

1 CITY OF FLINT
2 RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
3 JUNE 13, 2016
4 2:00 p.m.
5
6 Meeting before the RTAB Board at
7 1101 S. Saginaw, Flint, Michigan, on Monday, June 13, 2016.
8
9 BOARD MEMBERS PRESENT:
10
11 Frederick Headen - The Chairperson
12 Michael Townsend
13 Michael Finney
14 Joel Ferguson
15
16 FROM THE CITY:
17
18 Kerry Nelson, Council President
19 Scott Kincaid, Councilmember
20 Steven Branch, Chief of Staff
21 Jody Lundquist, Finance Director
22 Stacy Oakes, City Attorney
23 Sylvester Jones, Jr., City Administrator
24
25 OTHERS PRESENT:
26
27 Eric Mays, Councilmember
28 Quincy Murphy
29 R.L. Mitchell
30 Arthur Woodson
31
32 REPORTED BY: Mona Storm, CSR# 4460
33
34
35

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1 Flint, Michigan

2 Monday, June 13, 2016

3 2:01 p.m.

4 THE CHAIRPERSON: The meeting will be in
5 order, please.

6 With respect to roll call, let the record
7 reflect that all four members of the Board are here.

8 Next item is the approval of the agenda. Are
9 there any additions to the agenda?

10 If not, is there a motion that the agenda be
11 approved?

12 MR. FERGUSON: I so move.

13 THE CHAIRPERSON: Is there support?

14 MR. FINNEY: Support.

15 THE CHAIRPERSON: Without objection.

16 The next item is the approval of the RTAB
17 meeting minutes. We'll begin with Attachment 1, which
18 is the minutes of the May 11th, 2016 meeting.

19 Corrections to those minutes?

20 I have two corrections, Page 30, Line 14, I
21 made a reference to -- I said, "We talked about this
22 internally." I was referring to the proposed amendment
23 to the purchasing ordinance. I wanted to clarify that,
24 by saying, "We talked about this internally", I was
25 referring to internal conversations with the Department

1 of Treasury. I was not referring to any internal
2 conversations on the part of the RTAB. So I wanted to
3 make that clear for purposes of the Open Meetings Act.

4 Secondly, the same page, Page 30, Line 25,
5 the word "forum" should be "form". Are there any other
6 corrections or additions to the minutes from the
7 May 11th?

8 And, if not, is there a motion that those
9 minutes be approved as corrected?

10 MR. TOWNSEND: Motion to approve.

11 MR. FINNEY: Support.

12 THE CHAIRPERSON: Any discussion?

13 Those in favor, please say "aye".

14 BOARD MEMBERS: Aye.

15 THE CHAIRPERSON: Opposed?

16 The minutes of May 11th are approved.

17 Next is the minutes of May 26, they are
18 Attachment 2. One correction, on Page 29 Line 11, the
19 phrase "dimension in terms" should be "diminishing
20 returns". Are there any other corrections or additions
21 to the minutes of May 26th?

22 If not, is there a motion that the minutes --
23 RTAB minutes of May 26th --

24 MR. FERGUSON: So move.

25 THE CHAIRPERSON: Is there support?

1 MR. FINNEY: Support.

2 THE CHAIRPERSON: Any discussion?

3 Those in favor, please say "aye".

4 BOARD MEMBERS: Aye.

5 THE CHAIRPERSON: Opposed?

6 The minutes of May 26th are approved.

7 Next item is Unfinished Business. We had
8 tabled three items from our last next meeting;
9 Resolution 106, which was a change -- proposed change
10 to a purchasing ordinance that had been proposed by
11 City Council as a resolution. And we tabled that
12 because of the view that that was more proper to be
13 presented as a -- an amendment to an ordinance. I
14 believe the Council President agreed with that.

15 Council President, are you prepared, at this
16 point, to revisit that issue or do you wish to leave
17 that tabled for the time being?

18 MR. NELSON: If we could, could you leave
19 that tabled at this time for us?

20 THE CHAIRPERSON: Thank you.

21 MR. WOODSON: Mr. Headen, can you talk in the
22 mic?

23 THE CHAIRPERSON: I'm sorry?

24 MR. WOODSON: Can you talk in the mic?

25 THE CHAIRPERSON: Yes. Thank you.

1 MR. WOODSON: Thank you.

2 THE CHAIRPERSON: Next item under Unfinished
3 Business is Resolution 152. This was a Council motion
4 establishing a Council Advisory Taskforce. This was
5 not technically before us, at -- at that time.

6 I'll ask, again, Council President Nelson,
7 are you prepared to bring that issue to us or would you
8 like to have that remain tabled?

9 MR. NELSON: If you could retable that for
10 us, please.

11 THE CHAIRPERSON: Thank you.

12 And, finally, under Unfinished Business is
13 Resolution 136, which was a resolution being proposed
14 by Councilman Kinkaid to provide healthcare and
15 survivor benefits to surviving spouses of fallen police
16 officers or firefighters. I believe the estimate at
17 the last meeting was approximately \$2,500 per year
18 would be the cost.

19 However, we tabled that particular resolution
20 for two reasons. One was, as I recall, the Chief of
21 Staff indicated he wished to have an opportunity to
22 review that further. Also, Police Chief Johnson, I
23 believe, indicated he had not seen the resolution at
24 the time and wanted an opportunity to go back and
25 review that further and, perhaps, make a recommendation

1 regarding the passage of that resolution.

2 Council President Nelson, can you tell us if
3 there had been any further developments with regard to
4 that resolution?

5 MR. NELSON: Mr. Kinkaid?

6 THE CHAIRPERSON: Or Councilman Kinkaid.

7 MR. KINKAID: Yeah. Thank you, Mr. Chair.
8 There has been ample time since the City Council has
9 reviewed this resolution by the administration and I
10 have --

11 MR. NELSON: Look up there.

12 MR. KINKAID: -- two letters of support from
13 both the Police Officers Association and the Fire
14 Department in support of providing this benefit to
15 their members, spouses and dependents that may and
16 hopefully would -- we would not have to use this. To
17 me, it is a small token of appreciation to be able to
18 provide for the families of officers, public safety
19 officials that would die, unfortunately, in the line of
20 duty.

21 I believe that the cost, when you look at the
22 cost of this, it's roughly right around \$2,500 a year.
23 There is funding in our fringe benefit fund that would
24 cover this. And I would ask the RTAB to -- at this
25 point, since there's been ample time for everybody to

1 vet this resolution. No one has really talked to me,
2 other than the Union Presidents about this. And I -- I
3 think it's only right for the families to know whether
4 or not the City is going to support them or not.

5 So here are the letters of support.

6 THE CHAIRPERSON: Thank you.

7 MR. KINKAID: And I just would encourage the
8 RTAB to take action today. Thank you.

9 THE CHAIRPERSON: Mayor or City
10 Administrator. I believe, Mr. Branch, when he spoke to
11 this at the last meeting indicated that the city
12 administration did not oppose it.

13 But you wanted ample opportunity to review
14 it. What is your position with regards to this
15 resolution now?

16 MR. BRANCH: Raymond Barton, the Fire Chief,
17 and I would support it. We don't lose a lot of people
18 in the line duty. I did 28 years and then some. But
19 this is just one of those things, if a firefighter or
20 police officer dies in the line of duty, then you're
21 going to say -- you're not going to take the healthcare
22 from his family. But what it is is just paying that
23 portion that we have to pay and so the City would be
24 required for that. If somebody give their life, I
25 don't think it would be fair to take away and make

1 their family pay for health insurance in those type of
2 circumstances. So it's full support of it.

3 THE CHAIRPERSON: Is there a motion, then, to
4 remove this item from the table?

5 MR. FINNEY: So move.

6 THE CHAIRPERSON: Is there support?

7 MR. FERGUSON: Support.

8 THE CHAIRPERSON: Those in favor, please say
9 "aye".

10 BOARD MEMBERS: Aye.

11 THE CHAIRPERSON: Opposed?

12 The resolution has been removed from the
13 table. So now is there any discussion regarding the
14 passing of the resolution itself; is there a motion to
15 that effect?

16 MR. FINNEY: So moved.

17 MR. FERGUSON: Support.

18 THE CHAIRPERSON: Any discussion regarding
19 Resolution 136?

20 If not, those in favor of passing the
21 resolution, please say "aye".

22 BOARD MEMBERS: Aye.

23 THE CHAIRPERSON: Opposed?

24 Resolution 136 is adopted.

25 That concludes Unfinished Business.

1 New Business.

2 Madam Mayor?

3 Council President Nelson?

4 MR. NELSON: (Shakes head.)

5 THE CHAIRPERSON: We'll proceed, then, to
6 Item B under New Business. Approval of Resolutions and
7 Ordinances from City Council meetings. We'll begin
8 with Special City Council meeting from May 3rd, 2016.
9 There is Resolution 151 that is Attachment 3. Is there
10 a motion that Resolution 151 be approved?

