

CITY OF BENTON HARBOR
RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
DECEMBER 17, 2015

City of Benton Harbor Receivership Transition Advisory
Board Meeting held 12/17/15 at Comission Chambers, Benton
Harbor City Hall, 200 East Wall Street, Benton Harbor,
Michigan at 11:00 a.m.

REPORTED BY: Ms. Alison R. Huffman - CSR-0945
Certified Court Reporter

BOARD MEMBERS:

MR. LARRY STECKELBERG (Chairman)

MS. SHARON HUNT

MR. MARVIN RAGLON

MR. BRET WITKOWSKI

TREASURY STAFF:

MR. ROBERT WIDIGAN

BENTON HARBOR STAFF:

MR. DARWIN WATSON (City Manager)

1 Benton Harbor, Michigan

2 Thursday, December 17, 2015 - 11:00 a.m.

3 MR. STECKELBERG: I'm going to call to order the
4 meeting of the Receivership Transition Advisory Board for
5 the City of Benton Harbor.

6 Would you please take the roll?

7 MR. WIDIGAN: Marvin Raglon?

8 MR. RAGLON: Here.

9 MR. WIDIGAN: Sharon Hunt?

10 MS. HUNT: Here.

11 MR. WIDIGAN: Bret Witkowski?

12 MR. WITKOWSKI: Here.

13 MR. WIDIGAN: Larry Steckelberg?

14 MR. STECKELBERG: Here.

15 MR. WIDIGAN: A quorum is present.

16 MR. STECKELBERG: All right. The first thing is
17 to remind people that if they wish to speak during public
18 comment, we have a signup sheet on the desk up here and
19 that will come at the end of the meeting.

20 The next item is the approval of RTAB Minutes
21 of August 11, 2015 with the noted clarifications.

22 I'll entertain a motion.

23 MR. RAGLON: I move that we approve the board
24 meeting minutes as amended.

25 MR. WITKOWSKI: I'll second it.

1 MR. STECKELBERG: All right. Motion made and
2 seconded.

3 All those in favor?

4 MR. STECKELBERG: Aye.

5 MS. HUNT: Aye.

6 MR. RAGLON: Aye.

7 MR. WITKOWSKI: Aye.

8 MR. STECKELBERG: We have no Old Business on the
9 Agenda.

10 Under New Business, we have the RTAB Meeting
11 Schedule for 2016, which keeps with the meeting
12 every-other-month pattern we've established this year.

13 I'll entertain a motion to approve the 2016
14 RTAB Meeting Schedule.

15 MS. HUNT: I do have a question on that.
16 February the 16th was -- I'm sorry. February 13th was
17 listed as a meeting day. That's on a Saturday. So I
18 wanted to make note that that probably needs to be
19 changed.

20 MR. RAGLON: I have a question as well,
21 Mr. Chairman. The last meeting for 2016 is December 28
22 between Christmas and New Year and I've got to give a
23 heads-up, I will not be in the state at that time. I'm
24 leaving just before Christmas. So my recommendation would
25 be that we look at a week or so before that date and

1 consider moving that forward.

2 MR. STECKELBERG: All right. Okay. Then I
3 would move to amend the schedule to make February 17th
4 the official meeting date on the schedule for 2016, and
5 then we can address -- so we'll take December under
6 advisement. We need to come up with a different date.
7 We've always struggled with December. The original
8 meeting was scheduled on the 23rd next week. So we'll
9 certainly move that, but I needed the first meeting in
10 February to be defined. So I'll amend my motion to
11 include a change of date to February 17th and then make
12 a -- request a motion for the -- I guess I'll entertain a
13 motion for the approval of the schedule for 2016.

