DRAFT

STATE OF MICHIGAN

CITY OF ALLEN PARK

RECEIVERSHIP TRANSITION ADVISORY BOARD

HEARING WEDNESDAY, DECEMBER 3, 2014

2:30 P.M.

ALLEN PARK CITY HALL

CITY COUNCIL CHAMBERS

16850 Southfield Road

Allen Park, Michigan 48101

PRESENT FOR RTAB:

R. Eric Cline, Department of Treasury

Suzanne Schafer, Department of Treasury

Joyce A. Parker, Department of Technology, Management & Budget

Kristine L. Barann

Frederick Frank

PRESENT FOR CITY OF ALLEN PARK:

Karen L. Folks, City Administrator

Robert E. Cady, Finance Director

Transcribed by: Marcia Ann Tomkiewicz CER 3654
MAT Court Reporting & Court Services #8338
(313) 278-4439

AGENDA

	PAGE
Call to Order	3
Approval of Agenda	4
Approval of RTAB Minutes	4
Old Business (none)	5
New Business	5
Resolutions from City Council 10/14/14	5
Resolutions from City Council 10/26/14	6
Resolutions from City Council 11/10/14	7
Resolutions from City Council 11/13/14	15
City Administrator Items	17
RTAB Business Items	23
Non-Action Items	28
City Administrator Report	29
RTAB Staff Update	31
Public Comment	33
Board Comment	40
Adjournment	41

Allen Park, Michigan

Wednesday, December 3, 2014 - at 2:29 p.m.

MS. SCHAFER: Okay, let's call the meeting to order. We'd like to do a roll call.

ROLL CALL

MR. CLINE: All right. Suzanne Schafer.

MS. SCHAFER: Here.

MR. CLINE: Joyce Parker.

MS. PARKER: Here.

MR. CLINE: Kris Barann.

MS. BARANN: Here.

MR. CLINE: Frederick Frank.

MR. FRANK: Here.

MR. CLINE: All right. We do have a quorum.

MS. SCHAFER: Okay. First thing I'd like to do is apologize for the confusion over the time. The meetings are posted for - for 2:00 - ~~2:00~~ 2:30 p.m. And we - unfortunately, when we sent out the - the appointment, we said 2:30. So, that - that's our mistake. We're - make sure that it won't happen in the future. So they are - future meetings are at two o'clock.

I also want to remind the public to sign in if you would like to speak during the Public Comment period. The sign-up sheet is up front here, and along side that is a copy of the Agenda for you to - to use. Anybody that wishes

to speak but doesn't sign in will not be recognized during the Public Comment. So - so, please, take - take the time and sign in.

APPROVAL OF AGENDA

All right. Next item on the Agenda is the approval of - of the Agenda.

MS. BARANN: Motion to support the Agenda.

MS. SCHAFER: We have a motion to support the - the Agenda.

MS. PARKER: Support.

MS. SCHAFER: Okay. All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the Agenda is approved.

Motion by Barann, support by Parker, to approve the Agenda for the 12/3/14 RTAB meeting. Approved unanimously.

APPROVAL OF RTAB MINUTES

MS. SCHAFER: Next item is the approval of the RTAB Minutes for October 21st - (first) - 2014.

MS. PARKER: So moved.

MS. BARANN: I'll -

MR. FRANK: Second.

MS. SCHAFER: All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the Minutes from the October 21st, 2014 RTAB meeting are approved.

Motion by Parker, support by Frank, to approve the Minutes of the RTAB 10/21/14 meeting. Approved unanimously

OLD BUSINESS

MS. SCHAFER: Next item on the Agenda is Old Business. We have none, so we'll move on to New Business.

NEW BUSINESS

MS. SCHAFER: First item is the approval of Resolutions and Ordinances for City Council meetings. The first item would be the Regular City Council Meeting of October 14th, 2014.

Mr. Cline, do you have anything?

MR. CLINE: Actually, as we reviewed - staff reviewed this particular meeting, there are a couple of business items that we didn't find anything - required any additional scrutiny. So, we are recommending approval, but I - actually, now let me retract one thing. I - I did get a question regarding a contract with Liqui-Force that the City signed, and there was a question about a budget amendment that was referenced, and I believe that budget amendment is

executed by Ms. Parker when she was Emergency Manager; so that's already been addressed. So, outside of that, we had no questions on it, so we are recommending approval of all the resolutions from this meeting.

MS. SCHAFER: And did the Board have any questions? Okay.

MS. BARANN: Move to support.

MS. PARKER: Second.

MS. SCHAFER: All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the minutes are - or the Council meeting for October 14th, 2014, is approved.

Motion by Barann, support by Parker, to approve the Resolutions from the Regular City Council meeting of October 14, 2014. Approved unanimously.

MS. SCHAFER: The next item is the Regular City Council Meeting of October 28th, 2014.

Mr. Cline, do you have any background information?

