City of Ecorse
Receivership Transition Advisory Board Agenda
Tuesday, March 11, 2014
9:00 am

Ecorse City Hall
Council Chambers
Albert B. Buday Civic Center
3869 West Jefferson
Ecorse, MI 48229

Members Present	Members Absent	Staff Present
Edward Koryzno	None	D. Van de Grift
Robert Bovitz		A. Dempkowski
Joyce Parker		W. O'Neal
		N. Nazarko
		C. Wycoff

I. CALL TO ORDER

A. Roll Call – Mr. Koryzno called the meeting to order at 9:02 am. Let the record show that all Board members are present.
B. Approval of Agenda - By motion made (Parker) and supported (Bovitz) the Board unanimously voted to approve the agenda.
C. Approval of Minutes - February 11, 2014 TAB draft minutes - By motion made (Bovitz) and supported (Parker), the Board unanimously voted to approve the February 11, 2014 TAB Regular Board meeting minutes as presented.

II. OLD BUSINESS

A. TAB requested additional information

1. Hennessey Contract

Koryzno - During the past month, it has become clear that the City will not know whether it is eligible for State Revolving Fund monies for this project, until the fourth quarter of this year. The City controller and City Administrator have both warranted that this sewage project depends on SRF financing. Therefore, because there is not an actual contract for these services before the Board, the City is not approved for this project, until proof of SRF financing is furnished to the Board for review with the actual contract.

Parker – If there is approval for the loans, is there a requirement to have a contract with a firm?

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O'Neal – We do have a contract for design engineers which the TAB approved for $45,000. There is a step process to go through. I am not aware that we have to hire a firm.

Parker – Has the $600,000 loan been approved at this point?

O'Neal – No, it has not.

Parker – Is there a requirement to have an engineer on hand?

O'Neal – No, there is not.

2. Approval of Payments – City Administrator to provide summary of delinquent attorney fees

Koryzno - Previously, the City has disclosed that various legal fees have not been paid. The Board has requested, but not received, a total figure for these delinquent bills. Mr. O'Neal, are you prepared to inform the Board as to what amounts are owed to which attorneys?

O'Neal – No, I am not.

Koryzno – Entertain a motion to postpone discussion of the report regarding delinquent bills and plan to pay for them.

By motion made (Parker) and supported (Bovitz), the Board unanimously approved the motion.

3. Resolution 327.13 from December 18, 2013 Council Meeting – Demolition of 4124 – 12th Street

Koryzno - Last meeting, Mr. O'Neal informed the Board that proper demolition procedures were not followed when 4124 12th Street was marked for demolition. Mr. O'Neal, please update the Board regarding this matter and the progress that the City has made toward preventing such errors in the future.

O'Neal – There is a process in place in our zoning ordinance. The process was not followed with this property. I have provided the guidelines to staff regarding demolitions so this error won't happen in the future.

Parker – Can you provide background information regarding the property?

O'Neal – The buildings stands as it is. There was a complaint made about the house and the building official deemed the building to be dangerous. He did not follow the demolition process to hold a public hearing.

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Parker – How was this brought to the City's attention?

O'Neal – This was brought to the attention to the City by a Council Member. I personally went to see the property in question as the code enforcement representative. The property taxes are paid-to-date and the building has been vacant for many years.

Bovitz – As long as the process is followed, do you see any issues?

O'Neal – No. Once we hire a new building official, they will handle it.

4. Department of Public Works – Purchase of equipment

Koryzno - Mr. O'Neal, you submitted a general request to purchase equipment for the Department of Public Works. The specifics of such a proposal must be known before the Board is able to evaluate it. Mr. O'Neal, are the specific equipment items, dollar amounts, and financial analysis of this proposal prepared for this month's Board meeting?

O'Neal – We were able to find the information regarding the reorganization that the Emergency Manager started to put into place before she left. I have not had time to review this information. Somewhere in time when the City Administrator left, this process stopped. We will make a recommendation at the next meeting after I review the Emergency Manager information.

Koryzno – The recommendation you bring back to the Board should indicate the type and cost of various impacts on the budget.

O'Neal – For the Board's information, the DPW Director has resigned. Since then, the City has been having issues with Commission interference and micro-managing.