14 MR. WITKOWSKI: I'll make that motion.

15 MS. HUNT: I second.

16 MR. STECKELBERG: Being seconded, all those in
17 favor?

18 MR. RAGLON: Aye.

19 MS. HUNT: Aye.

20 MR. WITKOWSKI: Aye

21 MR. STECKELBERG: Aye.

22 Now, we have the approval of resolutions and
23 ordinances of the City Commission meetings.

24 The first item is the August 3rd regular meeting
25 of the City Commission. I would like to entertain a

1 motion to approve resolutions from the August 3rd regular
2 City Commission meeting with the exception of the
3 resolution approving the request to the State of Michigan
4 Treasury Department. You'll see I have that separated for
5 separate consideration, which we can discuss, and I would
6 entertain a motion for approving the actions of the City
7 Commission for August 3rd with the exception of the
8 resolution.

9 MS. HUNT: I'll make that motion.

10 MR. RAGLON: Second.

11 MR. STECKELBERG: Made and seconded.

12 All those in favor?

13 MR. WITKOWSKI: Aye.

14 MR. RAGLON: Aye.

15 MR. STECKELBERG: Aye.

16 MS. HUNT: Aye.

17 MR. STECKELBERG: As I think you're aware, a
18 resolution was passed by the City Commission at that
19 meeting requesting that the Treasury -- essentially
20 requesting a hearing for the Treasury to discuss costs
21 associated with legal issues with the City.

22 The biggest challenge that I have with that
23 particular resolution and why I would recommend we turn
24 that down is on Page 2 of that resolution. It has a
25 specific clause, "Whereas under Public Act 72 of 1990,

1 Public Act 4 and Public Act 436, administrative decisions
2 were wrongly and/or illegally executed."

3 I don't think it would be appropriate for us or
4 the City Commission to make a statement about the legality
5 of actions which are currently in litigation.

6 The City is actively participating in those
7 court cases defending itself and I don't think it would
8 be appropriate for anybody associated in an official
9 capacity with the City to admit guilt or wrongdoing in
10 those situations and we should wait for those to be
11 adjudicated.

12 MR. WITKOWSKI: Make a request --

13 MR. STECKELBERG: Absolutely.

14 MR. WITKOWSKI: -- but just trying to keep --

15 MR. STECKELBERG: Yeah, we're not adverse to
16 meeting --

17 MR. WITKOWSKI: Exactly.

18 MR. STECKELBERG: -- but I don't think it's
19 appropriate for the City to essentially say, while we
20 actively have the City attorneys in court, to say we did
21 wrong because I think that's not -- that's still an open
22 question.

23 MR. WITKOWSKI: And those were active cases.

24 Correct? If they're active, can't --

25 MR. RAGLON: Correct.

1 MR. WITKOWSKI: If they're active, just can't
2 leave the City in a bind, so I'll agree with that.

3 MR. STECKELBERG: Okay. Then I would entertain
4 a motion -- unless there's any other discussion, I'd
5 entertain a motion to approve, deny or postpone the
6 resolution approving the request to discuss this with the
7 State of Michigan Treasury Department.

8 MR. RAGLON: Mr. Chairman, I recommend that we
9 postpone this matter until it is adjudicated, properly
10 adjudicated.

11 MR. STECKELBERG: Motion made.

12 MR. WITKOWSKI: I'll support that.

13 MR. STECKELBERG: Seconded.

14 All those in favor?

15 MR. WITKOWSKI: Aye.

16 MS. HUNT: Aye.

17 MR. STECKELBERG: Aye.

18 MR. RAGLON: Aye.

19 MR. STECKELBERG: The motion is postponed.

20 Now, Items 2 through 6 are regular Commission
21 meetings for approval. I would like to make a motion that
22 we approve 2 through 6 together as one motion.

23 MR. WITKOWSKI: So moved.

24 MR. STECKELBERG: Moved.

25 MS. HUNT: Seconded.

1 MR. STECKELBERG: Seconded.

2 MR. WITKOWSKI: Thank you for doing it.

3 MR. STECKELBERG: All those in favor?

4 MR. RAGLON: Aye.

5 MR. STECKELBERG: Aye.

6 MS. HUNT: Aye.

7 MR. WITKOWSKI: Aye.

8 MR. STECKELBERG: All right. So now we're on
9 to Item Number 7. We have -- I would entertain a motion
10 to approve the resolutions from the October 19th, 2015
11 regular City Commission meeting with the exception of the
12 resolution approving the budget amendment for the Public
13 Safety 2015-16 budget, which we will consider separately
14 after a discussion from Manager Watson.