MR. CLINE: Again, just a couple of business items. In this particular one, the City Council voted to receive and file their annual audit, so that document was - was adopted at this meeting. Treasury, I know, independently

will be looking at the audit. Our office had no particular concerns of any of the actions taken at this meeting, so we are recommending approval of all resolutions.

MS. SCHAFER: Thank you.

Does the Board have any questions? No?

MR. FRANK: No.

MS. SCHAFER: I'll entertain a motion.

MS. PARKER: So moved.

MS. BARANN: Support.

MS. SCHAFER: All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Those opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the motion is approved.

Motion by Parker, support by Barann, to approve the Resolutions from the Regular City Council meeting of October 28, 2014. Approved unanimously.

MS. SCHAFER: The next item is the Regular City Council Meeting of November 10th, 2014.

Mr. Cline, any background information?

MR. CLINE: At this meeting, there were, again, several items of significance. The City Council did authorize the purchase of some new police cars. There was an abun (sic) - budget amendment approved to account for the

emergency loan received from - from the State. There were some actions taken regarding a judgment levy issued by the courts, and an agreement with Wayne (sic) County regarding some IT technology for - for the acceptance of credit cards. And I just provide this for background purposes. Reviewed those items; no particular concerns about any of those activities. So, again, I'm recommending approval of - of the resolutions from this meeting.

MS. SCHAFER: Any questions from the Board?

MS. PARKER: Yes. In reference to the budget amendments, are the budget amendments going to be submitted to the State Treasurer, or did - did the amendments occur prior to the EM leaving?

MR. CLINE: No, they did not. They - they occurred at this meeting. I would have to check. I did not personally see those budget amendments before they were adopted by the Council, so I would have to - to check on that. And I will - well, I will address -

MS. PARKER: Yeah, I would -

MR. CLINE: - some of the - the - well, there's a - there's a procedural process that we had to use to prepare for this meeting that - that sort of limited some of our followup; but I can look into that. Now, I guess the question would be do you want to approve that budget amendment today, or do you want to single that out and

postpone it?

MS. PARKER: I'd - I'd like to get more information in reference to the funding related to the amendments, whether the funding is included right now in the existing budget or if we're talking about taking funds out of the City's general fund balance.

MR. CLINE: Okay.

MS. PARKER: So, if you know. If - if we could get that information before taking action, I think it would be helpful.

MR. CLINE: All right. Let's see, that would be November the 10th. So then what I would recommend is that the Board - I don't want to put words in your mouths - mouth -

MS. PARKER: Feel free.

MR. CLINE: - Ms. Parker, but I would recommend that the Board approve all of the resolutions from the November 10th meeting, with the exception of the budget amendment regarding the emergency loan; and then, we'll deal with that in a separate - procedurally, address that as a second - second motion, if that's acceptable to everyone.

MS. BARANN: I'll move that. I just had one quick question on the - the IT services.

MR. CLINE: Yes.

MS. BARANN: Wayne County or Oakland County? It's

Oakland County?

MR. FRANK: Oakland.

MR. CLINE: Wayne (sic) County.

MS. BARANN: Oakland County.

MR. FRANK: Oakland County -

MS. BARANN: Oakland County.

MR. FRANK: - I believe.

MS. BARANN: Okay. I just want to make sure.

MS. PARKER: Yeah, and on the IT services, could someone -

MR. CLINE: I'm sorry. Yes, it is.

MS. PARKER: Yeah. Could someone from the City maybe discuss the amount related to the agreement with Wayne (sic) County, how much the City will be charged for the service?

MS. BARANN: And was it budgeted.

MS. PARKER: And was it budgeted; that's correct.

MS. FOLKS: There will be, actually, no charge to the City because the way it works - first of all, I just want to make sure that we're talking about the interlocal agreement that would be with Oakland County, not Wayne County. And it's through their IT services, and the way it's set up - and I have to applaud Maureen Armstrong for being the lead on this - and that is that there are fees to the use of this product, if you will, but the fees are

charged to the individuals who use it. And so, I'm not sure if Maureen is here. I'd like to give you the actual percentage amount and I want to say it is - it's somewhere around 2-percent that I think is charged as the - the fee. But that does come out of what is paid by the individual that's using the - the service.

MS. BARANN: So the City won't have any maintenance charges or anything. It's all a hundred percent assumed by the user.

MS. FOLKS: Technically, I - I think the way this is going to work is there is an annual charge of $900.00; however, that $900.00, it's subsumed in the fees -

MS. BARANN: Okay. So it's not -

MS. FOLKS: - that are charged. And so, what they're indicating is that is the approximate amount and that's taken from the user fee that is attached to the use of the credit cards. Does that help?

MS. PARKER: So - so just to summarize then, the $900.00 that's charged to the City is recovered through the fees charged to the users?

MS. FOLKS: That's correct. That's correct.

Anything else?

MS. SCHAFER: Any other questions from the Board?

MR. FRANK: So, the - I happened to have talked to one other community in Oakland County that uses this.

