

Approved 1-6-16

STATE OF MICHIGAN - CITY OF ALLEN PARK

RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING MINUTES

ALLEN PARK CITY HALL

CITY COUNCIL CHAMBERS

16630 Southfield Road

Allen Park, Michigan 48101

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WEDNESDAY, DECEMBER 2, 2015

RTAB MEMBERS PRESENT:

R. Eric Cline, Department of Treasury
Patrick Dostine, Department of Treasury
Suzanne Schafer, Department of Treasury
Scott Lites
Mark Wollenweber
Kristine Barann

MEMBER ABSENT:

Frederick Frank

ALSO PRESENT:

William B. Matakas, Mayor
Mark Kibby, City Administrator
Robert Cady, Finance Director

Reported by:

Amy Shankleton-Novess (CER 0828)
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CALLED TO ORDER: 2:00 p.m.

Allen Park, Michigan

Wednesday, December 2, 2015

MS. SCHAFER: I'll call the meeting to order.

Mr. Cline, will you do roll call, please?

MR. CLINE: Certainly.

Suzanne Schafer?

MS. SCHAFER: Here.

MR. CLINE: Kris Barann?

MS. BARANN: Here.

MR. CLINE: Fred Frank has indicated he will not be here today.

Mark Wollenweber?

MR. WOLLENWEBER: Here.

MR. CLINE: Scott Lites.

MR. LITES: Here.

MR. CLINE: We have a quorum.

MS. SCHAFER: Thank you. The next item is the approval of the agenda and I believe -- Mr. Cline, help me out here. Are we amending the agenda or proposing to amend the agenda?

MR. CLINE: Proposing to amend the agenda. The city actually sent us several items to consider pulling forward, three of which staff has been able to review and has provided some information to the Board on. One of which would be a new

1 purchase of a Zamboni for the ice arena. The second one would
2 be the rebidding of the city solid waste contract; the third
3 one would be consideration of water and sewer rate increases
4 and then a fourth item which we forgot until yesterday that
5 needed to be on this agenda is setting the 2016 RTAB meeting
6 schedule which I provided a copy to you. I'd certainly like
7 to add that. Then we are projecting on keeping the same
8 schedule we are on right at the moment.

9 So, we are suggesting the Board consider adding
10 those four items.

11 MR. WOLLENWEBER: I make the motion to add them to
12 the agenda.

13 MS. BARANN: I'll support.

14 MS. SCHAFER: It's been moved and supported. All
15 those in favor of approving the agenda with the three
16 additional items --

17 MR. WOLLENWEBER: Four.

18 MS. SCHAFER: I'm sorry. Four additional items, say
19 aye.

20 MR. WOLLENWEBER: Aye.

21 MR. LITES: Aye.

22 MS. BARANN: Aye.

23 MS. SCHAFER: Opposed?

24 (No response.)

25 MS. SCHAFER: Hearing none we have approved the

1 agenda with the addition of four additional items.

2 So, moving on, the next item would be old business
3 of which we have none. I'm sorry. I want to back up a little
4 bit. I guess I've got to approve the RTAB minutes. So.

5 I'll entertain a motion to approve the RTAB minutes
6 from November 4, 2015, the regular meeting.

7 MS. BARANN: So moved.

8 MR. WOLLENWEBER: Second.

9 MS. SCHAFER: Any questions or discussions?

10 (No response.)

11 MS. SCHAFER: It's been moved and supported. All
12 those in favor of approving the RTAB minutes from the November
13 4, 2015 regular meeting say aye?

14 MR. WOLLENWEBER: Aye.

15 MS. BARANN: Aye.

16 MR. LITES: Aye.

17 MS. SCHAFER: Opposed?

18 (No response.)

19 MS. SCHAFER: Hearing none, we have approved the
20 RTAB minutes from November 4th, 2015 regular meeting.

21 Also want to remind the public to sign up for public
22 comment. As always if you haven't signed up you will not be
23 recognized during that period.

24 So now we're going to move on to old business of
25 which there is none.

1 So we'll go straight to new business.

2 **NEW BUSINESS:**

3 MS. SCHAFER: The first item is the resolutions from
4 the regular city council meeting of October 27, 2015.

5 Do we have any questions, concerns?

6 (No response.)