15 I'll entertain a motion on that.

16 MR. WITKOWSKI: I'll make that motion.

17 MS. HUNT: I second.

18 MR. STECKELBERG: Made and seconded.

19 All those in favor?

20 MS. HUNT: Aye.

21 MR. STECKELBERG: Aye.

22 MR. WITKOWSKI: Aye.

23 MR. RAGLON: Aye.

24 MR. STECKELBERG: All right. So we have a
25 resolution approving the budget amendment for the Public

1 Safety Budget.

2 Mr. Watson, would you please provide a summary?

3 MR. WATSON: I don't have that in front of me.

4 If you'll indulge me, I've got to grab that. If someone
5 does have it, I can look on it. I don't have it in front
6 of me.

7 MR. STECKELBERG: Okay. Why don't we take a --

8 MR. WATSON: 30 seconds.

9 MR. STECKELBERG: -- a 30-second pause.

10 MR. WATSON: Okay.

11 (Brief pause.)

12 MR. WATSON: All right.

13 MR. STECKELBERG: Okay. Mr. Watson.

14 MR. WATSON: Okay. Sorry about that. I thought
15 I had it, but I did not.

16 What the request is is -- it's not a request to
17 change the overall allocation. It is a request to move
18 monies within the allocation. So what we're requesting
19 is that previously what we had utilized, and I think we
20 talked about this before, we utilized part-time police,
21 a number of part-time police to basically help supplement
22 our workforce and, as we discussed earlier, again, the
23 problem with part-time police officers is the fact that
24 they are typically working somewhere else and they come
25 and work for us as they can, as they're available.

1 What we found is that our cache of part-time
2 police has really dwindled down to -- I think we have
3 two now total, but what we have done is we have ramped up
4 our public safety officers to get the full compliment
5 through hiring and through sponsoring individuals through
6 the police academy.

7 So the request was to move monies to the tune
8 of \$127,694.22 out of the Public Safety part-time officer
9 line item and split it between salaries and wages and
10 overtime in the other part of the budget, and the
11 reasoning for doing that is that we knew that in the
12 interim between the time we got a full compliment of
13 personnel that we were going to increase costs in
14 overtime. We weren't trying to say we're just going to
15 have people just working arbitrary overtime, but it would
16 be scheduled overtime that we knew we may end up having to
17 increase -- we're going to have to increase our cost. So
18 those two, that's where that line item -- the three line
19 items that that was moved between.

20 So we ask for an increase in salaries and wages
21 of \$122,000 and then overtime for \$5,694.22 so that it's a
22 net-zero transaction.

23 Then, also, part-time fire is another portion
24 where we utilized part-time firefighters and, again, that
25 number has dwindled down to -- I think we had two of those

1 as well that we're utilizing.

2 So what we ask was that we move \$68,888.80
3 from Public Safety part-time fire into travel and training
4 and to overtime and professional services. So it was
5 \$29,898 for travel and training, \$33,306.80 for overtime
6 and then \$5,684 in professional services.

7 The travel and training, the reason why we
8 asked for that request to be increased is because we now
9 have a certified -- our fire marshal is now certified to
10 do training and we're going to offer a certification
11 course for our own firefighters as well as ones in the
12 community. So we're able to offer that without having to
13 send them to other municipalities or other agencies to do
14 it; we can do it in-house.

15 So those are the requests. So it's a net zero
16 overall. It's just moving monies within the allocation.

17 If there's any questions, I'd be more than
18 willing to answer them at this time.

19 MR. WITKOWSKI: So the net is the same, it's
20 just you're -- nothing is changing in the overall budget?

21 MR. WATSON: No, sir.

22 MR. WITKOWSKI: I'm in favor of it. I think
23 that's the purpose of the RTAB is not to make decisions
24 as long as we're staying within the bottom line.