They're happy. I don't know what - I know that the Treasurer did her due diligence on this, and I guess the question is it seems reasonable, but I will ask you: Is it reasonable to expect that that $900.00 will be easily - will be - will - will be recovered each year by users who use credit cards?

MS. FOLKS: I expect that that would happen, yes.

MR. FRANK: Thank you.

MS. SCHAFER: Does the Board have any other questions?

MS. BARANN: No.

MS. PARKER: No.

MS. BARANN: I go ahead to move the - for the approval of all resolutions outstanding the budget amendment.

MS. PARKER: Support.

MS. BARANN: Was it said the way you said?

MS. SCHAFER: With the exception of the - the resolution to the emergency loan?

MS. BARANN: No, the budget amendments.

MS. SCHAFER: The - okay.

MR. CLINE: The budget amendment -

MR. FRANK: Which -

MR. CLINE: - for the emergency loan -

MS. BARANN: Oh, yes; okay.

MR. FRANK: Right.

MR. CLINE: - just - just for the record, that's Resolution 14 (dash) 170 (sic).

MS. BARANN: Thank you.

MS. PARKER: Just move to -

MR. FRANK: I believe it's (dash) 171 -

MS. SCHAFER: There's -

MR. FRANK: - for the budget amendment, you know, and -

MS. SCHAFER: One-seventy -

MR. CLINE: You're correct.

MS. SCHAFER: One-seventy-one.

MR. CLINE: Yeah, I have -

MR. FRANK: One-seventy is the budget amendment -

MR. CLINE: One - yes.

MR. FRANK: - for the -

MR. CLINE: You're correct.

MR. FRANK: - Tribunal -

MR. CLINE: My apologies. One-seventy-one.

MR. FRANK: - judgment. No problem. Thank you.

MS. SCHAFER: So do we want to restate the motion?

MR. CLINE: And I believe just for clarity, it's one-seven - Resolution 171, but we know the subjects are -

MS. SCHAFER: Okay.

MR. CLINE: - are the same. That's okay.

MS. SCHAFER: All right. Do I have a - support for the motion?

MR. CLINE: It's supported by Ms. Parker.

MS. SCHAFER: Okay. I'm sorry.

All - all those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the motion is approved with the exception of Resolution 14 (dash) 171.

Motion by Barann, support by Parker, to approve the Resolutions from the Regular City Council meeting of November 10, 2014, with the exception of Resolution 14-171 (budget amendments). Approved unanimously.

MR. CLINE: Madame Chair?

MS. SCHAFER: Yes.

MR. CLINE: If I may, what we've done in other RTABs now procedurally, since you've isolated that issue, we have to address it. So I would recommend that the Board vote to postpone consideration of this resolution until the next meeting.

MS. SCHAFER: Do I have a motion to postpone the resolution - action on the Resolution 14 (dash) 171 until the next meeting?

MR. FRANK: So moved.

MS. PARKER: Support.

MS. SCHAFER: All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, that motion is approved.

Motion by Frank, support by Parker, to postpone the approval of Resolution 14-171 until the next RTAB meeting. Approved unanimously.

MS. SCHAFER: All right. The next item on the Agenda is the Special City Council Meeting of November 13th, 2014.

Mr. Cline, can you provide us with background information, please?

MR. CLINE: Yes, this was a meeting that took place when the City Council met with some of the advisors regarding debt restructuring and addressing a number of bond issues that they have. They voted to move forward with - they came out of a closed session and they voted to take action to move forward as - as had been discussed in the closed session. The procedural process seemed - seemed adequate, and based upon that, we are recommending approval of - of those actions from this meeting.

MS. SCHAFER: Does the Board have any questions?

MR. FRANK: I do. So, as I understand it is the - there are motions that we - the resolution we're approving is the purchase of the police -

MR. CLINE: No, sir. This would be -

MR. FRANK: - so the fee -

MR. CLINE: - the - this would be the November 13th meeting.

MR. FRANK: That's what I'm looking at. First motion is the - resolved to proceed with (one-eighty)? Is that the one? Proceed with the - Barann, from November 13th?

MS. BARANN: Yeah, this is the - this is the 13th's meeting?

MR. FRANK: Right.

MS. BARANN: Okay.

MR. FRANK: Some -

MS. BARANN: This one actually belongs into the previous meeting.

MR. FRANK: Okay. Yep, I had my question answered. I had one from the other one.

MS. BARANN: Yeah. It's on the wrong side.

MR. FRANK: Yeah.

MS. BARANN: I'd move to support (sic).

MR. CLINE: Well, actually, we have - don't have a

motion yet.

MS. BARANN: Oh, I'm sorry. I move.

MR. CLINE: Right.

MS. BARANN: So moved.

MS. PARKER: Support.

MS. BARANN: I really wanted to say that. I mostly do it, but one time.

MS. SCHAFER: Okay. All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the mo - the motion is approved.