11 MR. FINNEY: So move.

12 THE CHAIRPERSON: Is there support?

13 MR. FERGUSON: Support.

14 THE CHAIRPERSON: Those in favor of
15 Resolution 151, please say "aye".

16 BOARD MEMBERS: Aye.

17 THE CHAIRPERSON: Opposed?

18 The Resolution is adopted.

19 We'll proceed to the resolutions from the
20 Regular City Council meeting of May 9th. Those are
21 Resolutions 138.1, 138.3 and 162. They are Attachment
22 4 on Page 135 of your packet.

23 Is there a motion to approve those three
24 resolutions from the regular meeting of May 9th?

25 MR. TOWNSEND: Motion to approve.

1 THE CHAIRPERSON: Is there support?

2 MR. FINNEY: Support.

3 THE CHAIRPERSON: Motion's been made and
4 seconded. Any discussion?

5 Those in favor, please say "aye".

6 BOARD MEMBERS: Aye.

7 THE CHAIRPERSON: Opposed?

8 Resolutions 138.1, 138.3 and 162 are
9 approved.

10 The next item of business is resolutions from
11 the regular City Council meeting of May 23rd. Those
12 are Resolutions 176 through 180, 183, 185 and 186.
13 They are Attachment 5, Page 139 of your packet.

14 Is there a motion that those resolutions be
15 approved?

16 MR. FINNEY: I'll move to support.

17 THE CHAIRPERSON: Is there support?

18 MR. TOWNSEND: Support.

19 THE CHAIRPERSON: Motion's made and seconded.
20 Those in favor, please say "aye".

21 BOARD MEMBERS: Aye.

22 THE CHAIRPERSON: Opposed?

23 Motion is adopted. Those resolutions from
24 May 23rd are approved.

25 Next we have from the Special City Council

1 meeting of June 9th, Resolutions 196, 197, 198, 199,
2 200 and 201.1. These resolutions concern various
3 aspects of the 2017 fiscal year budget for the City.
4 I'm going to ask Councilman Kincaid, who is also the
5 Finance Chair to come up and briefly describe each of
6 these resolutions and how they relate to the budget.

7 Councilman?

8 MR. KINKAID: Thank you, again, Mr. Chairman.
9 I don't have any agenda in front of me but I will walk
10 through the resolutions that we had adopted prior to
11 adopting the budget that the City Council adopted.
12 But, prior to getting to that point, these resolutions
13 need to be approved before we can move forward with the
14 '16/'17 and '17/'18 budget.

15 THE CHAIRPERSON: And do you want to
16 elaborate upon Resolution -- I believe it's -- 200?
17 This is a budget amendment of a \$3.6 million --

18 MR. KINKAID: In the fourth quarter -- or the
19 fourth quarter budget amendment?

20 THE CHAIRPERSON: Yes. Can you elaborate
21 upon --

22 MR. KINKAID: I sure can.

23 THE CHAIRPERSON: -- the purposes of that.

24 MR. KINKAID: Yeah. In order to acquire
25 funding for the water fund, there was approximately

1 three -- \$3.6 million in this current fiscal year
2 that -- for the projects that could have been
3 transferred over to the water fund. And this
4 resolution transferred those dollars so that we would
5 have adequate funding to address the 25 -- I think it
6 was 25.6 -- 25.79 projected deficit in the water fund.

7 And, without that fourth quarter amendment,
8 it would have been extremely difficult or, actually,
9 almost impractical for the City of Flint; for us to be
10 able to pass any balanced budget in the 591 fund.

11 THE CHAIRPERSON: Questions regarding these
12 resolutions?

13 MR. TOWNSEND: I have a question.

14 MR. KINKAID: Yes?

15 MR. TOWNSEND: Councilman, none of the
16 resolutions -- we've been informed that, as they're
17 coming to us, none of the resolutions have Finance or
18 Legal on them. I'm assuming that these have been
19 reviewed by Finance and Legal or not?

20 MR. KINKAID: I'll let the Finance -- the
21 Chief Financial Officer of the City of Flint look at
22 these. They have been presented to the City Attorney's
23 Office for signatures. But these were resolutions that
24 were standard and they are by the City Council prior to
25 adopting a budget. But I'll let the Chief Financial

1 Officer answer that question.

2 MR. FERGUSON: We had a meeting a couple -- a
3 couple meetings back and I thought we understood that
4 nothing would come to us inside the veto period unless
5 we had the administration sign off on it.

6 Because, if you pass something inside the
7 veto period, then -- and the Mayor vetoes it
8 afterwards, then it happened. And I think that, for --

9 MR. KINKAID: And let me try to --

10 MR. FERGUSON: -- just coordination I'm just
11 saying that I think it should be forced unless we have
12 a comment from the administration also.

13 MR. KINKAID: Let me just say this, from my
14 perspective as a City Councilperson.

15 MR. FERGUSON: Yeah.

16 MR. KINKAID: That the budget that is being
17 presented and these resolutions that are being
18 presented set up the financial mechanism for the City
19 of Flint to operate. And, when you look at the role of
20 the RTAB, I think the RTAB's role is to look to see
21 whether or not these resolutions have any financial
22 implications to the City, not so much political
23 implications and not so much whether or not the City
24 Council or the Mayor is following the Charter.

25 But I think the RTAB's role and

1 responsibility is to make sure that we are within our
2 financial respective guidelines for the RTAB and that
3 we comply with state law. And I believe that each and
4 every one of these resolutions, including our budget,
5 does that. Prior to the RTAB not approving these
6 resolutions and/or the budget, the City of Flint has no
7 spending authority come July 1.

8 MR. FERGUSON: Well, I'm not arguing with you
9 about -- you know, about this. I'm just saying that I
10 don't see how -- I think you weren't at the meeting
11 where we established that we wouldn't take anything
12 up --

13 MR. KINKAID: I was not at that meeting.

14 MR. FERGUSON: -- that hadn't been vetted
15 through the process. I'm not talking the merits of
16 what you have.

17 MR. KINKAID: Okay.

18 MR. FERGUSON: I'm just saying that we,
19 ourselves, have a charge that where, if we're going to
20 pass and approve something, it has to be through your
21 own Council and Mayor's procedures. And then we can
22 vote something up and down, how we feel about it. But,
23 now, if the veto period -- let's say you passed it a
24 month ago and the Mayor has X number of days to veto
25 something --

1 MR. KINKAID: Seven days.

2 MR. FERGUSON: -- then -- seven days.

3 MR. KINKAID: Uh-huh.

4 MR. FERGUSON: But, if you pass it inside the
5 seven days, you know, I don't see how we can vote for
6 it, you know. But, if it's outside the seven days, of
7 course we could.

8 MR. KINKAID: Well --

9 MR. FERGUSON: But we can't now unless the
10 Mayor comments and says that she's not going to veto
11 it, then that's a different thing. I'm just saying
12 that we kind of understand our charge and I'm certain
13 that you understand your charge.

14 MR. KINKAID: I do.

15 MR. FERGUSON: And I don't believe your
16 interpretation of where we are is accurate.

17 THE CHAIRPERSON: Councilman, would you hold
18 for a second?

19 MR. KINKAID: I most certainly can.

20 THE CHAIRPERSON: Because, in fairness to the
21 Councilman, the actual timing of this wasn't really his
22 doing. And your point is well taken. If you'll
23 recall, the RTAB meeting for this month, I believe it
24 was originally scheduled for June 8th. The expectation
25 was that the budget would be adopted June 6th --

1 MR. KINKAID: June 6th.

2 THE CHAIRPERSON: -- which was the first
3 Monday in June. It was on that basis that we basically
4 delayed our meeting until today, although I think
5 shortly after that heard. But we selected today as the
6 day for our meeting. There was, I think, discovered
7 here in the City that there had been a newspaper
8 publication requirement that hadn't been met. And, as
9 a result, the public hearing on the budget and the
10 adoption of the budget itself didn't occur until the
11 9th, if I recall correctly.

12 We did not, then, reschedule our meeting, we
13 left it as it was today, which means that we're still
14 within the 168-hour period during which the Mayor could
15 veto this issue and any other resolution.

16 Before we take any action on the budget
17 today, we fully intend to hear from the Mayor or anyone
18 else in her staff who may have thoughts or concerns
19 about the budget that was adopted by Council last
20 Thursday and then we are free to either pass or not
21 pass the budget today, if necessary, perhaps have a
22 special meeting.

