



MINUTES
Committee of the Whole
Monday, April 29, 2019 @ 5:00 p.m.
City Council Chambers

CALL TO ORDER

Council Member Wood called the meeting called to order at 5:00 p.m.

PRESENT

Councilmember Kathie Dunbar- arrived at 5:10 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson - excused
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Samantha Harkins, Mayor Chief of Staff
Jim Smiertka, City Attorney
Eric Brewer, Council Internal Auditor
Angela Bennett, Finance Director- arrived at 5:05 p.m.
Scott Keith, LEPFA
Dominic Cochran, Multi Media City TV
Kris Klein, LEDC
Karl Dorshimer, LEDC
Mayor Schor - arrived at 5:20 p.m. and left at 5:37 p.m.
Loretta Stanaway
Don Kulhanek, Economic Development & Planning
Chris Swope, City Clerk
Rhonda Oberlin, Emergency Management
JV Anderton, DLI President

Approval of Minutes

MOTION BY COUNCILMEMBER SPADAFORE TO APPROVE THE MINUTES OF APRIL 22, 2019 AS PRESENTED. MOTION CARRIED 6-0.

Public Comment on Agenda Items

Ms. Stanaway asked for supporting documents on the Mayor, Media and Downtown Lansing presentations, spoke in opposition to the new position in Neighborhood and Citizen Engagement, was opposed to some of the fee increases and regarding the LEDC, she asked the naming of the new store on Michigan be known as Capital Corner Market not Capital City Market. Ms. Stanaway concluded her statements by asking not to put the Red Cedar Flood Plain remapping fees on the residents and homeowners.

PRESENTATIONS

Department Budget Presentations

Mayor's Office Budget

Ms. Harkins stated they did not have a presentation but that their budget consisted of personnel and operating funds for initiatives to the office. Their only significant change she noted was that the Labor Negotiator was split between the Mayor's office and the City Attorney.

Council Member Spitzley acknowledged the statement that the budget had not changed, but Council was told there was no presentation last year either. Ms. Harkins stated that the Mayor's office meets with Council regularly, their initiatives are public, but if they put something together they could do something similar to the State of the City. Council President Wood pointed out that the public likes to see accomplishments, goals for the coming year, staffing, etc. She understood there might not be significant budget changes, but they want to know what the performance measures are and what the Mayor's office hopes to achieve in 2019. Council Member Spitzley pointed out that other departments and Council provide something to the public and Council Member Washington added that she was expecting performance based measures from their office along with other departments. Council Member Washington then inquired into the positions in the Sister Cities considering they should be self-sufficient now, noted she also was not in support of the Faith Based Initiative position and spending tax dollars on church issues and paying someone to reach out to churches. Therefore her question us what does Bishop Maxwell make, what does he do and what are his performance measures. Ms. Harkins acknowledged she could break down the numbers, and Bishop Maxwell is also a liason to the Mayor's Diversity Commission, he does not reach out to the churches but engages the neighborhoods.

Council Member Hussain asked for an explanation on why from 2013-2015 there were five (5) staff members in the Mayor's office and now there are seven (7). He asked for details on the staff funding in that office and what their roles are.

Council President Wood asked for a list of Mayoral staff and if they are FT, PT or contract. Ms. Harkins provided the following information:

Samantha Harkins – Chief Operating Officer – FT

Leslie McCarrick – Office Manager/Scheduler - FT

Mark Lawrence – Citizen Advocate Point Person -FT

Marilyn Plummer– Community Outreach Coordinator – FT

Valerie Marchand– Communications – FT

Martha Fujita– Special Assistant– Sister Cities, Veterans Commission –PT/Contract

Bishop Maxwell- Faith Based Initiative Dir., Advisory Council and Diversity Lead– PT/Contract

Chelsea Coffey- Scheduler/Policy Coordinator – FT (Vacant- assessing the position)

Council Member Spitzley asked what percentage of an increase the staff received since it is reflected as 1.6% from last year's budget. Ms. Bennett stated there was actually a slight decrease in 2019 due to the Labor Relations position being split between City Attorney and

Mayor for this coming year. Currently it is a 70/30 split with the larger portion in the Mayor's office. Council Member Spitzley again stated her disappointment in no presentation, since all the other departments did do documentation for the public and the Mayor's office should be like every other department. The presentations provide changes, costs, increases and decreases. She then noted that in the last year's budget discussion in 2018, Council discussed issues with the positions in faith based and the Sister Cities, but now it appears the Mayor's Office has added to the positions to expand them to continue them. Ms. Harkins stated that the Mayor's budget mainly consists entirely of personnel and any programs are funneled through other departments. Council Member Garza asked for a list of all salaried positions in the Mayor's office along with all the Department Heads and what they make. Council President Wood added she would like the list to include what those salaries were in 2016 to the current. Council Member Washington voiced her concern with the positions held by Mr. Maxwell and Ms. Fujita and how it appeared to her that they were given duties to them to keep them and justify, noting in her opinion all the duties listed for both of them could be done by one part time employee. She added she too is interested in the wage increases for the Mayor's staff and department heads.

