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MINUTES
Committee of the Whole
Monday, May 6, 2019 @ 5:30 p.m.
Tony Benavides Lansing City Council Chambers

CALL TO ORDER

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

PRESENT

Councilmember Kathie Dunbar- arrived at 5:49 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley-excused
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Jim Smiertka, City Attorney
Mayor Schor
Samantha Harkins, Mayor
Angela Bennett, Finance Director
Judy Kehler, Treasurer
Eric Brewer, Council Internal Auditor
Bryanna McGarry
Linda Sanchez-Gazella
Tony and Carmen Benavides
Lorenzo Lopez
Benavides Family

Special Presentation –

Tony Benavides City Council Chamber Dedication & Recognition

Comments to the Benavides family by Council Members, Mayor Schor, and family members. Mayor Schor presented a proclamation and announced it was Mayor Benavides Day. Council President Wood acknowledged Mayor Benavides and his role in the City government in addition to recognizing his family for their support. Council Member Jackson acknowledged Mayor Benavides for the establishment of the Youth Advisory Council. Council Member Garza and Hussain acknowledge Mayor Benavides for his role in their Wards, and Council Member Spadafore acknowledged for Mayor Benavides role in the community. Council Member

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Washington acknowledged Mayor Benavides for the role he played in her life, and the team work that was done to make this renaming happen. The public and Committee moved to the Council lobby for the room reveal renaming.

Roll Call

Public Comment

Ms. Stanaway asked Council to focus on the wants of the residents, noting one point of focus are the roads and public safety.

Minutes

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE APRIL 29, 2019 MINUTES AS PRESENTED. MOTION CARRIED 7-0.

Discussion/Action:

RESOLUTION- Appointment; Bryanna McGarry; At-Large Member Medical Marihuana Commission; Term to Expire November 27, 2022

Ms. McGarry introduced herself, outlined her residency in the 2nd Ward and her excitement to serve on this Board. As she noted her career is with the Michigan Senate Democrats and on the Health and Human Service Advisory on Public Policy. Council Member Garza introduced himself as the 2nd Ward Council Member and asked if she had any stake in the medical marihuana business and she confirmed she did not. Ms. Harkins confirmed Ms. McGarry was filling a vacancy on the Board.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF BRYANNA MCGARRY AS AN AT LARGE MEMBER TO THE MEDICAL MARIHUANA COMMISSION. MOTION CARRIED 7-0.

Presentation

Department Budget Presentations

Finance

Ms. Bennett presented the finance department overview which included the breakdown of the department with three divisions, outlined what department is responsible for. There was then a breakdown on property taxes and the millages for Ingham, Eaton and Clinton Counties. Council Member Spadafore questioned the number she used for the Lansing School District noting it was high. Council President Wood asked where the zoo and park millages were in her example and Ms. Bennett stated she can combined them in the City and County line items. Ms. Bennet moved onto her presentation and income tax administration. Council President Wood asked how the department addresses developments and builders to make sure their employees are paying City income tax. Ms. Bennett answered that sometimes it falls under the conditions of a development agreement, but they also work with assessing on commercial property changes overs, and they also visit the development sites. Regarding the medical marihuana businesses, they work with the Clerk's office as part of the licensing. Any City staff in Treasury can be delegated to visit the properties, and Ms. Kehler was introduced and outlined how Treasury investigates by looking at the withholding, cross check and look at corporate returns. They do desk audits but do not audit business payrolls. She continued that they work with the State tape returns, and cross it with local income tax program. She assured the Committee that they do different methodologies. Regarding building permits, Ms. Kehler could not confirm if they use that as a cross reference but she would look into it.

Council Member Jackson asked about special assessment timelines. Ms. Bennett outlined the process for collecting with nuisance fess billed immediately and those unpaid are added to the tax roll. If there is a valid claim, uncontested and not resolved and already billed, it will be

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refunded. Council Member Jackson asked for more time before it is added to the tax bill. Council Member Spadafore added that his understanding is that they are billed a long time before it comes to Council, and Council Member Dunbar added that if it is a special assessment they are not on the roll immediately. Council Member Jackson again asked for longer time

Council Member Hussain asked when the two positions in Treasury Income Tax division would be filled. Ms. Bennett stated one was a part time position being changed to full time, and the other is being proposed in the upcoming budget Council is reviewing now. Those were filled, however had turn over since that time. Council Member Hussain then asked for the number of arrests for income tax, and Mr. Smiertka stated that would be addressed in his presentation. Ms. Bennett did clarify that the East Lansing income tax did not go into effect until January 2019. Ms. Kehler assured the Committee that since she started a few weeks ago, she has spoken to her staff on tax expectations, liabilities and explained the components and in the future hopes to have an educational piece for the public to better understand the components.