Motion by Barann, support by Parker, to approve the Resolutions from the Special City Council meeting of November 13, 2014. Approved unanimously.

MS. SCHAFER: The next item on the Agenda is the City Administrator Items, the monthly financial report.

Mr. Cline.

MR. CLINE: Well, typically, in a - in a RTAB, we would turn this information over to the city staff and allow them to present the monthly financial report as required by the - by the last emergency manager order. So, I guess I would defer to Ms. Folks and her staff for this.

(Brief pause)

MR. CLINE: I will note that they did provide a written report dated November 5th, I believe? Yes.

MS. FOLKS: You should - you should have in your packet of materials actually a couple of financial reports, and hopefully, you've all received those. There is a narrative that summarizes the information, and with your permission, I'd like to have Bob Cady, who is the Finance Director, share that with you at this time.

MS. SCHAFER: Okay.

(Brief pause)

MR. CADY: Okay. You should have the November reports which include a narrative which explains anything that's over the threshold, the 20-percent threshold. That's a 1-page document. Also included, you're getting the revenue expense report for the month, the balance sheet for the month, and also a cash flow statement for that month. I can go through the - the letter and then you can ask any questions if you'd like, or you can just shoot me questions now if you'd like, either way.

As of November 5th, so the months (sic) of October is what we're talking about, with the exception of a few departments, everybody fell in line and basically we're at - we were at that time about 4/12ths of the - by the way through the month (sic), or 33-percent. The - the out - the

things that were outstanding were the - the budget amendments, which we've already talked about, which included the $2.6 million, a budget amendment, so that we could show that revenue coming in from the emergency loan; and the other budget amendment to show the .61 mills that was court ordered as a judgment levy in May to pay the MTT, Michigan Tax Tribunal judgment, back to Ford Motor. So, a budget amendment was necessary to show that revenue. Even though we're getting the money, we have to amend the budget or else the budget would be really inflated and there wouldn't be enough money there to show it, to account for it.

The - the accounts that were over the 20-percent threshold were the Mayor, Council, the City Clerk, Assessor, Finance, Police/Fire, DPW, and Parks & Rec. The reason for that was because of the payment out of those funds to PNC Bank for the pension payment. In other words, when the - the liability is out there for the $2.6 million, when we paid that back, it hit those departments. And without a budget amendment for those departments, it basically - like, for example, Mayor and Council, it was 78-percent of their budget to pay that; so that's why you need the budget amendment to account for that.

The other one - and - and Recreation is the - is the Parks & Recreation grant for a hundred and sixty thousand dollars that they got for replacing the equipment

in, I believe, four parks, that money had to be spent up front and then we get that money back from Wayne County. Once that's - once that comes back in, that - the Recreation Department will be back in line.

Pension payments were all made for October, and as the report suggests, we're still working to refinance the Southfield Lease Property debt.

As of the end of November - or I'm sorry - October, we had collected 73.9-percent of the revenue in the budget pending those budget amendments, which would drop those numbers, and we've expended 50.2-percent compared to budget on the expense side. And again, those numbers will go down once the budget amendments are approved.

Any questions?

MS. BARANN: Nope.

MS. PARKER: Just - just a question on the pension amount -

MR. CADY: Hm-hmm.

MS. PARKER: - that $2.6 million was from previous years, so what's - what's the - the relationship to the $2.6 million to this year's budget?

MR. CADY: The - the money was recorded in this year's budget. If you'll remember, we got the emergency loan in - I think it was August.

MS. PARKER: Okay.

MR. CADY: So it's part of this year's fiscal year. We - we - we have to bring that into - it's to a line item, so we need a budget amendment to account for that money coming in. On the - on the expense side, we need to account for the money being spent and sent to PNC Bank. We had no budget line items for those as the budget was developed -

MS. PARKER: Okay.

MR. CADY: - before that was accounted for. So that's the reason for those - for that budget amendment.

MS. PARKER: Okay. So, the question I was raising earlier with the budget amendment, you know, with the Treasurer's approval, is the question of whether the amount was coming out of the general fund balance or not, and it doesn't sound like that's the case -

MR. CADY: No.

MS. PARKER: - at all.

MR. CADY: All - all we're trying to do with the budget amendment -

MS. PARKER: You're just trying to -

MR. CADY: - is amend the budget -

MS. PARKER: - bring those dollars in.

MR. CADY: - to show that money coming in and the money going out.

MS. PARKER: Right.

MR. CLINE: Okay.

MS. PARKER: Okay.

MR. CLINE: So - well, if that -

MS. SCHAFER: Do we want to make a -

MR. CLINE: - we - we can followup -

MS. PARKER: Okay.

MR. CLINE: - and we can - we can just make sure your concerns are addressed; and then I think we'll probably be okay until waiting until the next meeting to get that for an approval. So -

MS. PARKER: Okay.

MR. CLINE: - just to make sure that we have everything covered.

MS. SCHAFER: Does the Board have any more questions for Mr. Cady?