25 MR. WATSON: Like I said, the bottom line on the

1 budget has not changed, the allocation dollars for Public
2 Safety have not changed; we just moved, like I said, the
3 line items.

4 MR. WITKOWSKI: Mr. Chairman --

5 MR. STECKELBERG: Well, I want to ask a
6 question first and I'll ask this of either Rob Widigan or
7 Mr. Watson.

8 Does this require -- a change in the budget
9 under the EM order, does this require the state's approval
10 as state treasurer?

11 MR. WATSON: If I remember correctly, the final
12 order says if we change allocation, the dollar amount
13 total, that we have to get Treasury approval, but
14 modifying the numbers within that allocation did not
15 require the State Treasury to have to have an approval
16 unless I'm missing --

17 MR. STECKELBERG: And I'll let Rob weigh in,
18 too.

19 MR. WIDIGAN: No, it -- if Emergency Manager
20 Saunders passed a line item budget and then you're
21 changing a line item, then the amendment will be required,
22 but if he passed the budget as police department, you
23 know, 1, 2, 3 dollars, then you're -- that's not changing
24 then -- the order would not be --

25 MR. WATSON: His budget order, and I don't know

1 the number off the top of my head; actually, just gave
2 categorically what it was for City Manager, for Public
3 Safety, Finance, he gave those.

4 MR. WIDIGAN: So it didn't include like salary
5 and wages line items?

6 MR. WATSON: No, sir.

7 MR. STECKELBERG: Just wanted to make sure we're
8 crossing our Ts and dotting our Is.

9 MR. WATSON: Not a problem. I appreciate that.

10 MR. STECKELBERG: All right. I will entertain a
11 motion to approve the budget change.

12 MR. WITKOWSKI: I'll make that motion.

13 MS. HUNT: I second.

14 MR. STECKELBERG: All those in favor?

15 MR. RAGLON: Aye.

16 MR. STECKELBERG: Aye.

17 MR. WITKOWSKI: Aye.

18 MS. HUNT: Aye.

19 MR. STECKELBERG: I'll entertain a motion to
20 approve the resolutions from the November 2nd, 2015
21 regular City Commission meeting, Item Number 8.

22 MR. RAGLON: I so move.

23 MS. HUNT: I'll second.

24 MR. STECKELBERG: All those in favor?

25 MR. WITKOWSKI: Aye.

1 MS. HUNT: Aye.

2 MR. STECKELBERG: Aye.

3 MR. RAGLON: Aye.

4 MR. STECKELBERG: And I will entertain a motion
5 to approve the resolutions from the November 16th, 2015
6 regular City Commission meeting.

7 MR. WITKOWSKI: I'll make that motion.

8 MR. RAGLON: Second.

9 MR. STECKELBERG: Made and seconded.

10 All those in favor?

11 MR. RAGLON: Aye.

12 MR. STECKELBERG: Aye.

13 MS. HUNT: Aye.

14 MR. WITKOWSKI: Aye.

15 MR. STECKELBERG: City Manager Items.

16 MR. WATSON: A number of these items have been
17 addressed in the approval of the meeting minutes and
18 resolutions passed by the City Commission. There are a
19 couple that we need to -- that I need to ask to be brought
20 forward and one to be removed.

21 Item Number 5 -- I'm going to go kind of
22 backwards, but Item Number 5 we need to remove because
23 that has not received City Commission action, so I'm
24 asking that that be removed.

25 And then the purchase of the equipment for the

1 Public Works Department, that resolution did pass the
2 City Commission on the 3rd, I'm sorry, on the 4th -- I'm
3 trying to think -- the 7th, the 7th of this month, so it
4 would not be considered for approval in this current
5 review by the RTAB, but I'm asking that it be brought
6 forward for approval. As I said, it has been approved by
7 the City Commission and it was the purchase of two plow
8 trucks in the amount of \$43,220 for the Public Works
9 Department.