7 MS. SCHAFER: Hearing none I'll entertain a motion
8 to approve, deny, or table the resolutions from the regular
9 city council meeting of October 27, 2015.

10 MR. WOLLENWEBER: So moved.

11 MS. BARANN: I'll second.

12 MS. SCHAFER: It's been moved and supported. Any
13 further discussion?

14 (No response.)

15 MS. SCHAFER: Hearing none, all those in favor of
16 approving the resolutions from the regular city council
17 meeting of October 27, 2015 say aye.

18 MR. WOLLENWEBER: Aye.

19 MS. BARANN: Aye.

20 MR. LITES: Aye.

21 MS. SCHAFER: Opposed?

22 (No response.)

23 MS. SCHAFER: Hearing none, the Board has approved
24 the resolutions from the regular city council meeting of
25 October 27, 2015.

1 The next items are the resolutions from the regular
2 city council meeting of November 9, 2015.

3 Any questions or comments?

4 (No response.)

5 MS. SCHAFER: Hearing none, I'll entertain a motion
6 to approve, deny, or table the resolutions from regular city
7 council meeting of November 9, 2015.

8 MS. BARANN: So moved.

9 MR. WOLLENWEBER: Second.

10 MS. BARANN: Thank you.

11 MS. SCHAFER: Any further discussion?

12 (No response.)

13 MS. SCHAFER: All those in favor of approving the
14 resolutions from the regular city council meeting of November
15 9, 2015 say aye?

16 MR. WOLLENWEBER: Aye.

17 MS. BARANN: Aye.

18 MR. LITES: Aye.

19 MS. SCHAFER: Opposed?

20 (No response.)

21 MS. SCHAFER: Hearing none, the Board has approved
22 the resolutions from the regular city council meeting of
23 November 9, 2015.

24 Then we will move on to the four items that the city
25 has requested we put forward. The first one of those is

1 Resolution No. 305. And this is to approve, deny or table the
2 parks and recreation director's request to purchase a new
3 Zamboni, an electric, rechargeable easy ice edger for the ice
4 arena.

5 MR. WOLLENWEBER: I'll move as presented.

6 MS. BARANN: Support.

7 MS. SCHAFER: It's been moved and supported.

8 Any further discussion or questions?

9 (No response.)

10 MS. SCHAFER: All those in favor of approving
11 Resolution No. 305 say aye?

12 MR. WOLLENWEBER: Aye.

13 MS. BARANN: Aye.

14 MR. LITES: Aye.

15 MS. SCHAFER: Opposed?

16 (No response.)

17 MS. SCHAFER: Hearing none, the Board has approved
18 Resolution No. 305 from the November 24, 2015 city council
19 meeting.

20 The next item is Resolution No. 316. This is the --
21 I believe the approval to move forward with the bidding of the
22 waste collection services?

23 MR. CLINE: Yes.

24 MS. SCHAFER: Any questions or?

25 MR. LITES: We are imminently confident that we do

1 have the right to terminate the agreement?

2 MS. SCHAFER: Mr. Kibby will help us out here.

3 MR. KIBBY: Good afternoon, RTAB members.

4 We have reviewed the contract, yes, the city has
5 reviewed. They had added a clause in there and I think it was
6 actually with the emergency manager, Joyce Parker had added
7 the clause in there that allowed for the city to notify the
8 current contractor with 60 day written notice that they had to
9 be --

10 MR. LITES: At any time during the term of the
11 contract?

12 MR. KIBBY: At any time during the term of the
13 contract, yeah.

14 MR. LITES: Okay.

15 MR. KIBBY: Kind of an unusual clause. I'll be
16 honest with you, I have not seen that in a contract I've been
17 associated with prior so it was a pleasant surprise. And
18 looking at their potential for a rate increase, their
19 scheduled rate increase of three percent, and then there was
20 also an error that was made. They were -- the contractor was
21 told there was 12,000 housing units. When Tom Wilson, the
22 previous DPW director was on board he took a look at it and he
23 thought it was a little bit too high, had a count done, there
24 was probably about 1,000 too many.

25 MR. LITES: Okay.

1 MR. KIBBY: They went back to Republic and said hey,
2 you know, we're paying too much here. Republic said no, we
3 bid this amount of money per month. That's what it'll be and
4 that's what they've continued to bill us on. So it's probably
5 about 9,000 hours more per month. So between that \$100,000
6 there, \$42,000 on the potential increase we're looking at
7 \$150,000. Just if we get those two changes. Not considering
8 the competition that this -- this area here has seen a great
9 deal of competition from a vendor that a number of communities
10 have already jumped to, Rizzo.