Mayor Schor supported his staff and assured the Committee that there are no funds that go into churches, but the Office of Faith Based supports the churches, and those groups that come to the City. He then went on to speak about Ms. Fujita and her role as Protocol Office and experience with working with Veterans. He added that her role has been increased but not her hours or contract. Mayor Schor said that all staff got a cost of living increase. Lastly, the Mayor apologized for no official budget presentation and stated all their information was on their website, in addition to all the press releases they put out. He noted that whenever he signs a contract with a department head that too is provided to the media annually. Council President Wood assured the Mayor that Council does not have an issue that his staff is not good at what they do, but explained that when Council hears concerns from the public on what people are doing and making for a salary they have to ask the question. And regarding the press releases, she stated that not all of the residents read the media when he provides press releases. Council President Wood then reiterated an article in the media on the pay increases of his staff that stated they received between 9%-11%, not the 2% he just mentioned.

Council Member Spitzley stepped away from the meeting at 5:24 p.m.

Council President Wood stated, as it pertains to the presentation, the public uses the budget presentations to get information and retain what they are finding out annually.

Mayor Schor acknowledged that department heads got a 2.75% increase if they have been here, and any of the new directors in 2018 that he had asked to come in at a lower pay, all got a 4% increase. Council Member Washington noted she still had an issue with some positions, noting she believed they do a good job and no one ever said they didn't, but in her opinion it was inappropriate for churches to take tax payer dollars for a Faith Family night and they need to do their own outreach without tax dollars, because to her it was a fundamental issue to pay an employee to reach out to the churches.

Council Member Dunbar spoke in support of the Mayor's outreach to the community with the press releases.

Council Member Spitzley returned to the meeting at 5:28 p.m.

Council Member Dunbar also supported the faith based community, and stated the City could not do everything without them.

Council Member Spitzley stepped away from the meeting at 5:29 p.m.

Council Member Dunbar then provided examples of their assistance, noting the Mayor's offices does not provide funds into the faith community, but a person that coordinates.

Council Member Spitzley returned to the meeting at 5:30 p.m.

Council Member Hussain referred to a press release and article in the paper earlier in the year that listed the increases in the Mayor's staff, and Council Member Garza added that the inquiry from Council is so that the public has the correct information. Mayor Schor provided more details on what his staff does. Council President Wood referred the Mayor to the article in the Lansing State Journal on January 16, 2019 which provided the Mayor's staff's increases and percentage noted earlier at 9%- 11%.

Community Media

Mr. Cochran announced the used of the new equipment, a focus on accessibility with closed captions on everything production, and on track with their three (3) year plan. In the next fiscal year they intend to have live captioning for all Council meetings. Council Member Washington referred to the Temporary Help line item which went from \$105,000 to \$10,000. Mr. Cochran admitted they have spoken for years on turning all those positions into part time and that is now occurring. Mr. Cochran also noted, for the upgrades, there are headsets for the public to use if they are hard of hearing. Council Member Dunbar asked if closed captioning was requested on the replay, and Mr. Cochran stated their goal is to have closed captioning on the live broadcast and they are working with the website on providing that in the future. Until that time they have someone typing it in on the replays. Council Member Spadafore asked Ms. Bennett to explain the difference between fringe benefits and fixed variable. Ms. Bennett stated there are two (2) categories and the fixed is related to legacy cost and for an active employee their pensions and retiree health care.

Council President Wood asked Mr. Cochran if in 2019 the contract employees will all migrate to part time.

Council Member Spadafore stepped away from the meeting at 5:48 p.m.

She then referred to the projected budget for yearend which was projected at \$120,000 but it was budgeted at \$250,000. Mr. Cochran confirmed the transition is in process, and why there is not a large impact. They intend to be completed by year end, and because of the video production business most are contracted with multiple jobs going at once.

Council Member Spadafore returned to the meeting at 5:49 p.m.

Council President Wood then spoke about complaints of the live showing of Council meetings where there is no sound from the meeting, but instead music. Mr. Cochran explained that they have figured out there are some settings that were set in "language translation" that tuned it to the radio instead of the meeting. It should all be fixed now. Lastly, Council President Wood asked for Council Members photos to be uploaded onto the local channel with their Committee assignments as well.