10 To give a little background, a couple of the
11 trucks we have in the Public Works Department, one is a
12 1990 and one is a 1995 and they have kind of reached their
13 useful life, and then subsequently to that happening, we
14 knew those were bad, but there was one that we had an
15 issue with where we sat it outside during the summer and
16 the tire busted on it and it actually did damage to the
17 front driver side fender well as well as the engine, so
18 we're in the process of getting that -- getting quotes for
19 that.

20 These two trucks -- our Public Works foreman
21 went to Truck City, which we have a great relationship
22 with, in Wayland, Michigan and there are two lightly-used
23 dump trucks that we can get in the amount of \$43,220 to
24 help supplement those -- to replace the two that were
25 taken out of service and then also help us during the

1 time while we get that other one repaired, which is
2 basically a salt truck.

3 But I'm asking that the RTAB consider approving
4 this one, being that it would not be in the normal course
5 of business for this week.

6 MR. STECKELBERG: Well, if there's no objection,
7 I'd like to take that up now.

8 Having explained it, are there any questions?

9 MR. WITKOWSKI: Is the City paying cash, getting
10 a loan?

11 MR. RAGLON: It's being financed?

12 MR. WATSON: It's going to be cash. We're going
13 to pay for these --

14 MR. WITKOWSKI: Oh, good, glad to hear it.

15 MR. WATSON: -- because it's not something you
16 really want to finance.

17 MR. WITKOWSKI: Good, glad to hear that.

18 MR. WATSON: Yep.

19 MR. WITKOWSKI: Very good. And, as you'd
20 mentioned, they're used trucks.

21 MR. WATSON: Yes, sir, yes, sir.

22 MR. STECKELBERG: Lightly used.

23 MR. WATSON: Lightly used. We asked them to
24 kind of hold them back and put them in the back so no one
25 else would see them, but they're lightly used.

1 MR. WITKOWSKI: Good. I'll make a motion to
2 approve the purchases.

3 MS. HUNT: I second it.

4 MR. STECKELBERG: Made and seconded.

5 All those in favor?

6 MR. WITKOWSKI: Aye.

7 MR. STECKELBERG: Aye.

8 MR. RAGLON: Aye.

9 MS. HUNT: Aye.

10 MR. STECKELBERG: All right. Items 1 through
11 4.

12 MR. WATSON: Thank you.

13 And then, lastly, I have distributed the actual
14 audit for the City of Benton Harbor, the 2015 audit that
15 we had a presentation on Monday night here in the City
16 Chambers for the City Commission.

17 There's a lot of information in here and I gave
18 you the letter from our auditors, Rehmann Robson. There's
19 a couple things I just want to point out in the audit and
20 I know if there were any other questions that he could
21 answer either today or at a future date, if we can get --
22 I think there was a scheduling conflict with Mr. Blann
23 from Rehmann Robson, but we can get them back, they would
24 be willing to come back.

25 There's a couple things that I want to just

1 address and one of them is on Page 14 of the audit. Of
2 course, there's the management and discussion letter that
3 is at the beginning of it and I know you haven't had a
4 chance to look through it, so give you an opportunity to
5 look at it and answer any questions, but one of the things
6 that I wanted to point out about midway through, midway
7 down the page is you see that there is a net position
8 liability, net pension liability. This is something new.
9 This is through -- accounting practices now has us
10 recording what our pension liability is and, as you see,
11 the total pension liability for the City of Benton Harbor
12 is about \$15.2 million, but that's one I wanted to point
13 out on that page.

14 The other -- another issue that I wanted to or
15 a thing that I wanted to point out on Page 18 is that our
16 overall fund balance has increased an additional \$760,000
17 to bring it to 3 million -- really 3.1, about \$3.1
18 million -- 3.9. I'm sorry. Total, 3.9. We had a surplus
19 of \$88,000 budgeted for this past fiscal year and we had a
20 budget surplus of, again, \$760,000 overall for the City of
21 Benton Harbor, so we're --

22 MR. WITKOWSKI: Where was the difference at?
23 I mean --

24 MR. WATSON: A lot of it -- at first, I thought
25 it was the salaries, but a lot of the salaries that we are

1 going to -- that people who've not -- positions we've not
2 filled did not materialize and so this will come in this
3 fiscal year.