11 MR. LITES: Yeah.

12 MR. KIBBY: Is the contractor. So between Republic
13 and Rizzo; you'll probably also see Waste Management be in the
14 mix as well. We're just hoping that they all have very sharp
15 pencils and the city becomes the winner in that deal.
16 Maintains great service but saves a little bit of money as
17 well.

18 MS. SCHAFER: Thank you.

19 Any further questions for Mr. Kibby?

20 MS. BARANN: Did we have a motion? I can't
21 remember?

22 MR. LITES: I'll move.

23 MS. BARANN: I'll support.

24 MS. SCHAFER: Okay. It's been moved and supported.
25 Any further discussion?

1 (No response.)

2 MS. SCHAFER: All those in favor of approving
3 Resolution No. 314 say aye?

4 MS. BARANN: Aye.

5 MR. WOLLENWEBER: Aye.

6 MS. SCHAFER: Opposed?

7 (No response.)

8 MS. SCHAFER: Hearing none, we have -- the Board --
9 I'm sorry. It's Resolution No. 316, not 314.

10 MS. SCHAFER: All those in favor of approving
11 Resolution No. 316 say aye?

12 MS. BARANN: Aye.

13 MR. WOLLENWEBER: Aye.

14 MR. LITES: Aye.

15 MS. SCHAFER: Opposed?

16 (No response.)

17 MS. SCHAFER: Hearing none, the Board has approved
18 Resolution No. 316.

19 Moving on to Resolution No. 314. This is to approve
20 and implement the recommendations from the Plante Moran water
21 and sewer rate study with increases and changes to take effect
22 January 2016.

23 Any questions or discussions?

24 MS. BARANN: I'd just like to ask Mr. Cline, so has
25 the state had a chance to review this?

1 MR. CLINE: We have had an opportunity to review
2 this. Actually Mr. Dostine, my colleague here and another
3 gentleman from our office have spent a little more time
4 reviewing this. I don't know if anyone would like to add
5 anything to the analysis. We have had a chance here and seem
6 to -- the city has not raised its rates in some time and this
7 is one of the reasons to proceed with this.

8 Would you like to add anything to it?

9 MR. DOSTINE: No. I mean, we provided a list of
10 questions to the city of which they provided I thought
11 adequate answers. And actually the members of the RTAB were
12 provided that information I believe yesterday.

13 MR. LITES: In question number two we asked the
14 question about there's a raise of ten percent. Is that ten
15 percent over the five-year term referenced in that question?
16 It says "This -- will there be a raise of ten percent per
17 year over the next five years." So that's an annual increase
18 of ten percent per year?

19 MR. KIBBY: Yes.

20 MR. LITES: Okay. Just make sure.

21 MR. DOSTINE: Mark, want me to help you on that?

22 MR. WOLLENWEBER: We'll thank you on this one.

23 MR. DOSTINE: Just so you know, that's the
24 recommendation from Plante Moran.

25 MR. WOLLENWEBER: Right.

1 MR. CADY: It's independent and did the study. The
2 city plans to look at this every year. We just need to be
3 sure that we generate enough capital money for capital to
4 start improving our water mains. We've been very good at
5 keeping up -- on a sewer side because of the downriver system
6 and the consent decrees and everything. But most of our water
7 mains are somewhere in the upwards of 70 years old. Some
8 almost 80. And we're spending an awful lot of money repairing
9 water main breaks right now that should be spent elsewhere.
10 It's kind of like the roads. You know, we've spent so much
11 money out there with manpower and patch that we're not doing
12 some of the other things we should be doing. So.

13 MR. KIBBY: I think last week alone -- or two weeks
14 ago, we had ten water main breaks. There was a little bit of
15 change in the weather but a lot of it was the result of
16 Detroit water increasing some pressures or messing around with
17 some pressures that became an issue. In a tighter system that
18 may not be an issue. Unfortunately here with just the age of
19 the infrastructure is a contributing factor to that.

