 college town, with a strong Mayor government, and that person is \$141,000. Moving on, the slide referenced comparisons to non-profit executive salaries from 2016, and comparisons for Council and the Clerk, were noted be based on information provided by City staff. Mr. Melot noted that some municipalities Council only had 24 meetings in a year, and City staff noted that the Lansing City Council holds 48+ per year, which is more than their counterparts in comparison cities. Mr. Melot then outlined the proposal the Commission was considering, which he noted would bring the elected officials up to 2019 with inflation from 2015, and then moving forward it would set the inflation rate increase in 2020 and 2021, since the Commission will not reconvene until 2021. Lastly, it was noted that there were no recommended changes to the fringe benefits.

Slide 11 outlined he proposed compensation for the Mayor at 2019-\$138,778; 2020-\$141,554 and 2021-\$144,527. The Clerk's rate at 2019-\$94,102; 2020-\$95,984 and 2021-\$98,000.

Lastly the slides outlined the proposed Council rates at:

President- 2019-\$28,793; 2020-\$29,387; 2021-\$30,004

Vice President- 2019-\$27,172; 2020-\$27,715; 2021-\$28,297

Council Members – 2019-\$26,199; 2020-\$26,723; 2021-\$27,284

Mr. Melot concluded the details on the salary increases by stating that the total adjustments in calendar year 2019 would be \$33,353.00

Council Member Jackson recognized that the EOCC Members individually reached out to Council and also invited them to their meetings, and asked if the EOCC received the answers and information they were looking for. Mr. Melot confirmed and those parties that did attend their meetings brought forth input that was useful. Mr. McAlvey added that the Commission also wanted to have better understanding of everyone's role, what their tasks are involved, and any growth in their jobs.

Council Member Hussain informed the EOCC Members that in 2017 it was rejected because there was a 20% increase in 2015 which the Council at the time in 2017 was overshot. He continued, stating in his opinion that the recent proposal they just presented on would be undoing what Council did in 2017, and he was struggling with the large increases. Mr. Melot acknowledged he was not part of the EOCC in 2017, so could not speak their 2017

recommendation, but what has been guiding deliberations in the EOCC is that no one is interested in issuing pay cuts for those that make the large decisions for the City. When inflation hits and there are no increase, they view it as a “pay cut”, and that is why the proposal is approach as a two phase, noting to Council that they do not need to take any action, and no action would be it passes, if they took action it would be to reject it under a super majority. Mr. McAlvey added to the discussion that the EOCC members were presenting because it has never been done before so they wanted to explain what the Commission does, is considering and hear from the Council.

Council Member Washington spoke in opposition and acknowledged she also was against the 20% in 2015, but that rejection did not pass. In 2017 she confirmed she attended the Commission’s meetings and asked for no increases. Council Member Washington went on to explain that the median household income in the City is \$36,145 and those people are the ones that will be paying for the wages. In her the elected officials are public servants and she would not support a raise and playing “catch-up” is unfair to the citizens. She concluded by stating she would not spear head a failed resolution to reject again this year.

Council Member Spitzley acknowledged the EOCC presentation, and noted that in 2015 the economy was different then what it is now, when trying to attract the best and brightest employees, you need to be competitive, and she appreciated the comparison from other cities. She noted it appeared to be roughly a 10% increase and hard to understand, because she understood inflation should have been incorporated last time and so now the Council is hearing a proposal for large percentage raises. It should be considered a cost of living not an enrichment, and the City staff has received a cost of living increase and Council has other jobs with this being their second job, but the Mayor and Clerk need to be paid comparable salaries.

Council Member Spadafore stated he could not support inflation increases in a catch up provisions, and he ran for the Council knowing what the salary was and the Mayor and Clerk also knew. He concluded by stating he could not support an increase for catch-up.

Council Member Hussain stated an earlier statement that their recommendation in 2017 was rejected because he believed they over shot their recommended for compensation. He then asked how they came up with 48 meetings for the City of Lansing City Council. Mr. Melot stated it was provided by staff, and Council President Wood asked Ms. Boak if she calculated the number from Council meetings, Committee of the Whole meetings and other Committee meetings, and Ms. Boak confirmed. Council Member Hussain then went on to state that in his opinion the City is in the top of poverty rates and bottom of median household income.

