



Published on *East Lansing Info* (<https://eastlansinginfo.org>)

Home > Council Capsule: June 23, 2015

Council Capsule: June 23, 2015 ^[1]

Thursday, June 25, 2015, 10:26 pm

By:

Alice Dreger



Image: Project proposed for the corner of Grand River and Spartan Avenues.

Listen to Council: You can listen to an audiotape of this week's City Council meeting for yourself by clicking here ^[2], going down to the section on "City Council Work Sessions," and clicking on "audio" for the meeting of June 23, 2015. Because this was called a "work session" and not a regular meeting, it was not live-broadcast nor was it videotaped.

All present: Mayor Nathan Triplett, Mayor Pro Tem Diane Goddeeris, Councilmembers Ruth Beier, Kathy Boyle, and Susan Woods.

Notable: Ordinarily City Council discusses but does not vote on the approval of very many items during a "work session." As noted below, at this week's Council meeting, a number of items were voted on and approved during this meeting of Council. In each case, Council was told staff needed immediate approval because of deadline concerns.

Presentation on the City's large benefits debt: The City's debt is approaching \$200 million with well over \$100 million of that being due to unfunded "legacy" costs—money ultimately owed in the form of pensions and other benefits to past and current City employees. (Read more. ^[3]) Because accounting rules put out by the Government Accounting Standards Board (GASB ^[4])

have recently changed, municipalities are being forced to more openly acknowledge these types of debt and the costs associated with them. (Read more. ^[5])

At Council this week, representatives of MERS (the Municipal Employees' Retirement System) presented at Councilmember Ruth Beier's request on the City's situation. (See the presentation. ^[6]) East Lansing is in a worse position than many Michigan municipalities, with only 58% of our 'legacy costs' currently being funded. That means we only currently have enough in the system to pay for 58% of the more-than-\$100 million we owe to past and current employees.

The rest of the funding will have to start coming from somewhere, and, according to the material presented and discussed, relatively soon. This may mean additional bonds (voted and paid for by residents), raising taxes, raising fees paid to the City by citizens, and/or cutting funding for various City services to channel those funds to this debt. In the meantime, the new accounting system means that the City of East Lansing may no longer appear to be 'in the black' but will be 'in the red.' This, in turn, could affect our credit rating, which could mean that when the City borrows money, it has to pay more to do that borrowing.

The MERS representatives explained that the crash of 2008 hurt many municipalities in terms of their funding for employee benefits. Additionally, retirees are living longer than before (this matters if they receive lifetime benefits) and rates of return have not been as high as they once were. Even taking all this into account, East Lansing's position is significantly poorer than that of many Michigan cities'.

Beier tried to press to understand when and why the City fell so far behind in funding its legacy debt. Answers were not available to this line of questioning. East Lansing has a relatively 'mature' MERS plan, meaning that it is heavy in retirees, many of whom were promised good retirement packages. Current employees are receiving substantially less generous benefits packages. City Finance Director Mary Haskell called the situation 'fairly concerning.'

Budget and insurance changes: City Finance Director Mary Haskell asked Council to approve changes to the 2015 budget, totaling a change of \$4,219,640. This follows Haskell's deeper analysis of likely costs in various areas. Haskell described this as 'coming back with better numbers.' (Read the memo ^[7] and see the summary ^[8] of the changes.)

Haskell asked Council to approve these changes. Because this \$4.2 million change to the budget was happening at a Council work session, off camera and out of view of most of the public, City Manager George Lahanas asked Haskell to make the presentation again to the public at the next City Council regular meeting, scheduled for July 7. Council unanimously approved this.

Haskell also asked Council to approve a 'proposal for Insurance Coverage from July 1, 2015 to July 1, 2016 for Property, Automobile, Boiler and Machinery, Excess Liability, Crime, Public Entity, Pollution Liability, and Excess Workers Compensation Liability Package.' She said it needed immediate approval. You can read the memo ^[9] about this. Council also unanimously approved this.

Plan for Wastewater System Improvements: Carl Fedders presented and asked for immediately approval of a resolution ^[10] 'adopting a Final Project Plan for Wastewater System Improvements and designating an authorized project representative.' Fedders indicated that this

had to be immediately approved because it would allow the City to meet a deadline for an application for a low-cost loan. Council also unanimously approved this. (Read the memo ^[11].)