23 But I just -- I didn't want Councilman to be
24 caught in the crossfire here for a scheduling
25 situation, most of which was not of his doing.

1 MR. KINKAID: And you are absolutely right;
2 we need to meet the publication deadline or regulations
3 to publish a public hearing on the budget and notice
4 six days. But there was also another significant event
5 that needed to take place. And I'll talk about that
6 when we get to the budget. It was pertaining to a
7 letter of commitment from the State Treasurer, the
8 Budget Director and the Senior Advisor to the Governor
9 to be able to receive a letter to help ensure financial
10 funding for our 591 Fund.

11 And so both of those significant things were
12 in place and caused the delay from the June 6th
13 adoption of the budget but I think that, when the RTAB
14 looks at these five millages -- four millages and one
15 transfer, the fourth quarter. I think if the RTAB
16 looks at those financial implications and whether or
17 not we have met the guidelines under Public Act 436 for
18 the RTAB to take action, at least on those first five,
19 we need to be able to set in place the funding
20 mechanism for the '16/'17 and '17/'18 projected
21 deficit -- or budget.

22 MR. FINNEY: Mr. Chair.

23 THE CHAIRPERSON: Yes?

24 MR. FINNEY: Yeah. So my reaction to it is
25 pretty much what you just said, these resolutions

1 represent the mechanism for creating the revenue flow
2 that the City is going to need in order to move forward
3 in 2017.

4 The real question is, since these are not
5 signed off by the City Attorney and the Mayor with
6 respect to form and Finance Director with respect to
7 substance and it would be nice to know if they're
8 adequate. So I think you're inviting the Finance
9 Director to step forward and share with respect to it
10 being enough. But then, a few things it's important to
11 understand from the Mayor, if, in fact, she concurs
12 with that from -- from her perspective or someone from
13 her team so that we get an idea of whether these
14 resolutions approve, will, in fact, provide an adequate
15 level of funding for the budget. So it's challenging
16 to take one without the other. Obviously, we have to
17 do it that way.

18 And so, at the end of the day, we're really
19 thinking ahead of things because it's the budget that
20 is ultimately the issue we're trying to address.

21 MR. KINKAID: Right.

22 MR. FINNEY: And, because these are
23 mechanisms and these mechanisms aren't adequate to get
24 us to the budget, then we have a challenge. So I think
25 it's pretty important to hear from Finance and from the

1 Mayor's office with respect to --

2 MR. KINKAID: Absolutely. I totally concur
3 with Mr. Finney.

4 THE CHAIRPERSON: Ms. Lundquist?

5 MS. LUNDQUIST: Good afternoon. With respect
6 to the Finance Department review of the resolutions
7 that were brought before Council at their special
8 meeting last Thursday, I concur with Councilman Kinkaid
9 and the RTAB's understanding that the first five
10 resolutions are necessary for the option of the -- six
11 for the budget to be adopted for the upcoming fiscal
12 year. And by that, I mean an approved budget for
13 second -- the millage rates are consistent with that,
14 which was four and a half.

15 The budget process started with the
16 department heads reviewing their needs. They
17 submitted, then, their requested methods to the Finance
18 Department for review. The Finance Department reviewed
19 those budgets with the administration. They currently
20 are preparing estimates for revenue and those shared
21 costs which is direct cost or indirect cost allocation
22 plan, our fringe benefits, if you work, for instance,
23 with our healthcare agent to identify what our current
24 active and retirement healthcare cost would be, looking
25 at our actuarial report for pension and then putting

1 those together with the requested budgets of the
2 departments.

3 When the Mayor then brought forth the budget
4 as a proposed budget at Council, it was in Council's
5 hands, then, to hold departmental budget hearings and
6 develop any changes that they might have.

7 So those resolutions that require -- that are
8 required for our revenue objections are consistent and
9 have been reviewed by the Finance Department during the
10 development of the budget, not normally through the
11 preliminary budget process in working with
12 administration and the Mayor prior to presenting her
13 proposed budget but then, also, through the process
14 before it came before Council last week.

15 THE CHAIRPERSON: And is this a balanced
16 budget?

17 MS. LUNDQUIST: Yes. So the water and sewer
18 funds, our special appropriation act that do require
19 net assets in order to fund the operating expenses for
20 the upcoming fiscal year.

21 THE CHAIRPERSON: And, from a technical
22 standpoint, the emergency manager, when he left last
23 April -- so April of 2015 -- was required to adopt a
24 two-year budget. This is, in effect, the second year.
25 His two-year budget now, I gather the reason for this

1 budget is because, in fact, you can do a biannual
2 budget but, technically, you can only approve or adopt
3 one year at a time.

4 MS. LUNDQUIST: Correct. That is my
5 understanding, yes, that you can only adopt for the
6 upcoming fiscal year and approve for the second. And
7 it's also consistent with the ordinance that the second
8 year of each final annual budget will be amended or
9 adjusted as projections and revenues and expenditures
10 change.

11 THE CHAIRPERSON: Okay.

12 Other questions?

13 MR. TOWNSEND: I guess I'd have the same
14 question, in terms of legal representation. I guess,
15 again, returning to home rule, as it's been discussed
16 in the past times. In these documents, I think -- and
17 you can speak to it, Councilman Kinkaid --
18 historically, we've always had Finance and Legal's
19 signatures on those. Those are on there, I believe,
20 for a purpose and a reason. I believe last month -- or
21 at our last meeting, also, Council President Nelson
22 said that no documents would be reviewed or approved by
23 Council without Legal and Finance reviewing those.

24 So I guess what I'm looking for, from this
25 standpoint, is making sure. But, again, we see the

1 resolutions that have come forth and they're not in the
2 format that are typically being done, in terms of the
3 City, in terms of that, and they don't have Finance or
4 Legal's signatures on them, nor do they have, as we've
5 talked about in our previous meeting, the stamp usually
6 of the City Clerk.

7 So I guess, from that standpoint, I want to
8 see resolutions. And we're talking, again, about going
9 back to conducting business as we had according to the
10 charter, I see those same documents are missing. So,
11 again, I'm asking, at this point in time, now that
12 we've heard from Finance if we can hear from Legal to
13 make sure that they're in the format that they should
14 be.

15 These resolutions are by the Council, they're
16 not by the Mayor. And, in years past, Council adopts
17 these resolutions the night that we adopt the budget
18 and then they are then submitted to the attorney's
19 office. The night that we adopted the budget, on June
20 the 9th, the attorney's office, along with the Mayor's
21 office, all those were presented a copy of the adopted
22 proposed budget along with all of the resolutions that
23 were there.

24 And that I agree that resolutions should be
25 reviewed by the Finance Department. These resolutions

1 were reviewed by the Finance Department as -- as we
2 adopted them by the Council. And the attorney's office
3 has the ability and the right to look at resolutions
4 that we adopt after the fact.

5 And I think you're aware of the situations
6 we've had in the past. And the 7th Circuit Court had
7 ruled that Council has the ability and the right to
8 draft resolutions and then submit them in a very timely
9 manner to the appropriate departments, including the
10 administration and the Legal Department. And that was
11 done in this case. And there was nothing that was done
12 out of the ordinary as we adopted a budget for the City
13 of Flint in this case.

14 Now, when the emergency manager was here,
15 that was a different whole situation. But, you know,
16 as being past Finance Director that our outside
17 consulting firm that we hired worked with the City
18 Council and we prepared those resolutions and did them
19 the night that we adopted the budget. Thank you.

20 THE CHAIRPERSON: Let me ask Mr. Townsend's
21 question a different way, which is, these resolutions
22 are as of, I believe, last Thursday night because we
23 requested them, on Friday morning, to send them out.
24 So, at that time, we had only, I believe, Council
25 President's signature.

1 In the intervening two or three days, have
2 any signatures been added to these resolutions; have
3 they been approved by or signed by the Finance
4 Director --

5 MR. KINKAID: No.

6 THE CHAIRPERSON: -- or by Chief Legal
7 Counsel?

8 MR. KINKAID: That, I can't answer that.
9 You'd have to ask the appropriate departments.

10 THE CHAIRPERSON: Ms. Oaks?

11 MR. TOWNSEND: Before we get to that, can I
12 ask -- Mr. Chair?

13 Again, I'm referring back to the conversation
14 that Council President Nelson said last week. I
15 understand that the process that you go to get those
16 reviewed but I would -- I would -- I would hope that
17 we're getting some response from that. I mean, if you
18 send it to the Legal Department and send the wrong form
19 but you pass the resolution already, which you legally
20 can do, then there should be some amendments.