4 MR. WITKOWSKI: Okay.

5 MR. WATSON: A couple things that we had, our
6 insurance premiums have gone down significantly and then
7 some good -- the police department has done a yeoman's
8 job. I have to give kudos to Acting Director McGinnis
9 who's toed the line in the biggest department that we
10 have. So it's salaries, it's workmen's comp claims and/or
11 costs for that has gone down --

12 MR. WITKOWSKI: Good.

13 MR. WATSON: -- and the overall cost of
14 operating has gone down. We saved a lot of money in gas
15 and stuff like that --

16 MR. WITKOWSKI: Sure.

17 MR. WATSON: -- but, again, we don't know how
18 volatile that is. It may go up, but, again, we've done
19 good for this year and, like I said, salute to the
20 department heads and the City workers for toeing the line
21 and we're doing a great job and I appreciate them and the
22 hard work that they do to make that happen.

23 MR. WITKOWSKI: Where was the transfers out?
24 Did they go to the streets fund?

25 MR. WATSON: Yes.

1 MR. WITKOWSKI: Okay.

2 MR. WATSON: They did go to the streets fund,
3 I do know that.

4 MR. WITKOWSKI: All right. Thank you. That was
5 370, so that would put you at a million dollars.

6 MR. WATSON: Yep.

7 MR. WITKOWSKI: Good.

8 MR. WATSON: And then some to the utility
9 services fund as well.

10 MR. WITKOWSKI: Yeah, I do want to ask you about
11 that.

12 MR. WATSON: But, again, I know that the
13 document, a lot of you having first seen this, there may
14 be some questions and if you want to reach out to me
15 and/or -- also, I want to take the time at this time to
16 introduce Mrs. Rhonda Hildebrand who works for Plante
17 Moran. Rhonda, wave your hand so everybody knows who you
18 are. Rhonda came to us in September of this year from
19 Plante Moran and basically has taken the bull by the horns
20 and run with it literally. She came in right as we were
21 getting into audit prep and she's done a yeoman's job and
22 I, again, appreciate her and the hard work that she does.
23 We're in contact via e-mail and/or phone late at night,
24 on weekends and things like that, but she has done a
25 great job, so --

1 MR. STECKELBERG: Do you have anymore questions?

2 MR. WITKOWSKI: Of the audit?

3 MR. STECKELBERG: Yes.

4 MR. WITKOWSKI: Just on Page 25, the water fund
5 I saw has an operating loss of 80,000. Is that something
6 the City -- are you looking at rates? Is it leakage in
7 the system? I know that we've talked in the past about
8 that.

9 MR. WATSON: Yeah, it -- one of -- what it
10 appears to be, Mr. Witkowski, is the problem of leakage
11 and what we're doing to kind of shore up that and to start
12 the process of identifying it is, again, we know that our
13 building and our public facilities don't have meters in
14 them, so to account for, say, this facility --

15 MR. WITKOWSKI: Correct.

16 MR. WATSON: -- we can't account for it.

17 MR. WITKOWSKI: Right.

18 MR. WATSON: So that's one of the things we're
19 going to do.

20 The other thing is that I've talked with Gary
21 Wozniak and there's a lot of programs we've applied for
22 with the FDCVT Grant, so addressed having a leak detention
23 crew come in here and see what we've got going on.

24 We've gotten good on sewer. Our sewer billings
25 and what we pay for the wastewater treatment plant are a

1 million gallons apart. In years gone by, they were
2 several million gallons apart. So we've gotten a good
3 handle on that; its the water side we think we've got some
4 issues that we need to identify and get that taken care
5 of.

6 MR. WITKOWSKI: Does the City believe there's
7 still wood pipes out there?

8 MR. WATSON: I don't believe there's any wood
9 pipes. I would be real hard-pressed to believe that
10 that's the issue, that there's an issue with that.