Mayor Nathan Triplett said that some citizens were experiencing "sticker shock" on this \$52 million project and asked City Manager Lahanas to use the City website to explain how there will be cost-sharing with Meridian Township and MSU.

Taxi agreements moving forward: City Clerk Marie Wicks and Mayor Nathan Triplett have been working with other local municipalities to develop a Municipal Partnership Agreement for a regional Taxi Authority which will create a system for licensing and regulating taxicab companies and drivers. The townships of Lansing, Delta, Delhi, and Meridian are now participating, as is MSU.

Wicks told Council that the project is going very well and said that because license renewals for taxis are due August 30, and because the moratorium on new taxi companies in the area ends August 30, City Council needed to quickly approve the amended partnership agreement ^[12]. Council unanimously approved it.

Mayor Pro Tem Diane Goddeeris raised a concern that "everything is going on behind the scenes at work sessions" of Council and asked for Wicks to provide a "Cliffs Notes version" at the next broadcast meeting of Council (July 7) so the public can hear what the taxi authority means, "why it is a step in the right direction," and "how Uber will fit into this." She said that "All this work has to be more public."

Councilmember Susan Woods asked if the taxi authority would require meters and designate what could be charged. Wicks explained meters will eventually become standard but that rates will be determined by individual companies as they wish.

Library Renovation Project update: East Lansing Public Library (ELPL) Director Kristen Shelley gave an update on renovation plans. She said that the anonymous donation of \$1.5 million to the ELPL will result in about one-third of the building being renovated. She said the floor plans and choice of an architect have been approved by the Library Board of Trustees and that it is all moving fast because the donor has asked to have it move quickly. (Read more at the ELPL's dedicated page ^[13] for this subject.)

According to Shelley, the donor requested creation of a sound-proof room and a stage and also wants exterior sidewalks fixed. Councilmember Woods asked if the construction would pose a problem for patrons. Shelley said that the ELPL would stay open during renovations and staff would work to ensure that the collections remain available, but some normal programming, like storytime and public meetings, would not be happening in the building during construction.

City Manager Lahanas praised Shelley, saying her leadership was perhaps what made the donation happen. Mayor Triplett noted that contracts for construction would be approved by the ELPL Board of Trustees, not City Council.

City Hall/Court Security Upgrades update: Council was advised on April 14 of plans for major changes to City Hall and 54B District Court for security purposes. Virtually all visitors to the combined building will, after these changes, be required to go through a metal detector and

security screening, even if they are just coming to buy trash bags or pay a tax bill. At the April 14 meeting, some members of Council expressed concern about the high costs of outside changes to parking lots, sidewalks, etc., and also raised concerns about accessibility for persons with mobility impairments.

City staff presented changes to the plans, including a plan to shave off \$45,000 from the estimated \$180,000 in exterior changes to sidewalks parking lots, etc., by skipping repaving the east side employee lot. (The cost of the interior changes will be on top of these costs.) City staff said the changes also made the system more accessible for people with disabilities.

City Manager Lahanas said the plan allows for people to visit the police cadet desk without going through security and said that Judge Andrea Larkin asked for consideration of additional changes to plans for where court staff will be housed. Staff said that these changes require more consultation with an engineer to figure out the possible changes and the likely costs. When those issues are determined, Council will be asked to approve the contracts to enact the changes.

\$281K for upgrades to parking garage lights: City staff asked City Council to approve, at a future meeting, a changed contract with Pylman Power in the amount of \$281,215 to pay for lighting changes at the Division Street parking garage and the City Center (Charles Street) parking garage. Caleb Sharrow, the new parking manager, presented this with Planning Director Tim Dempsey. The plan had been to enact these changes last year but the elevator repairs cost more than expected. The plan is to change to LED lights.

Mayor Pro Tem Diane Goddeeris asked for an estimate of savings from changing to the high-efficiency lighting. Sharrow said Carl Walker, the parking consultant for the City, estimated the savings at the Grove Street ramp (already fixed) to come to about \$835/month or a 51% savings on energy costs, and estimated that the conversion of the Division Street garage will save \$2,533/month and the conversion of the City Center garage will save \$1,982/month. In both cases of the new conversions, there will be an energy savings of about 59%. Council is expected to approve this contract issue at the July 7 meeting.