Council Member Spadafore stepped away from the meeting at 6:00 p.m.

He continued that he understood if the amount was \$33,000 in 2019, that would not fix all the issues in the City, but it would be the message it sends.

Council Member Dunbar spoke on what was done in the past where when employees were put on furlough, Council took a 10% voluntary pay cut, and the Council has never asked their employees to lower their wages when the elected offices don’t get paid he same amount as their counterparts.

Council Member Spadafore returned to the meeting at 6:02 p.m.

She acknowledged that there are industries jobs where they are lower paid, but these positions are a non-comparable position, the City has never asked their employees to never take a raise because the citizens they service do not make the same as them. She then

referred back the 2015 increase where it was stated the EOCC studied the union increases and negotiations, and asked if this current EOCC has done the same. Mr. Melot confirmed they were provided data on all bargaining unions, and explained to the Committee that this is the crux of the process; playing a hypothetical no action taken or going forward not back, but constantly playing catch up. In 2015 it looked like a big number because there had been no action for an extended period of time. Mr. Melot recommended that if the City can get into a process for an annual cost of living adjustment built in it would help, and the proposal would not allow the elected officials to fall behind. The Elected Officers Compensation Commission's job is to evaluate and make the best assessment on what to do. Council Member Dunbar asked that they review the union negotiated list for what the employees increases are.

Council Member Jackson stated that it appeared there was almost a conflict of interest with the Council determining their own salary, and every 2 years, Ward 1 and 3 are up for election along with (2) two At-Large Members, so it always appears to be bad optics for those running for re-election during the determination of the EOCC. Mr. Melot pointed out again that the Council only takes action to reject it, and to accept it does not require a vote so the optics on each member to accept it would not be visible. Council Member Jackson acknowledged and confirmed they are looking for recommendations from those that are making the recommendation for guidance.

Council Member Spitzley agreed with the earlier statement that these positions are political and they are aware of that when they run for office, and as to the "no action" option, her belief is that they are still taking action in what it represents even when they do not formally accept it. Council Member Spitzley went on to recommend that the Commission implement a cost of living so it does not happen again, but whether they are currently behind is not all relative, 10% is a large amount. She would not support a large percentage increase, but it did sound reasonable to give increases. Mr. McAlvey recommended a change in the ordinance if the Council had concerns on timing and any conflicts. He then added that the EOCC is trying to make the appropriate and fair decision, they are currently considering what is presented.

Council Member Washington acknowledge that she understand the thinking behind the recommendations and contrary to what was stated earlier, she would not care if it was an election year because her stand is her stand. It appeared Council would support inflation increases but she agreed with Council Member Hussain and Spadafore that she did not support an increase to catch up, and a 10% increase she would not even consider.

Mr. Smiertka stated the ordinance was started in 1973 pursuant to the Home Rules Cities Act, which gives permissive powers to the City to adopt this type. The Commission falls under the Charter 104.2 and they may continue to determine compensation and benefits. There is a provisions in that Section of the Charter where Council could amend it.

Council President Wood pointed out that as stated by Council Member Dunbar, when the City employees were furloughed days, and then were brought back up they did not add in the cost of living to make up for the years they did not get it. In her opinion the adjustments in 2015 and 2017 were remembering where the employees were and being treated differently.

Council Member Garza stated he also ran for the position knowing it did not pay a lot, it was a public servant position and therefore was not a Council member for the funds. He added that he could not vote yes on an increase knowing the City needs more employees.

Council President Wood acknowledged Mr. Melot and Mr. McAlvey on their presentation and the work the EOCC has done thus far, making the detail informative. Once it is referred, she

explained, the Council will have 30 days to reject or deny it with a 2/3 vote of Council or if they take no action during the 30 days it sits it will automatically go into effect.