Downtown Lansing, Inc.

Ms. Harkins informed the Committee that late 2018 and early 2019 the Silver Bells in the City event moved to LEPFA and as part of the transition the DLI Director took a position with LEPFA. The DLI is currently searching for a new director and Mr. Anderton is currently assisting with the management of the office. The DLI goal is to increase capacity after 5 pm in the area and create community. Council Member Spadafore acknowledged their new focus and asked how many FT employees were in the DLI. Ms. Bennett stated there are six (6) staff

members, but she was not sure how many were FT. He then asked why the budget is different year to year, and Ms. Bennett stated it is the effect of the change in coordination of Silver Bells, along with changes in revenue and expenditures with promotions. Lastly, it was noted this was the last year of the way-finding sign project, so that expense would drop off. Council Member Spitzley inquired into the discrepancies in the adopted and year end budget. Ms. Bennett confirmed it happens often because the projection is offset by revenues, which has to do with the promotional activities and if they raise more money than they projected. Council Member Hussain asked about organization expenditure line increase from \$21,100 this year to \$35,470 proposed. Ms. Bennett did not have the answer and would find out. Council Member Dunbar asked where the grant income was allocated to, and Ms. Bennett confirmed it went towards wayfinding signs. She then was asked if the special assessment was for dues and Ms. Bennett confirmed along with confirming that the operating transfer –general fund was for subsidy. Council Member Dunbar asked if other groups such as REO Town, Old Town and the Michigan and Saginaw Corridor’s got subsidies. Ms. Bennett stated they do not because they are private, and Council President Wood then asked if any of those groups were getting subsidies from the general fund and Ms. Bennett was not able to answer.

Council Member Spitzley stepped away from the meeting at 6:04 p.m.

Council Member Dunbar asked why DLI was different then Old Town and REO Town, and wanted clarification on the Main Street designation. Mr. Dorshimer stated the only areas designated as Main Street certified are downtown and Old Town. Mr. Spadafore noted that in the public act that authorizes principal shopping districts, REO Town is not part of that like the DLI is. They are allowed to give subsidies to DLI because they are in the Principal Shopping District. Council Member Washington recalled that last year during this presentation she asked why and when the DLI was going to be self-sufficient was told the council should want to invest in the downtown, therefore she then stated she hoped the other areas in the principal shopping district will be working to make changes.

Council Member Spitzley returned to the meeting at 6:09 p.m.

Council Member Spadafore asked for the timeline on filling the director position and was told by Ms Harkins that the hope was to get it posted this week.

Council Member Washington stepped away from the meeting at 6:10 p.m.

Council President Wood asked if there was any fund balance in the DLI. Ms. Bennett referred them to page of 33 of the line item, and stated a projected \$38,000 at the end of year. Council President Wood then inquired into why if there is a fund balance they are still asking for a subsidy of \$93,000. Ms. Bennett stated the balance is from unanticipated events. Council President Wood then asked if they are considering changing the special assessment, and Ms. Bennett stated it was changed 1-2 years ago, which resulted in an increase of PSD District A. This was confirmed by Mr. Anderton that it was a 3% increase and will expire in 1-2 years.

Council Member Washington returned to the meeting at 6:12 p.m.

Lansing Economic Development Council (LEDC/LEAP)

Council Member Dunbar stepped away from the meeting at 6:13 p.m.

Mr. Dorshimer went through his presentation.

Council Member Dunbar returned to the meeting at 6:14 p.m.

Council Member Garza asked if there are any projects in the opportunity zone in South Lansing. Mr. Dorshimer confirmed and also spoke on the façade improvement program in the area. Council Member Hussain asked if they were marketing Lansing. Mr. Dorshimer confirmed they are marketing the opportunity zone, and it is another tool to get people interested and invested in the area. Mr. Dorshimer and Committee spoke on specific locations. Council Member Washington asked how many people take advantage of the opportunities and “tools” that LEAP offers. She also noted she heard the EDS site was going to be a medical marijuana processing site, and Mr. Dorshimer denied that business stating they meet with those sellers and potential buyers and they are a self storage business, and the build out of the site is almost complete on self storage. Mr. Klein referred the Committee to their recent webpage www.purelansing.com/opportunityzones. During the next discussion on brownfields and funds awarded to developers for brownfields, Mr. Dorshimer explained that in order to earn the ability to get reimbursed from the brownfield, the project has to be completed per development agreement. If they want to assign to the new buyer they need approval from the Brownfield Authority to do it. Council Member Spitzley asked if there were any incentives for marijuana businesses, and Mr. Dorshimer says the development agreement for the brownfield says when, what and what happens if not.