Consideration of a site plan and special use permit for a new development at Grand River Avenue and Spartan Avenue: This application is technically for the properties at 1301 and 1307 East Grand River Avenue and 116-132 Spartan Avenue and seeks to construct a 6-story mixed-use building which includes parking and commercial use on the first floor and five-floors of residential use above. The application comes from Community Resource Management (CRMC) and Joe Goodsir for CRMC.

City Planning staff Darcy Schmitt said the project will have 1500 square feet of retail space, underground parking (139 spaces; less than the code requires for a building of this size), a series of 2-4 bedroom apartments totally 172 beds, and a courtyard to protect an old oak tree and create an outdoor space for residents.

Councilmember Woods asked if the concerns raised by Robert Phipps, owner of Brookfield Plaza (next door), had been addressed. Schmitt said the applicant had been trying to talk to Phipps but that Phipps is living in Florida. Triplett noted the project has a public hearing set for July 7. Councilmember Kathy Boyle asked to learn more about heights of buildings in the area. Triplett asked how parking would work and Schmitt said parking would probably not automatically come

with apartments but would cost extra for tenants wanting to have parking.

As part of this project, Next Generation Investment Properties, LLC, is asking to rezone the properties at 116-132 Spartan Avenue from B-1, General Office Business District to B-2, Retail Sales Business District. This is also scheduled to be dealt with at the July 7 meeting of Council.

Another bank building in the Meijer parking lot: Council discussed an application for a Site Plan and Special Use Permit approved for the property at 1350 W. Lake Lansing Road to construct a one-story credit union 2,941 square feet in size with four (4) drive-thru lanes on an existing out lot. This refers to a space in the southeast corner of the Lake Lansing Road Meijer parking lot, split from the main parcel.

According to Darcy Schmitt, Lake Trust Credit Union wants to open a branch here with 4 drive-through windows and a main office. The credit union would close its location in Frandor and move those operations to this location. There would be 32 parking spaces provided for staff and patrons. Mayor Pro Tem Goddeeris asked to see the whole Meijer site plan to see how this work. She also asked if the Pinecrest Neighborhood had been notified, and Schmitt said they had been. Goddeeris raised concerns about headlights being an issue for residents nearby and asked whether berms would prevent problems. Schmitt said the berms in the area would remain as they are.

There will be a public hearing on this matter at the July 7 meeting of City Council.

Plan for new building at corner of Grand River Avenue and Bailey Street: David Krause of Stonehouse Village VI, LLC, came to Council with a Site Plan and Special Use Permit approval for the property at 565 E. Grand River Avenue to construct a five-story mixed-use building with 5,041 sq. ft. of commercial space on the first floor and a mix of one-, two-, three-, and four-bedroom apartments on the upper floors. This is a building set to replace the old (vacant) Taco Bell building and Moosejaw building.

According to Krause, City Planning staff including Tim Dempsey and Lori Mullins suggested Krause's company consider closing off one of the three lanes of Bailey Street to turn it into a public plaza, allowing a wider sidewalk and public space, because Krause is planning to build this building right up to the allowed line for the property. The property is across Grand River Avenue from the Broad Museum and Krause plans to design the building to pay tribute to the Broad and other MSU buildings in terms of materials used.

Schmitt said the total apartment count is 16 four-bedroom apartments, 8 three-bedroom, and 4 two-bedroom. A dumpster enclosure would have a green roof. Krause said it would have an uplift cupola (uninhabitable) on the top just like his company had constructed on the top of The Residences because it looks spectacular at night.

Krause said he wanted Brownfield (TIF) funding for the project so wanted guidance from Council now on what they would approve. Beier warned that she wanted a plan that ensured the building would pay its own costs for police and fire from the start. Beier said she was comfortable with taller buildings if it meant more tax revenue for the city. Triplett clarified that the TIF discussion would not be the next discussion at Council, but that there will be a public hearing on the site plan at Council's July 7 meeting.

UU Church to become sorority space: The owner of 855 Grove Street—a space being vacated [14] by the Unitarian Universalist Church—has applied for a special use permit to convert the building at 855 Grove Street for use as a Sorority with occupancy for up to 50 persons. According to City Planning staff Darcy Schmitt, the neighborhood is comfortable with a sorority but not with a fraternity. Schmitt told Council that All Saints Church next door has in preliminary discussions agreed to help out the sorority with parking and that she expects the library will do the same because times when the sorority needs more parking are unlikely to overlap with activities at All Saints and the library.