Okay. I'll entertain a motion to receive and file the report.

MR. CADY: Thank you.

MS. SCHAFER: Thank you.

MS. BARANN: So -

MR. FRANK: So moved.

MS. BARANN: I support that.

MS. SCHAFER: All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the motion is approved. **Motion by Frank, support by Barann, to receive and file the Financial Report dated 11/5/14 as presented. Approved unanimously.**

MS. SCHAFER: The next item of business is the RTAB Business Items, process for the City payroll approval. And for this, I will ask Mr. Cline to plea - please provide information regarding this issue.

MR. CLINE: Yes. We have a couple issues here that - actually, we're gonna have to work with the City to - to kind of address - because of - there are certain differences between all of the different communities in the state that have receivership boards, and in this particular community, payroll - and as we'll see in a moment - claims and accounts are approved by the City Council, which would then require our approval - or excuse me - the Board's approval to affirm with paying those. Now, this is a very similar situation with what exists in the city of Ecorse, and that particular board has set up a - a process by where a certain percentage, I believe it's 125-percent of an average payroll, is given to the city as preapproval that that can be paid ahead of time without RTAB approval, and then certain vendors are - having been identified as getting preapproval to pay those bills so the city doesn't suffer like shutdown of utilities or extra costs, or anything like

that. That type of condition we didn't really prepare for here, and I must admit that - that it's sort of my - my miss on that because the other communities that I work with, we - we have totally different systems; so I just wasn't accounting for that in - in our preparations. So, what we're gonna have to do, and I believe we're bringing this back for a January meeting, is we're gonna have to work out some sort of process with the City. I'm sort of envisioning how they - how they work it in Ecorse to make sure that they don't have any undue hangup of bills or payroll, and they're still making payroll. I think for - regarding the - specifically, the payroll issue, I think the Board - I would recommend that the Board authorize the City to continue making payroll until we finalize any - any process. We want to make sure all issues covered, and - and then we would get - and I'll just skip ahead, and I guess, separate the - to the claims and accounts. I think we would want to authorize them to - to pay those critical, time-sensitive claims and accounts so they're not running into any problems; and then we'll get something resolved between now and then, and - and get that back to the Board for approval and get a process addressed. So, that was something that came to our attention very late in the organizational process and we just - with the holidays and everything, we just didn't have time to - to address it with - with the City prior to this

meeting.

So, I hope that's clear to everyone, and if there's any questions, I'll try and answer them at this point.

MS. BARANN: So, do you need a motion from us?

MR. CLINE: I think it would be appropriate to - at least for the - for the payroll issue to grant authorization to - for the City to make all necessary payrolls between this meeting and our January meeting.

MS. SCHAFER: Do we have a motion?

MS. BARANN: Can we wrap payables into that resolution?

MR. CLINE: Since I have them listed -

MR. FRANK: The other side -

MR. CLINE: - since we put in a separate Agenda items, I think -

MS. BARANN: Do separate? Okay.

MR. CLINE: Yeah.

MR. FRANK: So I'll move that we approve to advance the City's payroll between now and our next Board meeting -

MR. CLINE: Okay.

MR. FRANK: - and the payments should be made in the ordinary course for payroll.

MS. PARKER: Support.

MS. SCHAFER: Okay. All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the motion's approved. **Motion by Frank, support by Parker, to approve the City of Allen Park to advance payroll and allow the City to make payroll in the ordinary course from the present time until the RTAB meeting in January 2015. Approved unanimously.**

MS. SCHAFER: And the second item is Process for Claims and Accounts.

MR. CLINE: Right. We sort of have a similar issue. I think it would be important for the City to have authorization to make those necessary - pay those necessary bills and claims between now and the next meeting that - that cause them undue hardship if they do not make them. And then, we will try and get a process in place for your consideration at the next meeting.

MS. SCHAFER: Any questions from the Board?

MR. FRANK: So - so it's our intent between now and the next Board meeting for Treasury staff and the City Administrator and/or Finance Director to work out a - sort of process to move forward after -

MR. CLINE: We would -

MR. FRANK: - an ongoing forward basis?

MR. CLINE: Yes, the - the RTAB is still charged with reviewing -

MR. FRANK: Yes.

MR. CLINE: - expenditures, but we want to make sure that the time between our meetings doesn't cause any financial -

MR. FRANK: Right.

MR. CLINE: - hardship for the City. So, what they've done in Ecorse is they've set up a system where certain vendors that they know that there could be a penalty for late payments or something, they grant preapproval to and - those are filed under a separate report; and then anything else that can wait that still needs RTAB approval is reviewed and - and considered independently at the Board meeting. I'm looking at, probably, recommending something similar, but we need to be able to talk with the City to identify some of those vendors. And that's somewhat of a fluid process, but as it change - you know, vendors can change over time; but that - that is sort of the direction that we're looking at at this point. So -

MR. FRANK: And -

MR. CLINE: - and as I said earlier that the other communities that I work with, we - the way the - the process works is totally different; so that was just something that I didn't anticipate needing to - to review or have set up by

this meeting, so.