Council Member Washington stated the FHT stated the City needed to do a multi-year budget and asked Ms. Bennett and the Administration when they expect that. Ms. Bennett confirmed they are talking about total budget with the Mayor's office and looking at incorporating it in the next budget, more of a 3 year outlook. There were brief comments by Council Member Dunbar in support of a multi-year budget and Council Member Jackson.

Ms. Harkins stepped away from the meeting at 6:42 p.m.

Council President Wood pointed out that Council has worked on this in the past and went through trainings with the FHT and Administration, and Mayor Schor accepted to continue working on it with the FHT, so it only makes sense to continue the progress that had already been made. Council Member Washington spoke in support of a 5 year budget outlook, noting her understanding that some departments are already doing that.

Ms. Bennett then updated the Committee on the recent bond sales, noting the City had \$2.6 million in savings on the TIFA, and 2 weeks before that was a bond sale of Building America Bonds and there was a \$2.5 million in savings.

Council Member Hussain asked what input the Administration got from the Mayor's public budget forums and what they took from that and put in this proposed budget.

Ms. Harkins returned to the meeting at 6:48 p.m.

Ms. Bennett confirmed a focus on public safety, neighborhoods and infrastructure. Council Member Washington confirmed she attended and in her opinion they were not taken seriously. Council Member Hussain added that he heard that people who attended expected more of a candid conversation on how tax dollars are spent and how they planned to move forward. He suggested in the future the Administration should note what came from the meetings, and if it was tangible.

Ms. Bennett concluded her presentation noting no staffing changes, and changes to priority based budgeting.

Council Member Spadafore supported the public forums and the number of residents that participated. He then asked about the financial system upgrade and how the systems don't talk to each other, therefore asking if there is an efficiency in looking at it. He also referenced

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emails he had gotten on the process in Treasury, and Ms. Kehler asked him to forward those emails to her to address.

Council President Wood asked how many cases were in the tax tribunal and what the liability was. Ms. Bennett did not have a number but in her opinion there were no major cases.

Council President Wood then asked how many vacancies there were, and Ms. Bennett provided the list of two (2) in Accounting/Budget, three (3) in Assessing, and seven (7) in Treasury. She admitted they are struggling with filling the income tax auditor positions and an appraiser. Ms. Kehler stated she has started to network and does not see an issue with filling positions, and will fill the positions to be in the best interest of the City. Council President Wood asked why the Treasurer Miscellaneous went from \$37,000 to \$70,000. Ms. Bennett confirmed the FY18 actuals were in line with the FY19 projection, and so the new amount is more in line with actual spending. Council President Wood asked to look into what was in the actual line item. She then recapped what was stated an error in Finance and the IT budget with HR items for technology. Ms. Harkins stated the money in the appropriation resolution is for the HR software. Ms. Bennett stated the HR line item was not for software but the staffing for contractual help along with a payroll systems upgrade.

City Attorney

Mr. Smiertka went through his presentation, and this included the overall responsibilities and his current organizational chart.

Council Member Jackson stepped away from the meeting at 7:13 p.m.

Mr. Smiertka then went on to speak about the one vacant position, stating he is evaluating on if to fill it or not. Council President Wood asked if that position was still funded in the proposed budget, and Mr. Smiertka confirmed it was. He then continued with his presentation.

Council Member Jackson returned to the meeting at 7:17 p.m.

Council President Wood asked how many cases handled by outside counsel, and Mr. Smiertka confirmed there were five (5) outside counsel, and all other cases are addressed by the City Attorney. The next slide noted the income tax cases, and Council President Wood asked how many of those were warrant cases and Mr. Smiertka those were the cases/warrants in the system.

Mr. Smiertka then spoke about the department's new initiative to study the number City man hours and costs that are being spent on the medical marijuana process. Council Member Dunbar asked if those hours could increase the fee, and Mr. Smiertka confirmed that the statute is capped at \$5,000.

Council Member Garza stepped away from the meeting at 7:24 p.m.

Mr. Smiertka continued that when the ordinance was drafted they estimated a fee to justify, and did not come up with a rough estimate close to justify \$5,000, however it did not take long to see it was going to exceed. He then introduced another initiative the office was examining which was the process of citizen complaints.

Council Member Garza returned to the meeting.