Council Member Garza stepped away from the meeting at 6:37 p.m.

These are currently CDA – Comprehensive Development Agreement. Mr. Smiertka said that in the development plan and reimbursement agreements the language is the strength.

Council Member Garza returned to the meeting at 6:39 p.m.

Mr. Dorshimer continued with his budget presentation.

Council Member Spadafore asked for the number of projects have been offered brownfields and was told going back 20 years there have been 75, but some are no longer active, some never took place and some are active. Mr. Dorshimer stated he would get the list.

The presentation moved onto a list of projects, the requested budget, and the \$175,000 in façade improvement program budget.

Council Member Dunbar referred to the line item for 2018/2019 expenses and the \$5,132,268 which is the same in revenue. She noted that in 2017 the expenses were lower, and asked if that was the year there were more that came back as reimbursements. Mr. Klein stated they capture year to year and it depends on what comes on line. Not all items are strictly tax capture, but he would get that information back to the Committee.

Lansing Entertainment Public Facilities Authority (LEPFA)

Mr. Keith went through the presentation the Committee had in front of them and in the packet. Highlighted were items such as the progress at Groesbeck Golf Course, updates at the Lansing Center, Cooley Law School Stadium highlights, budget increases for labor and utilities, and CIP items that cannot wait, such as the balcony repair at the Lansing Center, along with the AC tower. Council Member Spadafore asked if the Lansing Center was receiving any other funds, and Mr. Keith stated they are capped at \$400,000 in regional funds. Council Member Washington spoke in support of the progress of the Lansing Center and supported a regional approach. Council Member Hussain asked if they had any progress on a corporate sponsor for the Lansing Center and was told that they have been talking to 4-5 groups and tracking all media mentions of the Lansing Center for potential naming rights partners. Council Member Hussain then asked about naming rights for the Stadium and was informed by Mr. Keith that they are also working on successor agreement options, and have

current options to take over if the first options do not succeed. Council President Wood pointed out that this budget does not have any subsidy for the City Market, however since the court case is still pending and the tenants are still in there, there should be expenses and so asked where the funds to pay those were coming from. Mr. Keith acknowledged they were coming from the LEPFA reserves. They have been in discussions with Ms. Bennett so they will happen and when the last tenant is out they will turn the keys over to the City. Council President Wood asked if they have had discussions in leasing it for event. Mr. Keith acknowledged that currently there is a challenge because of parking and the construction work of the Rotary Park. Council President Wood asked Ms. Harkins where things were in the progress and Ms. Harkins could not speak to specifics until it is fully resolved in the courts. Mr. Smiertka informed them that the Court of Appeals upheld the Circuit Court decision, upheld the termination of the current lease, and so the plaintiff/tenant has 42 days from the decision to appeal to the Michigan Supreme Court. During that 42 day time line, the current lease stays. Council President Wood referenced questions from Mr. Alexander the Committee had gotten earlier in March and responses by Mr. Keith. (Ms. Boak emailed the questions and the responses to the Committee again at 8:18 p.m.) There was then a brief discussion on the recent LEPFA survey, branding option and how to address critical points.

Council President Wood stated she had more questions, but due to the timing she would forward those to Mr. Keith at a later date.

City Clerk

Council President Wood moved the City Clerk presentation to May 13, 2019.

Discussion/Action

RESOLUTION –CDBG Annual Action Plan for FY2019/2020

Mr. Kulhanek acknowledged that they had the numbers from HUD, but have not done the resolution for passage. He was aware that the HOME funds decreased by \$87,670, the CDBG funds went up \$1,600 along with the ESG by \$2,600.00. Council President Wood stated to Mr. Kulhanek that she was aware that the 2018 Amendment was not passed yet, and therefore the 2019 could not be done. Mr. Kulhanek confirmed that the 2018 does factor into it, and they cannot submit the action plan until the amendment is complete and that public comment period is open until this Friday.

DISCUSSION- Red Cedar Floodplain Remapping Special Assessment-Public Hearing **(Committee set hearing for May 13, 2019 on April 15, 2019)**

Council President Wood reminded the Committee that they already took action in this Committee to set the public hearing for May 13th. She went on to explain that at the monthly meeting with the Mayor, some Council Members discussed the effect the assessment will have with the residents. At that time, she continued, the Administration suggest that maybe the CDBG funds could be used for those residents. Since that time Council has been informed from Economic Development that the CDBG could not be used.