Council Member Dunbar asked Mr. Smiertka if Council voted to reject it, do they have reject it entirely. Council President Wood stated that Council has always been advised they cannot divide the recommendation, and told it was all or nothing. Mr. Smiertka stated he would research the question to see if there has ever been prior legal opinion on it. Council Member Spitzley asked if the EOCC could bring forth more than one recommendation, and when it comes forth can Council accept part and deny part. Mr. Smiertka stated he wanted to make sure the Office of the City Attorney has not made a contrary opinion in the past.

### **DISCUSSION/ACTION**

#### **DISCUSSION – Ordinance Review on Employees Retirement**

Council Member Spadafore stepped away from the meeting at 6:28 p.m.

Council President Wood referred the Committee to the analysis handout and answers to (3) three questions raised by Council Member Spadafore at the last meeting.

Council Member Spadafore returned to the meeting at 6:29 p.m.

Council President Wood then informed the Committee that in order to move forward with the ordinance, they have to work with the Teamsters for collective bargaining on a Memorandum of Understanding (MOU), then once that has been approved, Council can move forward with the draft ordinance in the handout.

Mr. Abood acknowledged that the MOU is part of the methodology because Teamsters the contract has expired, it has to be negotiated with the union and since their CBA is in negotiations, the question is now if the union would enter into a MOU with the City to allow the benefit, then Council can amend the ordinance, but it was stated again that the union needs to sign off first.

Council President Wood confirmed held a discussion with Lynne Meade with the Teamsters prior to this meeting and was assured they would address it ASAP.

Council Member Spitzley asked if the MOU would only apply to just this instance or the other 2 people mentioned at the last meeting. Mr. Abood stated it would be up to the union on who to include. They would include the employees who would be affected, not a single individual. Council Member Spitzley then asked it be conveyed to the Union so they know the MOU does not cover one person. Mr. Abood confirmed that had been discussed already with Mr. Tate, Chief Labor Negotiator for the City, and he has all the materials and will follow up with the bargaining unit.

Mayor Schor stated he was not present at the last Committee of the Whole meeting when this discussion began, however he was in attendance at the ERS Board meeting, and was opposed to the action at the time, because the attorney recommended to the City that Mr. Hassett was not qualified to retire under the conditions in the current ordinance. The Mayor then stated if Council had any inclination to change the ordinance, he would support, seeing the City Attorney opinion. He confirmed he would also have Mr. Tate start working on the MOU and move forward down the path towards that resolve, unless hear Council would not consider the ordinance. Council President Wood spoke on behalf of Council stating that 90-100% of Council said that if the ordinance is what is needed them will move forward, and no Council Member objected to that statement. She then asked that the MOU be completed by March 25<sup>th</sup> and at that time the Committee can address the introduction of the ordinance. Council Member Washington asked that the MOU and ordinance be a priority.

Council Member Jackson asked if the MOU would affect only 3 people, and Mr. Dennis Parker confirmed. Council Member Jackson asked if the City funds were calculated on the balance of his retirement. Mr. Dennis Parker stated they had an actuarial done, but he did not offset the savings or reduction due to these employees not gaining any more time. Mr. Brewer was asked for an end equation, and if this ordinance help or make it worse. Council President Wood stated that if he retired today, his retirement would be based on 25 years of service. Council Member Jackson then stated that if Council did step in with the ordinance it would be a cost savings to the City. Mr. Brewer clarified that Mr. Hassett funds would no longer come from the general fund for wages, but out of the retirement fund.

Council Member Washington stepped away from the meeting at 6:38 p.m.

So there would be savings on wages if he retires early. Council Member Spadafore asked if the pension would be calculated on 25 years or 25 years plus the 18 months he is asking for. Mr. Hassett confirmed it is the later; he is asking for the time.

Council Member Washington returned to the meeting at 6:40 p.m.

#### City Recycling and a Ten Year Recycling Agreement- Questions/Answers

Mr. Kilpatrick provided a presentation updated from the last meeting which spoke to the existing process. (Part of the packet)

Council Member Garza stepped away from the meeting at 6:42 p.m.