21 So, if we're saying that we're doing this for
22 procedure's fact, I mean, I don't think that's the
23 appropriate way. I think, again, you should be getting
24 input from those individuals. And I understand that
25 Council has the ability and went to court and we talked

1 about that in years past. But you have a right to pass
2 that.

3 But, again, your fiscal responsibility should
4 be getting the Finance side of it after that point but,
5 also, the Legal to make sure that the document is true,
6 in fact. So that's why I was wondering, have we gotten
7 that feedback, not whether or not you had a meeting or,
8 again, that you have the right to pass a resolution but
9 I want to know whether or not we have that feedback
10 from that from that standpoint.

11 MR. KINKAID: And I can't answer that. I can
12 only say that this is the normal practice. These are
13 the normal resolutions that we do every year under home
14 rule by the City Council the night that we adopt the
15 budget.

16 MR. TOWNSEND: Okay.

17 MR. KINKAID: And I think your experience
18 will recognize that.

19 THE CHAIRPERSON: Mr. Ferguson?

20 MR. FERGUSON: I wanted to -- just a
21 commonsense thing on this. You got the Mayor and the
22 City attorney's names here for their signatures. Now,
23 their signatures, if they don't mean anything, why
24 their names on this? I'm just saying that, if
25 everyone's names who is on that, to have a signature on

1 this, if it doesn't mean anything, then we should, in
2 the future, not have their names on it.

3 But I happen to believe that they're there
4 for a reason. And I'm just saying, inside of a certain
5 time, that, if we don't have their signatures or a
6 waiver, then we have to have a special meeting, if they
7 hadn't been. I'm just saying -- I'm just talking
8 procedure, you know.

9 Now, if their signatures don't mean anything,
10 then why are they there? I'm just asking that
11 question. I'm asking somebody in the room, why are
12 they there if they don't mean anything? I believe they
13 mean something; that's why they're there. That's just
14 the question I'm asking.

15 But City Attorney, I'm sorry, you took the
16 stand. Do they mean something?

17 THE CHAIRPERSON: Ms. Oaks, can you just tell
18 us whether or not your signatures have been added to
19 these resolutions?

20 MS. OAKS: My signature has not been added to
21 the resolutions. It's my understanding that they were
22 issued from the floor on Thursday, the 9th.

23 I was advised by the City Attorney that she
24 had not had an opportunity to review them, therefore,
25 when I had not received it, I did not have an

1 opportunity to review them or discuss them, any changes
2 with the Mayor. Therefore, I could not properly advise
3 her if she did inquire as to the resolutions.

4 I have not seen them, have not had anyone
5 discuss them with me. As Councilman Kinkaid indicated,
6 he did speak with the Chief Financial Officer. I was
7 not privy to that conversation nor have I spoke with
8 Mr. Kinkaid about the resolutions.

9 So, as of today, no, they do not have my
10 signature or have gone through the Legal Department.
11 And, to answer Mr. Ferguson's question, I would like to
12 believe Legal's signature means something as well as
13 the Mayor's.

14 THE CHAIRPERSON: We have these
15 resolutions -- we have these resolutions before us and
16 I sense some reluctance to sign off on either the
17 resolutions or the budget, given the fact we're still
18 within 168-hour period during which the Mayor could
19 veto one or more of these resolutions.

20 But, since we're here, I'm going to ask that
21 the RTAB members take this opportunity to pose any
22 questions regarding the budget today that they might
23 have or regarding these resolutions, under the
24 assumption that they're not likely to critically
25 change. And that may facilitate our ability, then,

1 when these resolutions to the budget are before us, for
2 actual approval or disapproval when we've had many of
3 the sort of technical substantive questions answered.

4 So, again, Mr. Ferguson's point is well taken
5 about the 168-hour period. We're under no obligation
6 to act upon this today but there's no reason that
7 precludes us from posing any questions we might have
8 about the substance of the budget.

9 So, Mr. Finney, did you have --

10 MR. FINNEY: Well, yes. Thank you.

11 Thank you, Mr. Chair.

12 I am curious. So we noted these resolutions
13 will enable us to establish a budget. So there's a
14 number that's in here that represents the total budget
15 across all departments for the City. These
16 resolutions, essentially, allow that to happen. And so
17 I don't have any conflict, in my mind anyway, with
18 respect to that.

19 But I am curious to hear from -- in addition
20 to the Finance Director or the City Manager -- or the
21 City Administrator -- excuse me -- or the Mayor with
22 respect to are there issues in the budget, either up or
23 down, that would cause us to have pause with respect to
24 approving the resolutions and/or the budget?

25 So, in other words, if the budget is, you

1 know, underestimated or not in line with what your
2 expectations are, it would be nice to understand that,
3 at this point.

4 Recognizing that the City Council has
5 approved it -- and I'm not at all disputing that --
6 recognizing that the resolutions are adequate to
7 support the budget that's being recommended, I'm just
8 trying to understand if there's any other gaps there,
9 since these are in front of us prior to signing them.

10 MR. KINKAID: And I stopped at Resolution
11 Number 5. I didn't talk about the budget. So, if
12 you're going to include the budget, I would like to
13 have the ability to address those issues --

14 MR. FINNEY: Thank you.

15 MR. KINKAID: -- prior to asking the Finance
16 Director or the administration anything in their
17 positions. So, if you're going to look at them at
18 all -- I was looking at them, we need to get the
19 funding mechanism approved first and then let's talk
20 about the budget.

21 MR. FINNEY: But you got to understand that
22 one --

23 MR. KINKAID: Yeah, I understand.

24 MR. FINNEY: -- the other.

25 MR. KINKAID: First of all, let me --

1 THE CHAIRPERSON: Could you tell us, on the
2 budget itself, the budget was presented to the Council,
3 I believe, on --

4 MR. KINKAID: April 4th.

5 MR. TOWNSEND: April 4th.

6 MR. KINKAID: Uh-huh.

7 THE CHAIRPERSON: -- the first Monday in
8 April.

9 MR. KINKAID: Yes.

10 THE CHAIRPERSON: Are there any significant
11 changes between the budget that was proposed to City
12 Council on April 4th and the budget that was adopted by
13 the Council --

14 MR. KINKAID: Yes.

15 THE CHAIRPERSON: -- last Thursday. If you
16 can summarize quickly before us that indicate what
17 differences --

18 MR. KINKAID: There are some significant
19 changes. Because the budget that was presented to the
20 City Council on April the 4th in an approximate
21 36 million projected deficit in the 590 and the 591
22 Funds and we needed to --

23 THE CHAIRPERSON: And 590 and 591 are the --

24 MR. KINKAID: The water --

25 THE CHAIRPERSON: -- water --

1 MR. KINKAID: -- and sewer --

2 THE CHAIRPERSON: -- and sewer --

3 MR. KINKAID: -- fund.

4 THE CHAIRPERSON: -- fund.

5 MR. KINKAID: I'm sorry. The water and sewer
6 fund. So we had to work through that process. So yes,
7 there were a number of significant changes to the
8 proposed budget by the administration. And I'll walk
9 through those.

10 THE CHAIRPERSON: And, putting aside those
11 two for a moment, were there significant changes in the
12 non-water and sewer portion of the budget?

13 MR. KINKAID: There were some. There were
14 some. And, when you talk about significant, out of a
15 \$47 million budget, I think we made about two hundred
16 and some thousand worth of changes.

17 THE CHAIRPERSON: Okay.

18 MR. KINKAID: So I don't look at that as
19 significant in the general fund when I look at 200,000
20 out of 47 million.

21 THE CHAIRPERSON: So the primary difference
22 between the two budgets would have been water and
23 sewer?

24 MR. KINKAID: Primarily, it's water and
25 sewer. But we also introduced some other transfers and

1 things like that within the budget to balance the
2 budget, in order to be able to get to the general fund.

3 THE CHAIRPERSON: And can you briefly
4 summarize how it is -- given the fact this is a
5 balanced budget, how it is City Council basically
6 addressed the \$36 million deficit --

7 MR. KINKAID: I can.

8 THE CHAIRPERSON: -- in water and sewer?

9 MR. KINKAID: I will.

10 THE CHAIRPERSON: Please.

11 MR. KINKAID: Okay. First of all, I need to
12 thank John Roberts, the State Budget Director;
13 Nick Khouri, the Treasurer; and Rich Baird, the Senior
14 Advisor to the Governor. We had some conversations in
15 meetings about the concern in the water and sewer fund
16 and needed to figure out some commitments in funding
17 mechanisms that could help a city, at the time not
18 knowing whether or not the state appropriations were
19 going to be approved and how much of the state
20 appropriations were going to be approved.