Ms. Oberlin went through the presentation she offered, highlighting the area on the maps, which currently reflects that it is 3' too high. The goal of this project is to remap the area to correct the map to reflect the actual area. As an example she stated if there is a house valued at \$50,000 the flood insurance cost would be equal to their mortgage. Ms. Oberlin then went on to highlight the area, noting that until the work is done, by the core of engineers, they will not know the exact cost because this could be resolved by only going as far east as Meridian Township, but they could have to go as far as Webberville. The last slide in the presentation did a breakdown of the costs, with 50% being publically funded in conjunction with MSU, LBWL and the other 50% by property owners and the City of Lansing. The cost for the City would only be the cost for the parcels in the City, however depending on where the engineers

determine it needs to remapped, if it goes to Webberville the cost could be \$363,000 if it is closer it could be \$90,000. Council Member Spadafore asked other Council Members to consider finding funds from other sources to cover the cost of the residents. Council Member Spitzley asked what the percentage of residents in that area, and was told in Urbandale it would be about 20%, less in the Baker neighborhood. Council Member Spitzley spoke in support of finding funds to assist the residents with the onetime assessment. Mr. Kulhanek explained why CDBG funds could not be used, clarifying that the funds have to be used for public improvements such as “brick and mortar” items, streets, sewer and water lines not the mapping of a flood plain. Council Member Washington also spoke in support of finding the funds to assist the residents. Council President Wood asked the Administration and Law, if to move forward, the hearing has to be held on May 13th with passage on May 20th so it can make the tax roll for Summer 2019, can the hearing be held for the commercial properties only since Council is considering removing the residential, or does the roll for the hearing have to have the residential piece in it. Ms. Harkins stated that under the Special Assessment Statute, everyone in the flood plain district has to be assessed, they cannot pull individual outs. Mr. Smiertka stated he would look into it. Council President Wood then asked them two questions; do all the affected properties have to be assessed or can they differentiate some out, and secondly if they are setting the public hearing, does the roll have to list all the residential. Mr. Smiertka answered that they can set the hearing and list all, but before the final action they can pull parcels out. The notice that gets sent out will say the assessment roll is under consideration by Council and no final decision would be made until the vote. Council President Wood asked Ms. Oberlin if there is an option to do it or not do it, and Ms. Oberlin said the option is to correct the map and whether to do a special assessment or not.

RESOLUTION – Supplemental Appropriation; Revenue from the sale of the Townsend Parking Ramp

Ms. Bennett recapped for the Committee the sale of the Townsend Ramp to the State of Michigan and the \$18 million in proceeds. After paying the outstanding bond debt with \$12,027,825, \$900,000 into the parking fund to offset past parking arrearages they were left with \$5,053,045. This resolution would appropriate \$1,952,000 to multiple Capital Projects and \$930,000 to the Fleet fund, still leaving \$2,171,045 unappropriated.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE SUPPLEMENTAL APPROPRIATION OF THE REVENUE FROM THE SALE OF THE TOWNSEND PARKING RAMP. MOTION CARRIED 7-0.

Council President Wood noted this resolution would be on the May 13, 2019 Council agenda so the Committee can review the distribution before that night when it would be up for a final vote.

Other

RESOLUTION – Pave the Way Grant (late item)

Ms. Harkins noted that in 2018 the City received a grant for Federal Funds obligated in the amount of \$39,400 for the Paving the Way project which highlighted the historical project of I-496 and its impact on the City. Recently an Executive Director was hired for the project and the Mayor’s office realized that the grant funds from the award had never been formally appropriated and grant acceptance. Council Member Washington asked Ms. Harkins what the end product of the project would be. Ms. Harkins could not confirm directly, however stated her belief it would be visual panels throughout the community, tours and interactive events. She stated she could bring back further details. Council Member Spitzley asked who would be administering it, and was told by Ms. Harkins that Marilyn Plummer in the Mayor’s office has been working on the grant, and with the new Director and Historical Society. She added that the grant would be \$51,900 and she was not sure if the Historical Society would be

supplementing any funds. Council Member Spitzley asked if the City would be supplementing the Directors pay, and Ms. Harkins confirmed they would not. Council Member Spadafore referred the Committee to the agreement which outlined the Statement of Work. Ms. Harkins stated the Historical Society will provide the match; which noted in the document is \$12,500. Council President Wood asked why it was submitted "Late" and asked what the urgency was. Ms. Harkins confirmed the Executive Director was hired and the funds were not appropriated, which they did not realize had not been done.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE PAVE THE WAY GRANT APPROPRIATION. MOTION CARRIED 7-0.

ADJOURN

The meeting was adjourned at 7:57 p.m.

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

Approved by the Committee on May 6, 2019