MS. PARKER: Will we receive some type of summary related to the payments made?

MR. CLINE: Oh, yes. Yes, we'll make sure we get all that covered, so.

MS. PARKER: Okay. So, I - I would move for the approval of the sensitive payments -

MR. CLINE: Okay.

MS. PARKER: - until our next meeting when a process will be identified.

MR. CLINE: Okay.

MS. BARANN: I'll support.

MS. SCHAFER: All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the motion is approved.

Motion by Parker, support by Barann, to approve the City of Allen Park to make time-sensitive payments on claims and accounts from the present time until the RTAB meeting in January 2015. Approved unanimously.

NON-ACTION ITEMS

MS. SCHAFER: The next item on the - the Agenda is the Non-Action Items. The first item would be the City

Administrator Report.

MS. FOLKS: What I'd like to do is share with you just a couple of items that do in fact have some financial impact. First of all, we've been working on the 5-year rolling budget and the 6-year capital improvement plan, so that we've been meeting with each of the departments and we would have at least a draft ready at the end of this month.

Second of all, I wanted to make mention of the fact that under - Order 49 has to do with putting in place the benefits plan, and I believe part of that order indicated that certainly when necessary amendments can be made administratively, if you will. As we begin to try to implement the provisions that are contained in the benefits plan, the HR Director was in touch with MERS. And under one of the provisions, MERS indicated that they cannot accommodate it the way it is and that would be under the defined contribution; and if you'd look at the orders, it's contained right in that, the entire benefits plan, on page 13. I'm looking at paragraph 6 which references employees hired on or after July 1st of 2014. And the way it read and the - the - the way in which it was put into place to begin with is it indicated that employees leaving city service with less than 7 years of total service shall receive a return of the employee's own contributions plus earnings, if any, in accordance with the provisions of the retirement

plan. And there was a followup paragraph to that under 7. And what MERS indicated is that they don't - they can't accommodate it for 7 years; they accommodate it up to 5 years. So, presently, we are in the process of doing the appropriate amendments, and what the HR Director is involved in right now is the process of filling out the new adoption agreement and then submit it back to MERS to reflect the 5 years rather than the 7 years so that it falls within their capabilities and - and they will create that division for us. So I wanted to make mention of that.

Also, with the August 11th flood that took place, we have been working with our MML insurance carrier on all of that, as well as our DPS Director has been the point person for our FEMA claims. And the insurance adjustor has now completed the investigation of the claims regarding the Roush space and the Stautzenberger space, and I make mention of this because it took place several days - about a week - two weeks prior to the closing on the sale of the Southfield - these properties to Time Equities. And so, those claims are claims that we put in. And what we have done is we have shared that with Time Equities. Time Equities actually had another company take a look at one specific item that had to do with flooding and the integrity of a flooring slab, and the company is called Cardinal. So, they have provided that information now to the insurance company for their

consideration to see if that's something that they overlooked that should be included.

Then the - the other piece to this are the FEMA claims. When we first started working with FEMA, the idea was to put in the claims as four separate claims; easier to manage that way. So, the claims include the pump stations, and primarily there is - there are two. There's the one on Goddard, and then the other one is actually over at Baker. And, so that would be one of the claims. Another claim would be the - or - reimbursement for the personnel that were involved, and so, that's DPS, that's police, that's fire. Third would be - there was the increase in the garbage/trash removal; so that would be the third claim. The fourth claim covers the property that we know as the Southfield Lease Properties.

And so, we are getting ready to finalize with FEMA those first three, and I believe we have until December 14th to complete any further information on that fourth claim; so we are working on that.

That's about all I have. Thank you.

MS. SCHAFER: Okay. The next item is the RTAB Staff Update.

Mr. Cline.

MR. CLINE: Yeah. Just a couple of - sort of internal business items that I just wanted to draw to your

attention. Since this is really our first meeting, we - we have a couple of usual sort of wrinkles to work out as far as timing and - and everything, and I think we need to talk to the - to the City Administrator after the meeting. I think I unduly caught them a little off guard with some of the financial reports and everything we asked them to present. So, unfortunately, we - we had a very narrow window between the holidays and the deadline of when the information was due to prepare for this meeting. So, some of the questions that you've had, hopefully, we'll be a little - be on top of ahead of time in the future. But, that was just one of the unfortunate things with this particular meeting. And our office, we - we simultaneously prepared for all four RTAB communities within a 10-day period, so that was a pretty - pretty wild week for us.