III. NEW BUSINESS

A. Approval of Resolutions & Ordinances for City Council Meetings

1. Resolutions from Regular City Council meeting of January 21, 2014

Koryzno - Entertain a motion to approve the resolutions from the January 21, 2014 City Council meeting, with the exception of Resolution #20.14 CGAP Grant Award for Consolidation for Consolidation of Dispatch and Jail Service with River Rouge.

Koryzno - Resolution #20.14 was the City's second resolution to abandon the CGAP award of $327,150.00 which had been applied for and approved. This project, by the City's own estimation would save $775,000.00 in addition to the grant. This means that during the City Council meeting immediately following the publication of a five-

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year budget that anticipated millions of dollars of annual deficits, the Council saw fit to abandon $1,102,150.00 in savings and grants for the same period.

Van de Grift – The aggregate sum is roughly the equivalent of 5 mills. In order to replace the monies lost, the City would need to tax about 5 mills or increase the City's taxable value by some 94.6 million dollars.

By motion made (Bovitz) and supported (Parker), the Board unanimously approved the motion. Resolution #20.14 - CGAP Grant for consolidated dispatch and jail service with River Rouge is NOT approved.

2. Resolutions from Regular City Council meeting of February 4, 2014

Koryzno - Entertain a motion to approve the resolutions from the February 4, 2014 City Council meeting with the exception of Resolution #34.14 – 2013/2014 Budget Amendment.

Board discussion re Resolution #34.14 –2013/2014 Budget Amendment. Treasury staff will analyze further and bring back to the Board at a future TAB meeting.

By motion made (Bovitz) and supported (Parker), the Board unanimously approved the motion. Resolution #34.14 – 2013/2014 Budget Amendment is NOT approved at this time. (Treasury staff will analyze further and bring back to the Board at a future TAB meeting.)

3. Payments Made Prior to TAB Approval

Koryzno - Several payments were made prior to Board approval, during the month. The Board recognizes that the time sensitive Mill Street property tax payment to Wayne County was an emergency expenditure. Other unapproved payments are puzzling. Mr. O'Neal, were the expenditures relating to the Clerk's Institute an emergency in your judgment? Could these expenditures not have been brought to the Board during the past three months? Making payments without approval of the Board is not acceptable.

O'Neal – The City Clerk is a new hire and we felt it was important to allow her training as soon as possible.

Bovitz – Why was the Mill Street payment an emergency?

O'Neal – The City received information regarding a tax bill that had accrued thousands of dollars in interest.

Bovitz – Is this a matter of losing the property if not paid?

O'Neal – Yes.

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Parker – Were you aware of this information at the last TAB meeting?

O'Neal – No.

Parker – Is there any possibility of placing some type of lien on Mill Street because it was owned by brownfield?

Wycoff – Yes.

Parker – Was there consideration to make arrangements for payment with the County?

Wycoff – Yes. We did speak with Wayne County officials regarding a payment plan. We were told that if the property was not brought up-to-date by a date certain, they would foreclose.

Bovitz – Why were the healthcare payments considered an emergency?

O'Neal – Those bills were not paid. I don't have an answer as to why not.

McCurley – The healthcare providers are on the preapproved list, but it was a matter of the timing as to why they were not paid.

Parker – If we continue to spend money and not have an offset related to revenues, I'm concerned. We need justification to make payments so we can watch the budget.

4. Letter from City Administrator dated March 11, 2014

a. Items 1 and 7 have been addressed above.

b. Item 2 – January 2014 Budget to Actual financial report

Koryzno – Entertain a motion to approve the budget to actual report as submitted.

By motion made (Parker) and supported (Bovitz), the Board unanimously approved the motion.

c. Item 3 – Budget Amendment 2014

Koryzno - Treasury staff has reviewed this significant amendment to EM Parker's two-year budget. Fiscal Health Specialist Dube, do you have any concerns or comments regarding this proposed amendment?

Dube – There are a number of issues that need more clarification. The judgment levy correspondence seems to indicate that this is not a judgment levy. There is an item

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for $32,000 for land purchase and the amendment to the budget is to the executive line item. On is face that doesn't seem appropriate, we need more detail. Public safety overtime – we need more information and what is causing it. Does it have revenue impact?