Council President Wood explained to the public that it has been brought to Council's attention that the contract with Emterra had inadvertently been sent to Council so Council will not be taking any action, but action will be taken with the Mayor. However, since there were a number of questions by Council, Mr. Kilpatrick is present to provide clarification and hopefully answers to questions. Mayor Schor explained that the Emterra contract is actually a service agreement, not a contract, so as Mayor he can sign. He continued to explain that since the last meeting there has been 2 changes made; 1) they have insisted the facility be in the City of Lansing, and 2<sup>nd</sup> that it now include language on commercial recycling. He assured Council he has not signed anything yet. Council Member Spitzley asked if the changes now change how the other bidders would have submitted.

Council Member Garza returned to the meeting at 6:46 p.m.

Mayor Schor stated it would not change anything.

Mayor Schor went through the presentation outlining collection transferring, hauling process, and the "tipping" operation which occurs at what was designed as the salt shed- making the process single stream. Mr. Kilpatrick explained the reason an RFP was done was because they are still using the old salt shed, and it is dumping salt into other materials because it is now a sound structure. It was noted that if they do not address a new recycling facility they will need to build a new salt shed. It was also noted that there is one FT employee who is currently moving recyclables and hauling. The Committee then reviewed the slide on the proposals that were submitted and what each offered to do.

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

Mr. Kilpatrick proceeded with his presentation which included a map outlining the locations of Waste Management (26), Republic (12) and Emterra (1). Outlined on the next slides were details on the current process based on the 2017 data, which broke down transfer was

\$29.05/ton for transfer; \$21.16/ton for haul and \$.078/ton for processing. This brought the overall for 2017 actual to \$50.99/ton. It was noted on the cost alternatives slides that Grangers 1<sup>st</sup> option in the RFP would be \$100.00/ton; second option would be \$75.05/ton; CE/Republic at \$78.05/ton and Emterra proposal would be \$56.74/ton all based on the 2017 data. Council Member Dunbar asked if these breakdowns now explained her question from the last meeting on the handout from that night, and Mr. Kilpatrick confirmed this better explained the details.

Council Member Hussain stepped away from the meeting at 6:55 p.m.

Council Member Hussain returned to the meeting at 6:56 p.m.

Mr. Kilpatrick acknowledged that he did not have the answers to the questions from the last meeting, and will get those along with any questions from tonight answered within the next few days. He was able to state that regarding one question on tonnage in 2017, 75% of that was generated in the City of Lansing and the other 25% was East Lansing. Republic is collecting some in the City and is starting to contribute some tonnage, but still 92% is the City. The City is still promoting recycling but will not intend to get into the commercial recycling business.

Council Member Spadafore asked if they plan to take the section out of the contract that speaks to multi-family, do they still plan try to get multi-family units recycling. Mr. Kilpatrick stated that if multi-family could use carts they would consider, but the City will not get into dumpsters and new equipment to handle those. They do not have any intent to expand, and few years ago there was a commercial rate and also a second recycle bin rate.

Council Member Washington acknowledge Mr. Kilpatrick for taking Council Members on a site tour of the facility, and asked for them to consider more educational pieces on what to and what not to recycle.

Council Member Garza asked if the City of Lansing materials will be recycled with Emterra into the resin they represented at the March 11, 2019 Committee presentation. Mr. Kilpatrick stated they do that with a subsidiary in Canada and is not planned for Lansing. The Emterra facility will be automated with 12+ employees to separate the materials.

Council President Wood recapped that there are still outstanding questions on how Emterra will address and abate the noise and odor before they even begin their business; if the City has looked at how to grow the interest in recycling because there would be a concern they could not "grow" what they need in tonnage. They need to also address what the trucks with the new facility will cause on the City streets.

Council Member Spadafore stated that the discussion will continue in May at the Committee on Public Service.

#### **OTHER**

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

No discussion taken at this meeting, the item would be on the Council agenda later for action.

#### **ADJOURN**

The meeting was adjourned at 7:07 p.m.

Respectfully Submitted by,

Sherrie Boak, Recording Secretary Lansing City Council

Approved by the Committee on March 25, 2019