So - and also, we are working with the City to clarify some of the - I guess how they - some of the presentation in their - in their minutes to make the information a little easier to - to identify as we - as we review it. I think there are some - some things that they can do to help us out in that regard a little bit, and maybe improve the - the presentation of - of their minutes a little bit. So, we're - we're still continuing to talk about that, and just wanted to note that you'll start seeing this staff update on our agendas. We're actually test -

testing out this - just to provide sort of background information on - on RTAB procedures, so this is actually our first time that we've actually done this. I don't know if I'll have anything to report every meeting, but wanted to just avail myself to the opportunity to kind of talk about the - the processes as we go through this so you can kind of know what information to expect from us, so.

MS. SCHAFER: Thank you.

PUBLIC COMMENT

MS. SCHAFER: The next item will be Public Comment. Mr. Cline will get the list and - and call the names.

I'm calling the -

MR. CLINE: Oh, are you waiting -

MS. SCHAFER: - is that good?

MR. CLINE: - you want me to call the names? Okay, I'm sorry. I did hear you say that.

All right. First name is Bryan Diebolt.

MR. DIEBOLT: Good afternoon. I'd like to talk about the mistrust of government, and also what's compounding the fact and inflaming it is the lack of what is perceived to be full disclosure of the information that's going on in the city; also, questions aren't answered, citizens ignored, etcetera. It starts with - to give you some examples, the previous mayor and city administrator admitted lying to the people about the SLP properties, cost

us millions of dollars, continues to cost us millions of dollars. In Dec (sic) - last - let's see, in August of 2013, there was a millage, a 10-year millage, $50 million dollars, and we were told at the time, with no uncertain terms, that if the revenue exceeded the - excuse me - if the surplus reserves exceeded the expenses by 10-percent, a rollback of taxes would be in order. We hit that number June of 2014. The next day, the rules were changed. The agreement with the citizens and the trust with the citizens was broken at that point in time. Another one - another example, in May of last year, we were told that we had to borrow $2.6 million, had to borrow it in order to pay the retirement fund and also part of the SLP properties. I pointed out at the time their numbers - their numbers from the meeting showed that they had the money to pay for it, that they didn't need to borrow it. Our - the - our report backs up what I had told them at the meeting. We have $3.3 million in reserves, and yet we borrowed $2.6 million. We borrowed money for what reason? That question's still out there. I also have a question of whether or not the rollback still exists or not. That is a question that hasn't been answered.

We asked for information about the land grants for the property next door. Again, remember, we've been deceived over the years from the administration of - by

Allen Park. We can't get our - any of that information. We ask questions at the Council meetings; can't get any answers. It seems like there's a deliberate attempt to keep information from us. If that's not the case, then be more forthcoming. Explain to the City Administrator to answer our questions. We're not villains out here. We're taxpayers. It's our money. We deserve to know what's going on in the city. We need to be respected. We need to be answered. And we need truthfulness -

(2-minute warning sounds)

MR. DIEBOLT: - when people come and talk to us. Thank you.

MS. SCHAFER: Thank you.

(Applause)

MR. CLINE: Okay, I know how to use it.

Okay. Dennis Hayes.

MR. HAYES: For several weeks, we attempted to get with a potential buyer for this property. Seems like they always ended up in special meetings. Our citizens re - request and even maybe demand that these kinds of critical issues be televised, just as this meeting should be televised. You should be speaking to the public of this town, not just a handful that can leave work or don't work that can be here.

Last night, for example, we finally had an

opportunity to see the potential purchaser's agent, the - his general counsel. About an hour before the meeting, we were provided this letter dated October 24th that spells out critical financial data that we needed as a Council, if we're gonna have any role, and I presume we don't have any role. But if we in theory have a role, we should have had this well before an hour before the meeting. October 24th; I'm happy to leave it with you. And within this document, there's a critical item. The CBRE says, "We have an offer for the three acres at the back of the city park. It does not have main road access, but it commands a price of frontage access." In other words, that property - he has an offer, apparently, for $275,000.00 an acre, somewhere over $800,000.00, if you read this. Ask: Is there an offer? "I don't know." Nobody knows. Maybe Joyce knows. I don't know. Nobody knows. Well, if we're asked - if we had an offer for three acres for almost eight hundred - over $800,000.00 and they wanted to give us nine hundred thousand for 11 acres, I'd say something's out of square, particularly when that's in the back and this is frontage. Now, conveniently, with this opinion of value, now we have the opportunity to see that the prices have probably gone up. And so, the Boji Group last night - and I don't know what their connections are to the state, or the politicians or anything else. I don't know anything about 'em; but it

seems like they're being shoved down our throat frankly. Now they may be the people to do it; I don't know. But the fact remains they did raise their - their price a little bit last night, or they hinted that they would raise their price a little bit. But this -

MS. SCHAFER: Mr. Hayes, I'm sorry, that's 2 minutes.

MR. HAYES: I didn't hear a bell go off. You had a timer for the other guy. I - I insist on having a timer just like Mr. Diebolt. I don't think that was 2 minutes.

MR. CLINE: It was 2 minutes, sir.

MS. SCHAFER: Thank you.

(Applause)

MR. CLINE: Andrea Hammond.