Parker – As a member of the Board I would like to review this budget amendment in more detail with Mr. McCurley.

Koryzno - Entertain a motion to TABLE the budget adoption matter pending further analysis by Treasury.

By motion made (Bovitz) and supported (Parker), the Board unanimously approved the motion.

d. Item 4 – 2014 – 2019 Five-year Budget

Koryzno - Treasury staff has reviewed the five-year budget which projects more than $1.3 million dollars in deficits. Fiscal Health Specialist Dube, do you have any additional concerns or comments regarding this proposed 5 year budget?

Dube - Significant items:

1. Increase to public safety – 7%
2. Building maintenance – 45%
3. Evip – no evip prior

What is driving the significant costs? The 2014 projected revenues are less than current revenues. The City's budget is showing a 2015/16 annual deficit. There won't be any resources left for the City to use to face any challenges. The City needs to cut structurally and permanently, not a one-time cut.

Parker – Can the Board members get copies of your comments in writing so we can review them?

Koryzno – Yes. Staff will provide a detail analysis to the Board.

Koryzno - Entertain a motion to TABLE the 5-year budget matter pending further analysis by Treasury.

By motion made (Bovitz) and supported (Parker), the Board unanimously approved the motion.

e. Item 5 – Randle Judgment (Wycoff)

Koryzno - This matter has been before the Board before. Previously, the City declared its intention to pay this judgment creditor with a judgment levy. This levy has not occurred, nor has the City furnished the legal authority for it to obtain such a

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judgment levy absent plaintiff action. The dollar amount is $7,500. Because the City has not satisfied this judgment via levy, the City should pay the judgment holder.

Wycoff – Regarding the judgment levy, the attorney who was handling this case has a long history with the City of Ecorse. He sues the City on a regular basis. It was intended that the judgment would be placed on tax rolls by the attorney. When I found out about it, I contacted the attorney directly and he indicated that if the City does not pay, they would sue.

Parker – Are you recommending that the City pay?

Wycoff – Yes.

Koryzno - Entertain a motion to approve immediate payment of $7,500.00 to the plaintiff Randle of Randle v Ecorse.

By motion made (Bovitz) and supported (Parker), the Board unanimously approved the motion.

f. Item 6 & 8 Combined – Add AT & T and Xerox Financial to the Vendor Pre-approval Check List

Koryzno - Again, the City has requested additions to the Board's expenditure preapproval list. Mr. O'Neal, is there a reason that now, AT&T cannot be approved monthly with the rest of the claims and accounts?

O'Neal – we are going to incur penalties and we missed the deadlines to make the payments. By the time the Council approves it and then comes to the TAB, it is too late to make the payment.

Parker – Why not come up with a system to take into consideration that there is a two-step process. Pay it in advance so you won't incur penalties. You need to have a process to make your regular payments on time.

The Board recommended that the City come up with a two-step process to ensure its bills are paid on time and report back to the Board.

Koryzno - Secondly, the City has requested that Xerox be added to the preapproval list. It seems that Xerox has not been paid for more than three months. Why has the City not paid this bill nor submitted it for Board approval before?

Aynes – Mr. Aynes gave a summary of the process to pay the Xerox bills.

Parker – Does it take 90 days to get thru that process?

Aynes – No. I just noticed that we are 90 days behind.

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Parker – Please provide the Board with the information of how long this process takes and how it will be handled in the future.

No action taken at this time.

g. Item 8 – City Administrator Appointment – Information only.

IV. PUBLIC COMMENT

John Miller, Mayor Pro-Tem – Pontiac, MI – Stated he is not happy about how the bills are not being paid on time. Also stated his disappointment with the City Administrator's hiring/firing.

Zadora Miller, Pontiac, MI – The citizens are not happy with the City Manager. They do not like the way things are being done to manage the City.

V. BOARD COMMENT

A. All information requested by the Board shall be written reports from the City.

B. The handouts received from the City this morning will be reviewed at the next TAB meeting.

VI. ADJOURNMENT

There being no further business the meeting adjourned at 9:54 am.

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