21 I needed -- for my colleagues on the Council,
22 I needed some sort of commitment from those
23 organizations, the Budget Director, the Treasurer and
24 Mr. Baird, who was also a part of those conversations.

25 And attached to the budget that you should

1 have received, you should have received a letter from
2 the State Budget Office, kind of outlining what their
3 commitment was going to be to help offset some concerns
4 that the Council had about potential funding to be paid
5 for, for water from the Great Lakes Water Authority.
6 There wasn't any in the budget.

7 There's been a lot of talk about how are we
8 going to accomplish clean water to our treatment plants
9 since the river is no longer an option. In this letter
10 that we received, it doesn't, you know, specifically
11 outline an exact amount of money but it does outline a
12 commitment that those dollars would be available for
13 those two things. One, to be able to continue to pay
14 for Great Lakes water from the Great Lakes Water
15 Authority to the City of Flint as treated water. And
16 the other, depending upon the administration and
17 Council in working with KWA, whether or not a
18 three-mile pipe is necessary, wanted to make sure that
19 there is funding in place for that.

20 And this letter, basically, outlines their
21 commitment to cover those costs. And we -- and I could
22 tell you we could not have achieved a balanced budget
23 in those two funds without this commitment letter.
24 There was just no way the City had funding available
25 with our collection rate in our water fund to be

1 assured that we would be able to continue to pay for
2 Great Lakes Water Authority for water.

3 As you know that, originally, when we
4 switched to the Great Lakes water and there was a
5 number of funding sources from the State of Michigan,
6 some foundations in the City of Flint and in the
7 proposed budget there was not adequate funding to
8 continue to do that. And, with this letter, that
9 assures us that we have that funding in place. So that
10 was huge. I mean, I can't tell you how huge that this
11 letter and this commitment was for us to be able to
12 move this City forward and adopt a balanced budget.

13 We made some other internal transfers.
14 Mr. Headen's raised the 3.6 million that was used. We
15 also transferred 4 million -- I can't remember the
16 exact amount but a little over \$4 million in the sewer
17 fund -- \$4.6 million in the sewer fund to be able to --
18 or \$4.2 million to be able to cover some costs and
19 eliminating a \$9 million deficit in the sewer fund. So
20 those two funds, with internal transfers and this
21 commitment from the State of Michigan, helped us
22 balance the water and sewer fund.

23 Some of the other changes that we made -- I'm
24 not going to walk through all of them. I'm going to
25 walk through some that -- the administration and I had

1 a meeting on Friday and we started to talk about some
2 of their concerns that they had with the budget that
3 was adopted by City Council and I told them that my
4 door was open and I was willing to continue to meet
5 with the administration to look at what their concerns
6 were and try to address those and do budget amendments
7 as we move forward.

8 The budget process is an ongoing process.
9 It's a living document. It changes monthly, quarterly,
10 depending upon the revenue, depending upon the
11 expenditures. And the City Council and the Mayor have
12 the ability to sit down and address those on -- on a
13 monthly basis or a quarterly basis or however that is
14 necessary to address the budget.

15 Some of the budget changes that City Council
16 adopted that we may have some differences with the
17 administration, we haven't talked in depth, we're going
18 to do that again on this Thursday.

19 THE CHAIRPERSON: Councilman, I'm going to
20 interrupt you for just a second and ask if we can speak
21 or hear from the Mayor. Because, if she does, in fact,
22 have issues with the budget, we would like to know what
23 they are.

24 MR. KINKAID: Okay.

25 THE CHAIRPERSON: And if, on the other hand,

1 there are no significant issues, then we can probably
2 expedite the process --

3 MR. KINKAID: Okay.

4 THE CHAIRPERSON: -- by learning that from
5 the Mayor.

6 Madam Mayor -- or Mr. Jones.

7 MR. JONES: Good evening -- good afternoon, I
8 should say. As Councilperson Kinkaid indicated, there
9 are a few items that occur to this budget. One being
10 we need to have the State of Michigan's support for the
11 water and sewer fund, recognizing that we still don't
12 have clean, safe drinking water. And so what -- we
13 have talked about this, the need to have the State's
14 support to continue to credit going forward.

15 In addition to that, it's important that we
16 increase our collection rate in both the water and
17 sewer fund so that we can demonstrate to the State that
18 things are happening in that regard.

19 And then, in addition to that, there is a
20 number of capital things that worry me on the previous
21 budget. We had not identified a funding source for
22 those. And so that is one of the reasons why there
23 was, in fact, a deficit budget presented. But we
24 were -- the goal was to have those things taken out
25 until we can identify the funding source for those

1 capital projects. Mr. Kinkaid did mention that the
2 State had indicated that they will assist with funding
3 some of those capital projects.

4 In addition to that, Mr. Kinkaid was right,
5 that we have had some conversations. We spoke on
6 Friday and then we spoke again last night about
7 concerns that we have about personnel changes or
8 dollars that had been removed from the Mayor's budget
9 that could impact the staffing level in the Mayor's
10 office.

11 And some of you already know that there is
12 significant capacity issues in City Hall right now.
13 And so we have had some conversations with
14 Councilperson Kinkaid about the need to revisit those
15 things and to return to the RTAB -- should you approve
16 this budget today, return with some amendments to have
17 dollars restored in that area of personnel, recognizing
18 that it would be a huge blow to this administration if
19 we had to remove staff people in the City
20 Administrator's as well as in the Mayor's office.

21 And so we've had conversations with
22 Mr. Kinkaid about that and we are planning to have
23 conversations on Thursday, prior to the 7th day or the
24 168-hour veto period coming to an end.

25 THE CHAIRPERSON: So is it the

1 Administration's -- is it the Administration's position
2 that the proposed budget or the budget adopted by City
3 Council is acceptable as-is or needs modification at
4 some later date by a budget amendment or that it is so
5 unacceptable that it would likely be vetoed within the
6 remaining 168 hours?

7 What's the Administration's position on the
8 budget?

9 MR. JONES: The Administration's position, at
10 this time, is that there are real concerns about some
11 of the dollars in the personnel line item for salaries
12 and fringes. And we do hope to have a conversation
13 with Councilperson Kinkaid and also Councilperson
14 Nelson on Thursday to talk about that because they are
15 quite significant. And, if the -- the Mayor did lose
16 staff in our office, it would be -- it would create a
17 real hardship for this administration going forward.

18 THE CHAIRPERSON: Questions?

19 Mr. Finney.

20 MR. FINNEY: Yes, Mr. Chair. My question,
21 actually, is not related to this, it's more of a global
22 question related to the budget.

23 So the letter that was included from the
24 State Treasurer outlining the opportunity for support
25 from the State is more of a soft letter, it's not a

1 firm commitment. And my understanding, how is this
2 built into the -- the budget? In other words, what's
3 here is not a firm commitment of dollars, although I
4 expect that will happen. Is it just that you expect
5 that it will happen or how did you incorporate it?

6 MR. KINKAID: We had an estimate on what the
7 cost of the pipeline would be and -- you know, so we
8 had conversations about that, along with the cost of
9 the water. And I think the commitment from the State
10 is whatever that cost is -- when we read this letter --
11 through December of this year, that they'll cover that
12 cost because we didn't have that funding in our budget.

13 So yes, we have to put a -- just a step --
14 one step back and put it in perspective. In our
15 conversations with the State Budget Director and
16 Treasurer and Mr. Baird, the -- the State was still in
17 negotiations or communications, conversations with the
18 Legislature in trying to get some sort of a firm
19 commitment on how much was going to be allocated. You
20 can't be in this situation where you say X amount of
21 dollars is going to be given if it's not approved by
22 the legislature. So I think what they were doing is
23 they were trying to get to put a letter on -- that
24 provides some financial support without putting an
25 exact dollar amount to it.

1 And I think, when you look at the money that
2 the legislature -- legislature has approved, the
3 165 million, all of those dollars have not been
4 specifically identified and allocated within that
5 funding. And, when you look at that, there are some
6 dollars in there that could -- not that could but will
7 cover these costs, depending upon the timeframe and the
8 projected financial cost of those projects.

9 Yes --

10 THE CHAIRPERSON: Mr. Ferguson.

11 MR. KINKAID: -- Mr. Ferguson?

12 MR. FERGUSON: This is really important to
13 Flint. And my question is -- you know, we'll come back
14 for a special meeting -- couldn't there be a mechanism
15 where the Council and someone from the Mayor's office
16 are both talking to the State together to where
17 everyone is comfortable?

18 MR. KINKAID: Well --

19 MR. FERGUSON: I mean, I'm just saying that,
20 you know, this unilateral negotiations, you know, it --
21 I don't think it serves as -- everyone who has an
22 interest at the table, you know.