11 MR. WITKOWSKI: Okay. And then I just saw there
12 was operating -- small ones, but, you know,
13 transportation, I assume that's Dial-A-Ride --

14 MR. WATSON: Uh-huh.

15 MR. WITKOWSKI: -- and then I saw there was an
16 operating loss on the housing commission.

17 MR. WATSON: Uh-huh.

18 MR. WITKOWSKI: And the cemetery, I know there's
19 a note in here, but has there been an audit done on them
20 yet?

21 MR. WATSON: Here's the -- they are -- Plante
22 Moran is working on reconstructing and doing the audits
23 for -- reconstructing the books and stuff for 2012 and
24 2013. At 2013, the City entered into an agreement with
25 C Management Company.

1 MR. WITKOWSKI: Right.

2 MR. WATSON: And so all the activities of the
3 cemetery are now being handled by a private company
4 which does not -- there are no city activities that are
5 going on. The only thing we've got is perpetual care
6 dollars that are in a fund, but as far as any activities
7 going on from a business type, we don't have any anymore,
8 so there's a -- and I talked with Rob and there's some
9 nuances we need to work out with that because would we
10 include in this audit a private -- the private company's
11 audit? Because there's nothing that the cemetery, which
12 is a government entity, is literally doing now.

13 MR. WITKOWSKI: But they're paying you so much
14 a year, though.

15 MR. WATSON: They're not paying us anything.

16 MR. WITKOWSKI: Oh, nothing?

17 MR. WATSON: No. The way the management
18 agreement was constructed was monies that he garnered --

19 MR. WITKOWSKI: Sure.

20 MR. WATSON: -- were going to help him offset
21 the cost of work that he had to have done to get the
22 grounds up to snuff and everything up to snuff. So he's
23 not paying us monies on a yearly basis. The money that
24 he makes, he keeps.

25 MR. WITKOWSKI: Okay. I just know it's been

1 a few years since you've been able to get one, so --

2 MR. WATSON: Yeah, and like I said, after 2013,
3 that's when he took over, and I know Mr. Harris, Mr. Joe
4 Harris stopped the audit for the cemetery in 2012.
5 So '12 and '13, they're redoing now and they're getting
6 those all together. It took some time to even find the
7 information that they needed to because you're talking
8 two, three years removed.

9 MR. WITKOWSKI: Yeah.

10 MR. WATSON: So they're working diligently on
11 getting that done.

12 MR. WITKOWSKI: Okay. And this is for Crystal
13 Springs.

14 MR. WATSON: Correct, correct. Warren Hill is
15 a closed cemetery and there's no activity going on other
16 than the normal maintenance and upkeep of cutting the
17 grass.

18 MR. WITKOWSKI: Okay. Thank you, sir.

19 MR. WATSON: Uh-huh.

20 MR. WITKOWSKI: That's all I have. Thank you.

21 MR. STECKELBERG: Any other questions on this
22 item?

23 MS. HUNT: I just want to confirm that
24 year-to-date net position from last year to this year.
25 Is it correct to say that we are up from 27,311,605 to

1 32,754,061?

2 MR. WATSON: Where are we?

3 MS. HUNT: I'm on Page 8 and 9.

4 MR. WATSON: I'm sorry.

5 MS. HUNT: I'm sorry.

6 So we are up from last year?

7 MR. WATSON: On the net position?

8 MS. HUNT: On the net position.

9 MR. WATSON: Yes, yes, ma'am.

10 MS. HUNT: So overall is Benton Harbor in the
11 positive, in the black?

12 MR. WATSON: Yes. Just a quick indulgence.
13 I know -- I talked with the staff earlier this week and
14 explained this to them. We understand that there are some
15 things that we need to do, you know, there are some
16 shortages we have in personnel and we could probably use
17 extra hands because the job has not diminished; the work
18 is still there, we just have less people to do it with.
19 Long-term, we're going to be okay. Short-term right now,
20 we may have some obstacles in providing services in
21 certain areas as efficiently as we can, but for the most
22 part, overall, the City of Benton Harbor is doing
23 financially eons better than it was some years ago, five
24 years ago, if that makes any sense.