20 MR. LITES: We need the revenue.

21 MR. KIBBY: We had one two weeks ago. I think it
22 was over 120 inches of break all together.

23 MR. LITES: Geez.

24 MR. CADY: And it created a sinkhole. They actually
25 had to backfill the hole so they could get a guy down there to

1 get up to where the break was it was so deep. And we're
2 finding that everywhere.

3 MR. KIBBY: I think you were looking around for the
4 break before --

5 MR. MATAKAS: We have a board from the water
6 department --

7 MR. KIBBY: -- tell us about that. We have a board
8 too.

9 MS. SCHAFER: They're working on a break.

10 MR. KIBBY: I think they were yesterday. Monday
11 they were. We've got a new employee and that first day on the
12 job he was out on the water main break. We have a board that
13 was showing some of the high importance areas. We've got one
14 street that has, I think had 36 breaks on it. And we just
15 don't have the capital set aside to go in and make those
16 repairs. And as well as with the recent passage of the
17 millage for the roads you know, one of the key things that the
18 residents were coming to the podium and asking is like, the
19 last thing we want to see you do is put you know, spend money
20 on a road --

21 MS. BARANN: And then rip it up again.

22 MR. KIBBY: And you don't take it in consideration
23 of water and sewer. So we definitely need to look at that as
24 well. And that has been part of the plan all along.

25 MR. CADY: Although the recommendation is just to

1 get back to the point you know, the 14 percent a year. We
2 plan to look at that every year.

3 MR. LITES: Okay.

4 MR. CADY: We just need to make sure we generate
5 enough capital.

6 MS. SCHAFER: Thank you.

7 Any further questions or discussion?

8 MR. WOLLENWEBER: Oh, I do have a question. It
9 indicated that there was some authority to raise the rate
10 regardless without action of council to do that. Is that only
11 on a pass through of Detroit's and the sewage district's
12 increase?

13 MR. KIBBY: That is strictly on the water side.

14 MR. WOLLENWEBER: Oh, it's strictly on the water
15 side only. Okay.

16 MR. KIBBY: I have not found anything on the sewer
17 side. So that when they did the water it was to strictly pass
18 through of Detroit. The problem that you have with Detroit,
19 as you know being a Detroit customer as well, Detroit tries to
20 manipulate those numbers to make the rate look a little bit
21 better as they don't want to be the bad guys. So they'll
22 manipulate the rate down. I think going back a couple years
23 ago it was 4.8 percent. When I really did my calculation it
24 was probably more the 6.7 or 7.8 percent.

25 MR. WOLLENWEBER: Yeah, yeah.

1 MR. KIBBY: And that's a big difference. But they
2 would go through a fixed rate is where they're putting the
3 money -- where they're putting the increase. But that's not
4 what they're passing along is a rate increase per se.

5 MR. WOLLENWEBER: Yeah, it's all for P.R. purposes
6 sometimes.

7 All right. Thank you.

8 I would make the motion to allow them to proceed as
9 it was outlined, is that the right motion?

10 MS. SCHAFER: So you move to support --

11 MR. WOLLENWEBER: Yes.

12 MS. SCHAFER: Or move to approve Resolution 314?

13 MR. WOLLENWEBER: Yes.

14 MS. BARANN: And I would second that.

15 MS. SCHAFER: Okay, it's been moved and seconded to
16 approve Resolution 314. All those in favor say aye?

17 MR. WOLLENWEBER: Aye.

18 MS. BARANN: Aye.

19 MS. SCHAFER: Aye.

20 Opposed?

21 (No response.)

22 MS. SCHAFER: Hearing none, the Board has approved
23 Resolution 314 to approve and implement the recommendations
24 from the Plante Moran water/sewer rate study.

25 And with that, that concludes our --

1 MS. BARANN: We have the schedule.

2 MS. SCHAFER: I'm sorry.

3 MR. WOLLENWEBER: Meeting schedule.

4 MS. SCHAFER: I'm just not organized. I'm sorry.

5 So the Board members have in front of them the
6 schedule for the new year for 2016 with the meeting dates and
7 time.

8 MS. BARANN: I would move to approve the 2016 RTAB
9 Advisory Board meeting schedule.

10 MR. LITES: Second.

11 MS. SCHAFER: Any further discussion?

12 (No response.)

13 MS. SCHAFER: All those in favor of approving the
14 Receivership Transition Advisory Board 2016 meeting schedule
15 say aye.