23 MR. KINKAID: Well --

24 MR. FERGUSON: I think both parties, the
25 Mayor and the Council, should be at the table and

1 putting this budget and getting the information from
2 the State together and being able to ask the questions.
3 And now I think that someone would come in front of us,
4 that the Mayor and the administration -- the
5 administration and the Council both signed off on it.

6 MR. KINKAID: Yet --

7 MR. FERGUSON: Then everyone's together, as
8 opposed to it being two -- you know, I just think that
9 makes sense, doesn't it?

10 MR. KINKAID: It truly does make sense. But
11 that's not the process here. The process here is that
12 the administration presents a budget to the City
13 Council and it's our responsibility to go through that,
14 review the revenue and review the expenditures and make
15 adjustments. And it's our responsibility, it's not the
16 Mayor's responsibility or the department heads', it's
17 the City Council's responsibility.

18 MR. FERGUSON: Why is their name --

19 MR. KINKAID: One second.

20 MR. FERGUSON: Why is their name --

21 MR. KINKAID: Just let me finish. So, once
22 we receive that document, the City Council Finance
23 Chair President look to do what we need to do to ensure
24 that our revenue projections and our expenditures are
25 in line with what's presented to us.

1 And so, listen, I clearly understand your
2 thought process. There should have been maybe a phone
3 conversation with the administration, myself, the
4 Council President, the Treasurer and so on. That's not
5 how the process works here. So, you know, I can't -- I
6 understand your thinking, it's great logical thinking,
7 it's perfect. But that's not the political process
8 that we live in today.

9 THE CHAIRPERSON: Let me ask you the
10 question. I'll pose the same question of Mr. Jones.
11 How far apart are the two branches of government, in
12 terms of dollars?

13 MR. KINKAID: \$108,598 and maybe 50 cents.

14 THE CHAIRPERSON: So that's the sum total of
15 the differences that the two are apart, out of, I don't
16 know, \$50 million --

17 MR. KINKAID: Yeah.

18 THE CHAIRPERSON: -- estimated revenue?

19 MR. KINKAID: Roughly, uh-huh. I mean -- and
20 I think, you know, and the problem is we haven't had a
21 discussion, really sat down and talked, about the
22 budget amendments and changes. I mean, I clearly
23 understand the Mayor and the Administrator's position
24 about, well, we've cut a staff person; I recognize
25 that. The administration and the Mayor say they need

1 more staff, I recognize that.

2 There are funded, unfilled positions in
3 departments around the City that funding could be used
4 to transfer and to be used to fund positions. There
5 are opportunities for us to look at as our revenue
6 comes in.

7 We don't expend all of our budget in the
8 first month of the budget year. That budget is spread
9 out over a 12-month period. And this Council and
10 administration, in my years here, have had differences
11 between an adopted budget and making amendments. And
12 we've made those amendments, on occasions, throughout
13 the year. And, in some cases, those amendments were
14 made at the very end of the budget year by the
15 Administration. So --

16 THE CHAIRPERSON: Now, let me ask Mr. Jones
17 the same question.

18 From your perspective, how far apart, in
19 dollar amounts, are the two branches?

20 MR. JONES: Mr. Chair, we have had
21 conversations with Councilperson Kinkaid and we've
22 talked about the beginning of our negotiation is that
23 the 108- being taken from the Detective's Bureau in the
24 Police Department and put back into the Mayor's budget.
25 And then what we hope to do is to sit down and look at

1 some of the budget detail and kind of decide how --
2 other amendments that may be necessary as we go
3 forward.

4 So, at this point, we maintain that the 108-
5 is a minimum of what needs -- what we would like to see
6 come back to the Mayor's office. And then we would
7 want to have more conversation about additional
8 amendments.

9 THE CHAIRPERSON: "The 108-" is \$108,000?

10 MR. JONES: \$108,000, that was, as I
11 understand it, moved to the Detective's Bureau and
12 taken from the Mayor's office, put into the Detective's
13 Bureau. And so that's what we're hoping to see.

14 In addition to that, we are working with the
15 Flint Police Department to identify other funding that
16 could go to the police department that will increase
17 the staffing level there. In addition to that, we're
18 looking at additional resources -- identifying
19 additional resources that could be requested to support
20 the Fire Department as well.

21 THE CHAIRPERSON: And you mentioned, I
22 believe, that possible meetings or discussions on
23 Thursday?

24 MR. JONES: Yeah, we are scheduled to meet on
25 Thursday to discuss other amendments that are

1 necessary.

2 THE CHAIRPERSON: And what is it you would
3 expect to occur? Because I believe Thursday would be
4 around the time that the 168 hours for potential veto
5 would expire. What would you expect to occur at your
6 meetings on Thursday?

7 MR. JONES: What I discussed with -- what we
8 discussed with Councilperson Kinkaid is that it's
9 really necessary to have that \$108,000 moved back into
10 the Mayor's budget in an effort to maintain the current
11 staffing level there. And, then again, what we -- so
12 that's a specific need that the Mayor's office have
13 right now. And then we hope to sit down and look at
14 other budget detail to see how we might have other
15 dollars restored so that we can at least maintain the
16 current staffing level.

17 One of the things that Councilperson Kinkaid
18 did mention is that there was an unfunded position in
19 the City Administrator's office. And we are actually
20 hoping to fill that position. This was actually an
21 assistant for myself. And so, since I've been here,
22 I've been operating without an assistant and we've been
23 really placing a lot of burden and responsibility on
24 the Mayor's Executive Assistant.

25 THE CHAIRPERSON: Mr. Ferguson?

1 MR. FERGUSON: If we pass this today, it's
2 subject to veto by the Mayor. Okay?

3 Now, if we pass it today and let's say the
4 Mayor has -- the administration meets with the Council
5 and they work something out, then it's not the same
6 document that we have before us that we approved today.

7 MR. JONES: Correct.

8 MR. FERGUSON: And so what I was trying to
9 say is, as commonsense would say, that this item's not
10 before us and that the Council and the Mayor's office
11 get together and have their meeting and then they send
12 the document up where the signature of the Mayor and
13 the Council and the attorney and everyone else means
14 something. You know, that's what I believe should
15 happen. If not, you know, we're sitting here
16 discussing in our meeting about something that doesn't
17 take effect, means nothing.

18 You know, so I would just suggest that the
19 meeting that you have on Thursday starts with there's
20 no position and that you sit down together and you
21 negotiate and you put together something that you can
22 present in front of this body in a week or -- or really
23 soon. We'll have a special meeting -- that everyone
24 signed off on, that they're all part of. That's the
25 meaning. If not, we approve this, so she vetoes it

1 tomorrow, so now you have the meeting Thursday and you
2 start over, it makes no sense.

3 And so we've reviewed something for quite a
4 while that, really, as far as I'm concerned, is not
5 before us. Because I really hope -- when we had a
6 meeting a month ago, we said that there would be
7 nothing in front of us that was inside the veto period.
8 Now, if it comes outside the veto period, then it
9 doesn't matter. But inside the veto period, as far as
10 I'm concerned, is not before us and I don't even know
11 if a motion to table this makes sense or we just ignore
12 it, you know.

13 MR. FINNEY: Mr. Chairman, just to reiterate
14 what Mr. Ferguson was just saying -- and maybe you can
15 provide some clarification for us because we've not had
16 this situation in front of us where we approve a set of
17 resolutions and then it's inside of the window of
18 opportunity that the mayor has to veto it. Could the
19 Mayor supersede our decision to approve something and
20 then veto it?

21 It seems illogical to me that this Board
22 could have its actions vetoed by the Mayor. Therefore,
23 if we take action, that action should be firm and
24 final. And so, if -- so, if we're inside the Mayor's
25 veto privilege, then it's important for us to wait

1 until that time expires before we take action.

2 MR. FERGUSON: I agree.

3 MR. FINNEY: Otherwise, we get into this gray
4 area. And, since there is some unreadiness with
5 respect to the overall budget -- whether it's a hundred
6 thousand or a million dollars, there is some
7 unreadiness. And so I'd be hesitant to take action,
8 knowing that it is firm and final and the Mayor doesn't
9 have the privilege of veto if she so chooses.

10 MR. FERGUSON: Say what now? You want to
11 take action on this now?

12 MR. FINNEY: No. I would be hesitant to take
13 action.

14 MR. FERGUSON: Oh, you would be hesitant to.

15 MR. FINNEY: I would be hesitant to take
16 action.

17 MR. FERGUSON: I would just move to --

18 THE CHAIRPERSON: You both make good
19 points --

20 MR. FERGUSON: Mr. Chair.

21 THE CHAIRPERSON: -- about the 168 hours. I
22 think, if we go back and check the records, we'll find
23 that there was never a specific vote upon the issue of
24 taking up the issues within the 168 hours, although I
25 think it makes perfect sense not to --

1 MR. FERGUSON: I agree.

2 THE CHAIRPERSON: -- for the reasons that we
3 talked about. Vetoes aside, this allows whatever comes
4 to us to be in final format and final form before we
5 vote upon it.

