CALL TO ORDER
Council President Spadafore called the meeting to order at 5:00 p.m.

PRESENT - via audio/video
Councilmember Peter Spadafore
Councilmember Adam Hussain
Councilmember Carol Wood
Councilmember Patricia Spitzley
Councilmember Kathie Dunbar
Councilmember Brandon Betz
Councilmember Jeremy Garza
Councilmember Brian T. Jackson

MEMBERS PRESENT - via audio/video
Sherrie Boak, Council Staff
Mayor Schor
Jim Smiertka, City Attorney
Samantha Harkins, Deputy Mayor
Shelbi Frayer, Chief Strategy Officer
Jack Brower, Budget Director
Lisa Hagen, Assistant City Attorney
Andy Kilpatrick, Public Service Director
Judy Kehler, Treasurer
Chris Mumby, IT Director
Patrick Lindemann, Drain Commissioner
Cheryl Nodarse, Vlahakis Cole Law Firm
Paul Pratt, Vlahakis Cole Law Firm
Alexis Cole, Ingham County
Michael MacColemen
Dennis Louney
Jim Keifer, Bond Counsel
Brett Kaschinske, Parks & Recreation Director
Council President Spadafore amended the agenda to remove item B & C.

**Minutes**
MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE MINUTES FROM MAY 4, 2020 AS PRESENTED. ROLL CALL VOTE 8-0.

**Public Comment**
Mr. MacColeman spoke in opposition to the Montgomery Drain assessment and wanted tabled discussion until there can be public comment at a live meeting.

**Presentations**
Montgomery Drain Assessment Presentation – Ingham County Drain Commissioner
Council Member Wood asked about asking questions during this time, and Council President Spadafore went through the process of a presentation from Finance, bond counsel and then the Drain Commissioner. Mr. Kiefer noted the project has been going on for a while and in 2018 the percentages were allocated, with the City allocation at 64% cost of the project. He noted that the project cost is at $38-$39 million, and the bids could come in at $22.3 million. The 30 year bonds will be issued for the project, and the City will share the debt service with exact amount in the final bond. The proposal in the budget is half of the cost on an annual basis with the effected properties and the other half is a City wide property tax. Regarding areas where there is supplemental benefits, such as the Frandor area and the Red Cedar development. Regarding the Red Cedar, that would be 100% assessed and paid by the developer. Council Member Wood asked what the figures would be. Mr. Kiefer said if the final amount assessed is $1,200,000 then $560,000 would be split both ways. Mr. Lefler added that it would be $560,000 across the entire City, using the 2019 taxable value, assuming 2.6 mills based on the growth in Ingham County. Council Member Wood asked what that would equate to for a home that is valued at $100,000 property that would equate to. Mr. Lefler stated it would be about $26 per year with a home value of $100,000.

Mr. Kilpatrick shared the map that was sent earlier outlining the boundaries of the drain and included in the packet and went through key points.
Storm Sewer Maintenance

- General Fund accounts, $1.1 million in FY ’20 budget
- County drain assessments paid from these accounts
- Separate “Drains” account started 2014 at $150k, increased to $200k (2015) and $400k (2020)
- FY ’19 - assessments of $374k Ingham County drains, $150 Eaton County drains
- Of the 20 Ingham County drains assessed in 2020, Groesbeck Park highest at $62k, average is $12,600.

Montgomery Drain

Timeline

- Established in 1906 and extended in 1954 and 1978
- Service area includes Lansing, East Lansing and Lansing Township
- April 2014 - City of Lansing petitioned for improvements (resolution 2014-106)
- May 2014 - Ingham County Board of Commissioners approved a petition
- June/July 2014 - Montgomery Drain board received the positions and issues a final order of determination
- November/December 2018 – plans, costs and apportionments approved
- 2020 – Project bidding

Project

- Estimated construction cost of $35 million
- Apportionments: 64% City of Lansing, 14% Lansing Township, 10% MDOT, 7% City of East Lansing, 5% Ingham County Road Department
- Total City of Lansing cost is approximately $22 million, or $1.37 million per year for 30 years
- Lansing portion is 207 acres with 183 parcels (125 residential, 55 commercial, 3 park land)