16 MR. WOLLENWEBER: Aye.

17 MS. BARANN: Aye.

18 MR. LITES: Aye.

19 MS. SCHAFER: Opposed?

20 (No response.)

21 MS. SCHAFER: Hearing none, the Board has approved
22 the 2016 meeting schedule.

23 Okay.

24 So the next item would be City Administrator items.
25 Which at this moment there are none. So we will move on to

1 the non-action items. The budget to actual report has been
2 received and filed.

3 So that brings us to the city administrator update.

4 Mr. Kibby?

5 MR. KIBBY: I just have a couple items here.

6 We've got the old city hall, next door, had a bid
7 company, the auction company was in last week right before the
8 Thanksgiving holiday. They are in the process of putting
9 everything together in lots, pricing, photographing. They'll
10 be putting the auction online December 17th, Thursday,
11 December 17th. That will go from 8:00 in the morning to 8:00
12 at night. They'll have a preview day, the day before the
13 Wednesday. And I believe that's going to be the hours ranging
14 in the 9:00 to 5:00 range, 8:00 to 4:00, 9:00 to 5:00. And
15 then pick up day, or as they call it, the remorse date is
16 Friday. They have to be cleared out. And once that building
17 is cleared out of those items then we'll be able to go through
18 and fully shut it down as we still have electricity on over
19 there and I think there's still gas. The water's already been
20 disconnected. So that would be one more step to finalizing
21 the transition, the full transition out of the building.

22 One of the items that we've had an issue with here
23 is attracting police officers. We've had some issues with the
24 salary, the council and the RTAB have both approved some
25 improvements on that to allow us to get to a more equitable

1 number for the new hires. And I think that that is getting
2 out, the word's getting out now and they actually had, I
3 believe 30 applicants. It was this time around 30 applicants
4 and they are actually conducting interviews today. So they
5 fast-paced this and I have seen a couple of the applicants
6 were from south, downriver communities and also some from our
7 neighboring community of Lincoln Park. So I think there's a
8 desire now to be here. We've just got to get the word out
9 that things are improving and I think that's the stigma we're
10 still running against right now. So.

11 But that was a good sign. I think last time I'm
12 going to refer back to Jeff, what did you guys have last time,
13 nine?

14 DETECTIVE MILLER: We had 14 apply and only had nine
15 interviewed.

16 MR. KIBBY: So we're making some progress. So I
17 think that's a good sign on that.

18 Other than that, we've had -- we had a really good
19 Christmas lighting, Christmas parade a couple weeks ago. I
20 think the mayor reported about -- his estimation was probably
21 about 4,000 residents on the streets watching. It was a nice
22 event. We had perfect weather. It was the 20th of November
23 and the next day we had the snowstorms so we just got in on
24 the -- so Santa Claus was helpful with that too. It was good
25 weather. So.

1 Just looking forward to the holidays and moving on
2 as the process goes.

3 MS. SCHAFER: Thanks.

4 Okay. The next item is public comment.

5 Mr. Dostine. Do we have -- are you doing that, Mr.
6 Cline?

7 MR. DOSTINE: Does not matter. Actually we have no
8 one has signed up for public comment.

9 MS. SCHAFER: Okay. That takes us to Board comment.
10 Does the Board have any comments?

11 MR. WOLLENWEBER: No.

12 MS. BARANN: No.

13 MR. LITES: No.

14 MS. SCHAFER: No Board comments. Then that takes us
15 to the adjournment.

16 I will entertain a motion to adjourn.

17 MR. WOLLENWEBER: So moved.

18 MS. BARANN: Support.

19 MS. SCHAFER: It's been moved and supported. All
20 those in favor say aye?

21 MR. WOLLENWEBER: Aye.

22 MR. LITES: Aye.

23 MS. BARANN: Aye.

24 MS. SCHAFER: Opposed?

25 (No response.)

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MS. SCHAFER: Hearing none, the meeting is
adjourned.

Thank you, everyone.

(At 2:20 p.m. meeting concluded.)

STATE OF MICHIGAN

COUNTY OF WASHTENAW) .ss

I certify that this transcript is a complete, true, and correct transcript to the best of my ability of the RTAB meeting held on December 2, 2015 at the City of Allen Park. I also certify that I am not a relative or employee of the parties involved and have no financial interest in this case.

RESPECTFULLY SUBMITTED:

December 8, 2015

s/ Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)

Certified Electronic Reporter