6 The discussion we've had so far with regards
7 to the budget, I think, has been useful, even if we
8 decide not to take an action on it, specifically this
9 afternoon. Because there have been a number of
10 questions about the budget that I think we've gotten
11 answered, other than the process. I'm not going to
12 speak specifically to the issue of whether or not the
13 Mayor -- a mayor could exercise a veto with respect to
14 a resolution already adopted by the RTAB.

15 It's not an issue that we have researched. I
16 don't know if it's come up in any other community where
17 an RTAB exists. I'm reluctant to express an opinion
18 upon that without giving staff an opportunity to
19 research or to at least let me know how the issue's
20 been resolved in other communities where it may have
21 taken place.

22 MR. FERGUSON: In this case, I move we table
23 it.

24 THE CHAIRPERSON: Well, technically --

25 MR. FERGUSON: If we move to table this right

1 now, then, you know, we don't have to research. If
2 there's a question, we just table it. And, if we have
3 a special meeting to take it up, take it up.

4 THE CHAIRPERSON: Technically, there's no
5 reason to table the proposed budget or the related
6 budget amendments because we haven't actually had a
7 motion and a second to bring those specifically before
8 us. We've simply had a presentation by the Councilman
9 to sort of walk us through those windows. So we don't
10 actually need to table this to put it to one side.

11 What I anticipate will happen, without
12 knowing specifics, is that the 168 hours during which
13 this budget could be vetoed, I believe, expires
14 sometime on Thursday.

15 MR. KINKAID: Friday at 2:45.

16 THE CHAIRPERSON: On Friday?

17 MR. KINKAID: At 2:45.

18 THE CHAIRPERSON: If -- and I'm speaking
19 purely hypothetically. If that -- if a veto were to be
20 issued with regards to the budget, then I believe,
21 under the charter, the Council would have 168 hours to
22 decide whether or not to override --

23 MR. KINKAID: That is correct.

24 THE CHAIRPERSON: -- the vote.

25 MR. KINKAID: That is correct. We have 168

1 hours to then decide on whether to override or present
2 some sort of amendment. Because, if we don't do
3 something, July 1, there is no spending authority in
4 the City of Flint.

5 THE CHAIRPERSON: So that, then, takes us to
6 roughly sometime on the 23rd or 24th of June before
7 those two time periods --

8 MR. KINKAID: Yes, sir.

9 THE CHAIRPERSON: -- would have completely
10 expired. And then the City officials would be
11 confronted with a decision as to what to do at that
12 point. Because you -- as you correctly indicate, if
13 there is no budget that's approved and in place by
14 12:01, July 1, there is no authority to spend anything;
15 salaries, gasoline for police cars, utilities, nothing.

16 MR. KINKAID: Garbage pickup.

17 THE CHAIRPERSON: And the Department of
18 Treasury's previously taken the position, I don't
19 believe in regards to this City, but it's previously
20 taken the position under PA 2 Uniform Budget Accounting
21 Act that, if money is expended by city officials or
22 local officials without an approved budget in place,
23 that those local officials are personally liable for
24 any dollars that are expended.

25 I have no issue, speaking for myself, in that

1 the RTAB is going to have a special meeting, if
2 necessary, prior to July 1, to approve a budget, to
3 avoid that eventuality. But I simply want to be clear
4 to everybody in both branches of government as to what
5 the consequences are, in advance, if a budget is not in
6 place by July 1.

7 And, of course, whatever budget is being
8 presented to us would have to be a balanced budget. By
9 law, we cannot approve an unbalanced budget. So, with
10 regards to this issue, before we leave it, we look
11 forward to whatever discussions the two branches expect
12 to have on Thursday. We hope any differences you have
13 now in the budget, whether it's 108,000 or \$181,000 can
14 be resolved and that will produce an overall balanced
15 budget. And we will look forward to whatever comes out
16 of those discussions.

17 And if, at some point, the City officials are
18 ready to present us with a balanced budget with which
19 both branches can agree, and that budget happens to be
20 beyond the 168-hour veto period, we'll be more than
21 happy to address it at that point in time.

22 MR. KINKAID: And the only personal request
23 that I would have is that the RTAB not meet on
24 June 30th because I will not be able to attend that
25 meeting if I need to be here.

1 THE CHAIRPERSON: We will try to accommodate
2 that.

3 MR. KINKAID: Right.

4 THE CHAIRPERSON: Obviously, that's dependent
5 upon --

6 MR. KINKAID: I understand.

7 THE CHAIRPERSON: -- whatever action is
8 presented to --

9 MR. KINKAID: I just -- I wanted to let you
10 know today that I won't be here on June 30th.

11 THE CHAIRPERSON: Thank you.

12 MR. TOWNSEND: If I could, Mr. Chair, just to
13 add --

14 THE CHAIRPERSON: Yes, Mr. Townsend?

15 MR. TOWNSEND: -- historically, we have not
16 been very successful in the City, in terms of making
17 the amendments after the fact. That's just the history
18 was just that. So I would definitely encourage both
19 sides to come up with something.

20 In years past, Council, we came here to -- we
21 have moved on with individuals who have not been funded
22 in certain departments, and with the thought that we
23 would adjust the budget at one point in time. And
24 sometimes that did not happen immediately and sometimes
25 it did not happen at all.

1 So I would be very -- well, I just want to
2 make aware both sides that it should be something that
3 you can agree upon. Because the likelihood of what you
4 cannot agree upon at this point in time, of it
5 happening somewhere down the future, is unlikely based
6 on historical.

7 THE CHAIRPERSON: If there is no objection,
8 then we'll consider the proposed budget and the
9 accompanying five resolutions, which we've had
10 discussion, to be received. No action will be taken
11 until a subsequent date.

12 That takes us to Item C under New Business,
13 City Administrator Items, including the Budget to
14 Actual for April 2016, as the TAB -- or it's
15 Attachment 12.

16 Mr. Jones, any comments upon the Budget to
17 Actual?

18 MR. JONES: (Shakes head.)

19 THE CHAIRPERSON: Next item would be Public
20 Comment.

21 Mr. Cline, any individuals sign in for public
22 comment?

23 MR. CLINE: Yes, sir. We have three
24 individuals that have signed up. The first individual
25 is Councilman Eric Mays.

1 THE CHAIRPERSON: Councilman.

2 MR. MAYS: Good afternoon. I'm kind of
3 really doing what I do. For the record, because of all
4 this, this is why we don't believe in certain forums
5 regarding the RTAB, emergency manager, the governor and
6 so forth and so on. Even the position, as a City
7 Councilperson, it's starting to be -- it's
8 disheartening.

9 And I'm telling you, the budget process that
10 you all talked about -- and what I talk about is
11 neither here nor there. Some of the substance of
12 what's been talked about before you over the past weeks
13 is neither here nor there so I might as well talk about
14 it. But I think we could see what's going on here.

15 I've sat in a meeting with 14 or so people at
16 the table, including Rich Baird, the County, the
17 Governor and the Mayor who puts me on the Water Board.
18 We haven't made decisions there. So I don't hear you
19 saying firm commitments for money that Mr. Kinkaid had
20 because there's some stuff we have to do first, as far
21 as picking our option.

22 The Council put Vicki VanBuren on the Board.
23 It's so dysfunctional. Hearings with departments was
24 canceled, with the Fire Department. You can't even do
25 a department in a hour and a half. I was the "no" vote

1 on the budget primary for process and information. And
2 I'm here to tell you, this, the RTAB, I don't even
3 think you'll pick the numbers that Proctor North has
4 balanced.

5 People meeting with former appointees of the
6 governor, the emergency manager, administration
7 divided. This is a serious issue. So we'll see what
8 happens Monday, a political move, 108,000. This is a
9 mess. It's a mess. And Mr. Nelson stands before you,
10 "I won't to approve nothing without the Financial
11 Officer's signature" and then --

12 THE CHAIRPERSON: Councilman, your time has
13 expired.

14 MR. MAYS: -- approve multiple ones. Very
15 hypocritical --

16 THE CHAIRPERSON: Councilman.

17 MR. MAYS: I understand my time has expired.

18 Mr. Kinkaid stands before you, I didn't know
19 because I wasn't here, the 168 period --

20 THE CHAIRPERSON: Councilman.

21 MR. MAYS: I understand the time has expired.

22 THE CHAIRPERSON: Thank you.

23 MR. MAYS: My position is this --

24 THE CHAIRPERSON: Councilman --

25 MR. MAYS: Take it seriously.

1 THE CHAIRPERSON: -- your time has expired.
2 We're going to call on the next individual who asked to
3 speak during public comment. Thank you.