25 MS. HUNT: Are we in a better position this year

1 than last year?

2 MR. WATSON: Last year, if you remember, the
3 fund balance was attributed to -- the majority of it was
4 attributed to the emergency loan that we got. This year,
5 we didn't get an emergency loan. So we are 700 -- the
6 \$760,000 in surplus that we had was strictly out of the
7 monies that we got, taxes and all the fees and everything
8 that we get. So we operated within our budget better
9 \$760,000.

10 MS. HUNT: Okay.

11 MR. WATSON: Yes, ma'am.

12 MR. WITKOWSKI: On the cemetery, how much is in
13 their perpetual fund?

14 MR. WATSON: Good question. I can get that
15 information for you. I don't know --

16 MR. WITKOWSKI: Just kind of curious because
17 it's such an old cemetery.

18 MR. WATSON: Yep. Like I said, I'll get that
19 information.

20 MR. WITKOWSKI: Okay.

21 MR. STECKELBERG: Any other discussion?
22 We still have Items 1 through 3.

23 MR. WATSON: I'm sorry.

24 MR. STECKELBERG: Oh, they're addressed in
25 New Business, okay.

1 MR. WATSON: Yes, sir, they were addressed in
2 New Business. We addressed and talked about the budget
3 amendment.

4 The contract ratification with AFSCME, just to
5 let the RTAB know, we got -- through our negotiations with
6 the AFSCME Union and collectively the overall effect was
7 really a net zero effect on what we did. Through
8 concessions, they -- the concessions that were given and
9 the raise that was offered -- the raise I think came up
10 to like \$7,884, but the concessions that were given were
11 about \$8,000, so it actually just was a wash. So we're
12 very happy with the negotiations. We're currently in
13 negotiations with FOP, so that will be coming at a later
14 date with the public safety officers.

15 And then the MML Executive Search, that was
16 something that we're going to utilize to find a finance
17 director. Again, I love Miss Hildebrand, but she works
18 for Plante Moran. I've asked her to stay, but she keeps
19 turning me down, but what this is is that the MML is going
20 to do a nationwide search for us and there's a
21 reimbursement, it's a \$10,000 search -- there's a
22 reimbursement of \$10,000 coming back to us from the State
23 of Michigan, so it's a zero -- net zero obligation.

24 MR. STECKELBERG: So under the Nonaction Items
25 then, the Budget to Actual Report, Attachment Number 13,

1 do we need to have discussion on that?

2 MR. WIDIGAN: Just if there's anymore questions.

3 MR. STECKELBERG: Are there anymore questions?

4 MR. WITKOWSKI: No.

5 MS. HUNT: No.

6 MR. RAGLON: No.

7 MR. STECKELBERG: City Manager Update?

8 MR. WATSON: I pretty much hit everything and
9 I just want to wish everybody a happy holiday and I'll
10 see you next year.

11 MR. STECKELBERG: Nobody has signed up for
12 public comment.

13 Any Board comment?

14 MR. WITKOWSKI: The downtown looks nice again.

15 MR. WATSON: Thank you. Thank you. We've been
16 trying.

17 MR. WITKOWSKI: Yeah, it looks very nice.

18 MR. STECKELBERG: All right. Then I will
19 entertain a motion to adjourn.

20 MS. HUNT: I second. I make a motion.

21 MR. WITKOWSKI: You can do both.

22 MR. RAGLON: I'll second.

23 MR. STECKELBERG: All those in favor?

24 MR. WITKOWSKI: Aye.

25 MR. STECKELBERG: Aye.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. RAGLON: Aye.
MS. HUNT: Aye.
MR. STECKELBERG: The meeting is adjourned.
(At 11:34 a.m. meeting adjourned.)

CERTIFICATE

State of Michigan
County of Van Buren

I certify that this transcript, consisting of 31 pages,
is a complete, true and correct record of the RTAB Meeting
held 12/17/15.



Alison R. Huffman - CSR-0945
Certified Court Reporter
Notary Public in and for
Van Buren County, Michigan
Commission Expires: 8/19/2019