MS. HAMMOND: I have questions in regard to the minutes that this RTAB produces. I have noticed on the State Website that the City of Pontiac in their - their minutes they show every comment that anybody gets up here to speak. But, yet, that the - the draft of the minutes that you just approved from the first meeting, it just shows the names. I'd like to know is there going to be some consistency for all of the RTAB boards within the State of Michigan? The other - it - also, Ecorse has, in - in the past, enunciated all of the comments by - by the - the audience.

The City Administrator was talking about an order and it - well, it needs to be amended if - for some reason. I was a little bit unsure as to whose responsibility that is for that amendment. I was under the understanding, and I could be mistaken, that any orders that were written by the previous EM have to be submitted to the State Treasurer's office for approval, and - and then they can be amended, that it's not just something that the City Administra - strator (sic) can just go in and change; so I would like clarification on - on that particular issue.

Also, I would like to know where in any of the orders written by the - by Ms. Parker, when she was the administrator (sic), where it specifically says that city administrator is responsible for the agenda items for the Council meetings. Council's pay was restored. Why? It - was it a bribe so that they go along with everything that the City Administrator puts on the agenda? That is their meeting; that should be their agenda. Thank you.

(Applause)

MR. CLINE: Ray Magusin.

MR. MAGUSIN: Good evening, Ray Magusin, citizen of Allen Park. I - I would like to see the same thing. I'd like to know where on the order, what the order number is where it states where our City Administrator goes ahead and sets the agenda. We have a lot of citizens that give

information to our City Council. Our City Council tries to get it on the agenda, and a lot of times it is not put onto agenda or can't - or is hard to get on the agenda; so I'd like to know where that order is.

Another thing what I'd like to see is for our City Council, I'd like to see them adopt your agenda. Your Agenda says, "Old Business"; it says, "New Business." Your Agenda says, "Non-Action Items." Your Agenda says, "Public Comments." Your Agenda also says, "Board Comments." We don't have that on our agenda. There's no old business; there's no new business; there's not even City Council comments on our business (sic). Those are our elected officials elected by us and I would like to see our city officials to be able to start to take over our city. It's time for our City Council and our Mayor to be able to start to govern our city and that our - this - our - all - all of a sudden, City Administrator's laws are thrown out and then there's been - where our city's gonna have to start taking over. We need that transition period. They need your help. So I'd love to see where our City Administrator is granted all these powers that our City Council and our Mayor believes and even our -

(2-minute warning sounds)

MR. MAGUSIN: - lawyer believes is in place. Thank you very much. Have a great day. Merry Christmas to you

all and a Happy New Year.

(Applause)

MS. SCHAFER: Thank you very much.

BOARD COMMENT

MS. SCHAFER: The next item is Board Comments. Do we have any Board Comments?

MS. PARKER: Yes.

MS. SCHAFER: Just - Joyce.

MS. PARKER: All right. Just a couple of comments. In reference to future meetings, it would be helpful if we could, perhaps, get like a written report from the City Administrator, and, you know, in doing so, we'll have an opportunity to review it, you know, in advance of the meetings.

And then secondly, as we talk about budget amendments, given that we're into December, I would request that the City consider some type of mid-year review related to the budget to determine whether everything is on track or not, or if there's a need for other budget amendments. And as a result, everything can be submitted at the same time.

That's all I have.

MS. SCHAFER: Thank you.

MR. FRANK: So I do have one comment. I want to apologize for being here at the 2:30 rather than 2:00 p.m. because I looked at my Agenda and did not look at my

calendar in my phone. So, my apologies.

MS. SCHAFER: Thank you.

The only comment I have is I just want to remind everyone that's - the minutes to the RTAB meetings will be available - or are available on the City's Website so they can be accessed through there. We had a - a question about that earlier.

I also, again, would like to apologize for the mixup in time. That was solely on - on Eric and I, so I apologize.

ADJOURNMENT

MS. SCHAFER: With that, if there are no other comments, then I will entertain a motion to adjourn.

MS. BARANN: Move to adjourn.

MS. PARKER: Support.

MS. SCHAFER: All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

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

Motion by Barann, support by Parker, to adjourn the RTAB meeting of 12/3/14. Approved unanimously.

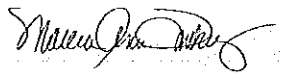
(At 3:20 p.m., meeting concluded)

STATE OF MICHIGAN

COUNTY OF WAYNE:

I, Marcia Ann Tomkiewicz, certify that this transcript, consisting of 42 pages, is a true, complete and correct transcript, to the best of my ability, of the minutes of the hearing of the City of Allen Park Receivership Transition Advisory Board on December 3, 2014.

I also certify that I am not related or associated with any of the parties in this hearing.



December 8, 2014

MARCIA ANN TOMKIEWICZ CER 3654
MAT COURT RECORDING & COURT SERVICES
6225 Ardmore Park Circle
Dearborn Heights, MI 48127
(313) 278-4439