Goddeeris asked whether it is legally viable to limit the house to women (a sorority). Schmitt said that City Attorney Tom Yeadon said it could be done. Goddeeris asked if there could also be an alcohol restriction. Schmitt said Yeadon would have to weigh in. (He was not present at this meeting.) Boyle said that a house mother living on site is one reason sororities are considered less trouble. Triplett said that transition from a sorority to a fraternity would trigger the need for a new Special Use Permit application, but Goddeeris wondered if it is possible to approve a sorority without approving the use for a fraternity.

This issue is expected to come back to Council for review on August 4.

No more partying on roofs: City staff are asking Council to approve an ordinance to prohibit the use of roofs as recreational areas unless designed and constructed as such. City Manager George Lahanas said right now all the police can do is ask recreating people to get off roofs, and East Lansing Police (ELPD) want to be able to order them off roofs and arrest them if necessary. The offense would count as a misdemeanor.

According to Lahanas, the issue was run past ASMSU which had no objections. Lahanas said the City wasn't looking at this as a way to make money, just to get people off roofs to protect the roofs and the partiers. Incoming ELPD interim Chief Jeff Murphy said having this as a misdemeanor offense meant the police could do what they needed to do to get people off roofs. The hearing for this will be on August 4. Boyle strongly supported the ordinance. Beier said this needed to be discussed at a broadcast session of Council.

Other communications: There were no communications from the audience except for people who had applications as discussed above. The only Councilmember report came from Ruth Beier who said she wanted to remind her colleagues that they had all agreed to look more carefully at future TIF requests. City Manager George Lahanas said that Portland, MI, had had a tornado earlier this week and that East Lansing Fire Department had responded to help.

Reminder: You can communicate with Council in person at its weekly meetings or write to Council directly at

council@cityofeastlansing.com^[15]. You can speak or write on any issue involving the City, not only what is on the published agenda.

Related Categories:

Features ^[16]

Council Capsule ^[17]

Development and Planning ^[18]

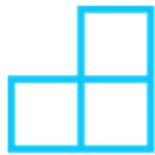
Faith Communities ^[19]

Government ^[20]

MSU ^[21]

Public Safety and Crime ^[22]

ELi is a member of INN and LION Publishers



**Institute for
Nonprofit News**



This news is brought to you by our financial supporters!

Source URL: <https://eastlansinginfo.org/content/council-capsule-june-23-2015>

Links

[1] <https://eastlansinginfo.org/content/council-capsule-june-23-2015>

[2] <http://cityofeastlansing.com/576/Agendas-Minutes-Videos>

[3] <http://www.eastlansinginfo.org/content/ask-eli-are-we-really-185-million-debt>

[4] <http://www.gasb.org/>

[5] <http://eastlansinginfo.org/content/report-reveals-insights-citys-finances>

[6] http://eastlansing.granicus.com/MetaViewer.php?view_id=2&clip_id=446&meta_id=27655

[7] http://eastlansing.granicus.com/MetaViewer.php?view_id=2&clip_id=446&meta_id=27567

[8] http://eastlansing.granicus.com/MetaViewer.php?view_id=2&clip_id=446&meta_id=27568

[9] http://eastlansing.granicus.com/MetaViewer.php?view_id=2&clip_id=446&meta_id=27570

[10] http://eastlansing.granicus.com/MetaViewer.php?view_id=2&clip_id=446&meta_id=27574

[11] http://eastlansing.granicus.com/MetaViewer.php?view_id=2&clip_id=446&meta_id=27573

[12] http://eastlansing.granicus.com/MetaViewer.php?view_id=2&clip_id=446&meta_id=27577

[13] <http://www.elpl.org/renovate>

[14] <http://eastlansinginfo.org/content/unitarian-universalist-church-likely-move-east-lansing>

[15] <mailto:council@cityofeastlansing.com>

[16] <https://eastlansinginfo.org/tags/features>

[17] <https://eastlansinginfo.org/councilcapsule>

[18] <https://eastlansinginfo.org/devplan>

[19] <https://eastlansinginfo.org/faith>

[20] <https://eastlansinginfo.org/government>

[21] <https://eastlansinginfo.org/msu>

[22] <https://eastlansinginfo.org/safety>