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Note: Maintenance assessments begin 5th year post construction

Council Member Spitzley asked Mr. Kilpatrick about the construction cost and if those will be assessed. Mr. Kilpatrick stated the construction cost is outside the drain area, and the sanitary work is paid for by the sanitary sewer fund and any road work is paid by ACT 51 funding. Council Member Spitzley asked if the storm and sanitary is separated and Mr. Kilpatrick stated he had not sent to Ms. Kehler at this time, but the plan is to do all the work at the same time. Council Member Wood asked the OCA what the City legal rights were on the assessment and asked the Administration if the intent was to start collecting the revenue July 1, 2020 or the winter 2020 taxes, or when the project is completed. Mr. Smiertka confirmed they have vetted this issue, and it has been litigated, modified and explained. They confirmed they have also been in discussions with Dykema and in this case they are dealing with a special assessment benefiting properties, and it meets all guidelines. Mr. Kiefer confirmed that the opinion provided to the City is that they do not require a vote of the public. Council Member Wood asked if the citizens still have the right to petition to put it on a ballot. Mr. Smiertka confirmed someone would have to create an initiative to put on the ballot. Council Member Wood asked again when it would appear on the taxes. Mr. Kiefer stated that the plan is the December 2020 taxes. Council Member Wood asked if a lawsuit was filed in the City or
the other townships, would the City continue to collect. Mr. Smiertka stated it would be addressed at the time unless there was an injunction. Council Member Spitzley asked Mayor Schor if his office was doing any outreach programs or notification in advance. Mayor Schor stated they do not have plans, but could. Council President Spadafore asked if there were speculations on what benefits to the property owners the special assessment will provide. Mayor Schor referred the question to the Bond counsel, and Council President Spadafore confirmed he had the spreadsheet breakdown. Council Member Wood recalled obtaining a spreadsheet at an earlier meeting with a list of the effect properties and asked for it again because those figures will be part of the budget they are going to adopt. Ms. Frayer stated that Mr. Brower can go through the budget line item for her, but the GF does not support this assessment. Council Member Hussain referred Mr. Kilpatrick back to the document he outlined earlier in the meeting, and asked if the CSO would be paid for from the sewer fund, and if the roads from the ACT 51 dollars and Mr. Kilpatrick confirmed.

Mr. Lindemann presented to the Committee the history of the project, the research done, evaluations and other grant funding that will assist. Council Member Wood asked if the work on the trails in Rainey Park is part of the assessment funds. Mr. Lindemann stated the drain fund will pay for that because they are constructing them for large equipment travel. Council Member Wood asked if with the changes in the economy right now, if they are seeing lower numbers in interest rates. Mr. Lindemann stated he believed the rates would be reasonable. Council Member Wood asked when the start date would be, and he stated they were hoping for July 1, but it could be a few weeks later. He did add they are already starting on Division 1 and Division 7. Council Member Garza asked who would maintain the trails, and Mr. Lindemann stated it would be the job of the Drain Office. Council President Spadafore concluded the discussion by noting in the budget it is half assessment and half under the millage.

MOTION BY COUNCIL MEMBER HUSSAIN TO APPROVE THE RESOLUTION FOR THE NOISE WAIVER FOR UNDERGROUND UTILITY IMPROVEMENTS ON FOREST ROAD.
Council President Spadafore explained for the public that the waiver would allow for work on Saturday starting May 16th through September at the McLaren.
Council Member Garza inquired into gravel haulers on Forest Road in the neighborhoods and Mr. Kilpatrick noted they have had discussions with the contractor.
Council Member Wood asked for an update from earlier meetings on replacement of trees that were removed in the area, because the residents believe those trees helped them obtain their scenic route designation. Mr. Kilpatrick stated he would follow up and Mr. Kaschinske come onto the meeting stating the trees were cut in the contractor’s staging area and were not significant.

ROLL CALL VOTE 8-0.