4 MR. MAYS: Are you challenging me?

5 THE CHAIRPERSON: No. I'm simply saying your
6 time has expired.

7 MR. MAYS: And so, if I had continued to wrap
8 up, then what?

9 THE CHAIRPERSON: I'm afraid that two minutes
10 means two minutes.

11 MR. MAYS: And, if I keep talking, then
12 you'll have me arrested; is that what you're saying? I
13 didn't experience that. All I'm saying to you, sir --

14 THE CHAIRPERSON: Mr. Cline.

15 MR. MAYS: -- if I looked at another
16 Councilperson --

17 THE CHAIRPERSON: Mr. Cline, will you call
18 the next individual.

19 MR. MAYS: And I'm getting tired of you,
20 Mr. Headen, disrespecting me. Now, I will to say that
21 since my time has expired. I watched all of these
22 meetings, all of them. Somewhere or another, in a
23 little, slick way, you want to keep disrespecting me.

24 THE CHAIRPERSON: Mr. Cline, next speaker.

25 MR. CLINE: Quincy Murphy.

1 MR. MAYS: And so, when you disrespect me,
2 I'm calling it out.

3 THE CHAIRPERSON: Mr. Murphy.

4 MR. MAYS: You seem to be more ignorant
5 publicly than I want you to be.

6 THE CHAIRPERSON: Thank you, Councilman.

7 MR. MAYS: Well, thank you for letting me
8 call you that.

9 THE CHAIRPERSON: Mr. Murphy.

10 MR. MAYS: You're just a disrespectful black
11 man and I don't appreciate it.

12 BYTHE CHAIRPERSONQ: Mr. Murphy.

13 MR. MAYS: And I'm getting tired of it.

14 Mr. Mays said that.

15 THE CHAIRPERSON: Take care, Councilman.

16 MR. MAYS: Take care, Mr. Headen.

17 THE CHAIRPERSON: Mr. Murphy, please.

18 MR. MAYS: We've done ran into people like
19 you before. We call them -- I ain't going to say what
20 we call them. But black folks need to be more
21 respectful to black folks.

22 Thank you very much, Mr. Headen.

23 THE CHAIRPERSON: Mr. Murphy.

24 MR. MAYS: That's disrespectful.

25 MR. MURPHY: Good evening. I am coming

1 tonight on behalf of the budget. I just listened to
2 it. I would like to see some dollars in there for the
3 City Administrator Assistant.

4 Throughout the years of my journey, being
5 part of the City Council meetings and the budget
6 process, the City Administrator always had an assistant
7 to help them on their day-to-day operations.

8 So when they do bring the budget back, I
9 would look to -- hope that the City Administration and
10 the City Council will support a budget that will
11 support a staff assistant for the City Administrator.
12 That's it.

13 THE CHAIRPERSON: Thank you, Mr. Murphy.

14 MR. CLINE: Final person, R.L. Mitchell.

15 MR. WOODSON: Hey, I'm on the back. I'm on
16 the second page.

17 THE CHAIRPERSON: Mr. Mitchell.

18 MR. MITCHELL: Yes. Good evening, RTAB
19 nemesis, Mr. -- it's on this date, it's June 13th that
20 I was invited over to the Friend of the Court across
21 the street and they said, "How come you got married on
22 June 13th? You know, that's a bad day." But I assume
23 that they was talking right because it happened to be
24 June 13 today and I'm listening to you talk that stuff
25 to my Councilman. And this Joel right here talk about

1 the two person name don't even count and he included
2 the Mayor on signing stuff. He went back in the back,
3 just like Scott Kinkaid said, he ain't going to be here
4 and he was here telling you and you people talking
5 about going to let him go, you talking about you asking
6 him the right questions and he told about the financial
7 stuff you got to rob Peter to pay Paul and stuff and he
8 act like this door is open, like you the Mayor and
9 stuff and junk.

10 And that was my Councilman you just got
11 through talking to. I just -- but anyway, they put my
12 case number to a judge, Judge Freeman, the baddest
13 judge in the City of Flint and he call hisself doing
14 what you doing, sitting in his -- he going to reduce me
15 back to childhood and turn me over to my father and
16 stuff and, right there.

17 But that marriage, I got a son out of it and
18 it's still going on right now and stuff. But -- but I
19 like what you're doing now because Monday is on the
20 way. We'll see what's going to happen to -- he say the
21 man, he didn't even want him to say something. He
22 said, "A person like you, sir. They call them". Uncle
23 Toms, I believe. You look like an Uncle Tom. I think
24 that's what an Uncle Tom is. And that's -- that's --
25 oh, my time up. I will say one --

1 THE CHAIRPERSON: Thank you, Mr. Mitchell.

2 MR. CLINE: No one.

3 THE CHAIRPERSON: Mr. Cline?

4 MR. WOODSON: Yeah, I'm on the second side.

5 It's my fault.

6 THE CHAIRPERSON: I believe the gentleman
7 here.

8 MR. CLINE: Okay. I do not have a record of
9 his name, so --

10 MR. WOODSON: Hmm; what's that?

11 MR. CLINE: What's your name, sir?

12 MR. WOODSON: Arthur Woodson.

13 THE CHAIRPERSON: Mr. Woodson, do you want to
14 speak during public comment?

15 MR. WOODSON: Yeah, I'm on the other page,
16 the second page.

17 THE CHAIRPERSON: Okay.

18 MR. CLINE: You can come right ahead.

19 MR. WOODSON: My name's Arthur Woodson,
20 402 West Stewart. I have some serious issues here. If
21 they passed it on Thursday and then gave it to them,
22 that means that they were supposed to look at it. It
23 shouldn't be the City Council's job to force them to
24 look at it and sign. If you're going to veto a budget
25 bill that's only \$108,000 because you might have to cut

1 somebody in your office, something's wrong here.
2 You're willing to let a city go down because of
3 \$108,000? Something is seriously wrong.

4 MR. FERGUSON: We never said that.

5 MR. WOODSON: No, what I'm saying, not you
6 all. I'm speaking about if the Mayor veto this budget
7 that was sent to City Council as a deficit, they worked
8 it out and made it balance and you're beefing or mad
9 over \$108,000? That's -- that's their stand. That's
10 what I just heard.

11 MR. FERGUSON: I happen to believe they'll
12 work it out.

13 MR. WOODSON: I mean, even if they don't.
14 Even if the City Council say no, I mean, they put the
15 money over into the Police Department where
16 everybody -- just like the Councilman that was standing
17 here before you, that's all you heard him say, we need
18 detectives so that we can handle -- so that the Police
19 Department can handle complaints.

20 What I'm saying is, they put it over into the
21 Police Department, \$108,000. If you have to get rid of
22 Chief of Staff, you already got a City Administrator.
23 What is a Chief of Staff for? Is the Chief of Staff
24 even in the charter? Is that even in the charter, a
25 Chief of Staff? I don't even think that's in the

1 charter. So, either way it go, they added money to the
2 Administration or to the Mayor's office, they just
3 taking it back.

4 Then, also, that same City Councilman that
5 was standing here before you called the police on me at
6 a KWA meeting because I got loud and said, "Don't
7 apologize for me." That is real disrespectful for a
8 City Councilman to conduct himself --

9 THE CHAIRPERSON: Mr. Woodson, your time is
10 up.

11 MR. WOODSON: -- that way.

12 THE CHAIRPERSON: Thank you.

13 MR. WOODSON: Thank you.

14 THE CHAIRPERSON: Anyone else for public
15 comment?

16 MR. CLINE: No, sir.

17 THE CHAIRPERSON: Is there any further
18 business before this Board?

19 If not, is there a motion to be adjourned?

20 MR. FERGUSON: So move.

21 THE CHAIRPERSON: Is there support?

22 MR. FINNEY: Support.

23 THE CHAIRPERSON: Without objection, we're
24 adjourned. Thank you.

25 (Meeting was concluded at 3:32 p.m.)

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C E R T I F I C A T E

I, Mona Storm, do hereby certify that I have recorded stenographically the proceedings had and testimony taken in the meeting, at the time and place hereinbefore set forth, and I do further certify that the foregoing transcript, consisting of (65) pages, is a true and correct transcript of my said stenographic notes.

Date

Mona Storm
CSR-4460

APPROVED - 6/29/16