Lastly, it was noted the OCA agreed to have a person half the time for the Council Legislative Attorney.

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Council Member Washington asked what the office was doing to propose funds into their budget to pay their attorney's more to keep up with the market, and Mr. Smiertka stated they have submitted the positions to HR for reclassification.

City Council

Mr. Brewer went through his presentation on the City Council budget.

Council Member Washington stepped away from the meeting at 7:32 p.m.

This included an overview of the Council's role and their performance measures.

Council Member Washington returned to the meeting at 7:34 p.m.

Mr. Brewer then referred to the slide on the proposed budget that Council Leadership and the Committee on Ways and Means approved and was submitted to the Mayor in which they were creating a Legislative Analyst Position at \$122,957 with salary, fringe and insurance. Council President Wood confirmed that after review with leadership and Ways and Means it was felt that there was a need for additional support. The next slide was the Mayor's proposal which reflected what the Mayor proposed, and the Committee asked the Administration why it was different they what they wanted. Ms. Harkins stated their office had conversations with Finance and the City Attorney and determined since OCA had a vacancy it seemed more costs effective to utilize a position in that office. Council President Wood reminded Ms. Harkins and Ms. Bennett that in the City Attorney Budget presentation earlier Mr. Smiertka stated the vacant position in his office was under review and he was not sure if he was going to even fill it. Mr. Smiertka noted that when he was approached he was under the impression Council was looking for only 50% of his legal staff to help in their position.

Council Member Jackson stepped away from the meeting at 7:43 p.m.

Council Member Washington stated to the Administration that Council was not asking for an attorney, they are looking for a legislative assistant. Council President Wood pointed out again to Ms. Harkins that she just stated the Administration and Finance spoke to Law about open position, and Ms. Harkins confirmed and added that in trying to secure Council the support position they wanted, they decided to look within the City offices for it. Council Member Spadafore confirmed he had spoken to the Administration telling them Council did not need an attorney, but someone to do work, and it did make sense for the person to be part of the City's legal team.

Council Member Jackson returned to the meeting at 7:45 p.m.

Council Member Spadafore continued by stating that he was surprised earlier to hear the position was going to be an attorney and he was looking for FT that was funded to do work for Council. Council Member Washington supported a Council FT position. Council President Wood pointed out that Council made a decision in the past to cut this position when it was a financial issue and employees were being furloughed, and at that time it was not an Administration decision. Therefore when the Council put together their budget to add the position back in there should have been discussion with Council before they pulled the position. Council Member Hussain pointed out to the Administration that it is evident in the proposed budget that other departments are asking for new positions and are funded, so he questioned why when Council asked for one position the Administration did not give it consideration.

Internal Auditor

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Mr. Brewer went through the auditor presentation portion. He noted there were no material changes in this budget from when Ways and Means approved, nor in the Mayor's proposal. No Questions from Committee.

Other

Council President Wood referenced a late item from Law on an ordinance to readopt the recodification of ordinances. She noted this would become part of the budget resolution this year and in the future, so it will not need to be considered separately annually. Mr. Smiertka explained that the Charter requires every regulatory ordinance sunset after 10 years, and this process of readopting all codified ordinance will change the expiration date annually.

MOTION BY COUNCIL MEMBER SPADAFORE TO INTRODUCE AND SET THE PUBLIC HEARING MAY 20TH FOR THE ORDINANCE TO READOPTED THE CODIFIED ORDINANCES. MOTION CARRIED 7-0.

Council President Wood stated that on May 20th they will also adopt for immediate effect.

Council Member Garza referred back to the Committee questions from the April 29th meeting where they asked for a list of department heads and mayoral staff positions and salaries and were still waiting for that. Ms. Bennett stated that HR was still compiling and Ms. Bennett added they were close to having the information on May 3rd. Ms. Harkins stated she could get the breakdown for the Mayor's office.

{Closed Session}

MOTION BY COUNCIL MEMBER SPADAFORE TO GO INTO CLOSED AT 7:57 P.M. FOR: Pursuant to MCL 15.268(e); Consult with the City Attorney in connection with the following specific pending litigation. An open meeting will have a detrimental financial effect on the litigating or settlement position of the Lansing City Council concerning:

Ray v. City of Lansing; Ingham County Circuit Court
City of Lansing v. Starr Indemnity & Liability Company

ROLL CALL VOTE 7-0.

{Reconvene- at 8:35 p.m.}

ADJOURN

The meeting was adjourned at 8:36 p.m.

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

Approved by the Committee on May 13, 2019