3rd Quarter General Fund Status Report and Vacancy Report
FY2020/2021 Proposed Budget w/Amendments – Discussion/Q & A
Council President Spadafore informed the Committee he could call another Committee meeting before May 18th if Council wishes.
Mr. Brower started with reviewing the 3rd Quarter report in the packet, and noted the figures represent before COVID because it ended March 31, 2020. Council Member Wood asked if the new proposed budget in the packet reflects the projections on income the City was going to receive and Mr. Brower confirmed. Mr. Brower then went through the new proposed budget in the packet dated 5/8/2020. He noted that in preparing this they met with the Departments on the impact of COVID on their services and budgets. It was noted that the Fines and Forfeitures will be impacted by the services in the Courts, the State Revenue is projected to be
down 15%, and with the GF appropriations it is amended to project a reduction in fund balance by $4.8 million. The presentation then moved to the recent submitted document in the packet from the Treasurer on COVID projections on income and revenue. This noted a 20% reduction if the Executive Order does not extend past June 1st. Council President Spadafore clarified to the Council that the reduction in the Council budget is because the original proposed budget did not reflect what Council had turned in for their budget, and Mr. Brower confirmed it has now been updated to reflect what Council wanted.

Mayor Schor then spoke on a recent signed agreement with the UAW and Teamsters 243 to utilize voluntary furloughs for those employees, until July 31, 2020. He explained that those employees would still have benefits, would not pay for their portion, and not accrue time in their leave bank. Mayor Schor stated this will also be provided to all non-bargaining employees along with his staff. His hopes are that they would have applications by the end of the week to determine how many employees will utilize it. Council Member Garza asked about layoffs, and Mayor Schor stated the Department Directors are involved and they hope the furloughs are enough, however they are hoping not to have layoffs or mandatory furloughs. Council Member Garza asked for an updated on the negotiations with the LFD, and Mayor Schor confirmed they are currently in negotiations so cannot speak to specifics.

Council Member Wood asked about the LEDC reserve reduction, and Mr. Brower confirmed the services will withstand a onetime reduction. Council Member Wood noted that part of the reason for creating the LEDC reserve fund was to pay the bond on the debt service for the parking ramps, and with parking down and free, where would that be at now. Ms. Frayer referred to the recent bond approvals, and confirmed there is a 45 day hold period on the new money before it is issued, which would be May 15th. She noted that if the rates raise, they would anticipate holding. Mr. Lefler noted there has to be a present savings, there are interest rates trending down, and the City will be in a position to continue to move forward in refund and a new parking and tax note as needed. Council Member Wood referred to the $200,000 cut from LEFPA and asked about any conversations with Mr. Keith on that impact. Ms. Frayer confirmed she had, and this cut would just be a reduction in FY 2020/2021. Council Member Spitzley asked about the status of any upcoming construction projects. Council was informed that the trail construction is ongoing. Council Member Hussain asked if the Administration considered not opening Hunter Park Pool since their proposed cuts show that not opening Moores Pool would save $20,000. Mr. Kaschinske confirmed he does not see Hunter Park Pool opening up either and that could bring a savings of $20,000. Mayor Schor stated his office could provide the specifics at the May 18th meeting. Council Member Hussain asked for details on savings to be included in the resolution. Council Member Hussain asked for the calculations on LPD, but the Mayor was not able to provide the final numbers, but confirmed they were not part of the recently proposed budget projection.

Ms. Kehler came into the meeting, and went over the income matrix spreadsheet in the packet.

Council Member Wood recommended to Council President Spadafore that the Committee schedule another meeting before Monday, May 18th. Council President Spadafore asked for any additional questions to be submitted in advance so that answers can be presented at the next meeting. He also asked Council to review the budget policies they received to review and approve on May 18th as part of the budget resolution.

RESOLUTION – Street Name Change: City Market Drive to Riverfront Drive
Pulled from agenda until a future meeting.

RESOLUTION – Introduction & Set Public Hearing: Ordinance Amendments Chapter 240
Grant Award Process for Basic Human Services
Pull from the agenda until a future meeting.
Other
Place on File – Department of Neighborhoods and Citizen Engagement Annual Report 2018-2019
No action at this time.

Adjourn
The meeting adjourned at 7:05 p.m.
Respectfully Submitted by,
Sherrie Boak, Recording Secretary,
Lansing City Council
Approved by the Committee on May 18, 2020