Ecorse Receivership Transition Advisory Board (TAB)
Minutes
September 17, 2013
9:00 AM

Ecorse City Hall
2nd Floor Conference Room
Albert B. Buday Civic Center
3869 West Jefferson
Ecorse, MI 48229

Members Present:

Robert Bovitz
Edward Koryzno

Members Absent:

Joyce Parker - telephone conference

I. CALL TO ORDER

A. Roll Call – Mr. Koryzno called the meeting to order at 9:00 AM. Let the record show that two Board members are in attendance and one Board member is participating by telephone.
B. Approval of Agenda – By motion made (Koryzno) and supported (Bovitz), the Board unanimously voted to approve the agenda.
C. Approval of August 13, 2013 minutes – By motion made (Koryzno) and supported (Bovitz), the Board unanimously voted to approve the August 13, 2013 TAB regular Board meeting minutes as presented.

II. BOARD ACTION

A. Approval of Ecorse City Council Resolutions (TAB requested additional information from meeting of August 13, 2013).

1. 6/11/13 Item #118.13 U.S. Brazil Construction (emergency board ups, no dollar amount)
2. 6/25/13 Item #118.13 ESET, Inc. (engineering services tabled)

Koryzno – These items were questioned at the 8/13/13 TAB meeting. Satisfactory information has been received from the City.

Koryzno – Motion that the Board approves the contracts for Brazil Construction and ESET, Inc.

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

DRAFT

B. Approval of Ecorse City Council Resolutions and Ordinances

Resolutions from Regular City Council meetings of August 7, 2013 and August 20, 2013 and a Special City Council meeting of August 9, 2013.

Koryzno – Motion that the Board approves all resolutions and ordinances enacted at the Regular City Council meetings of August 7 and August 20, 2013 and the Special City Council meeting of August 9, 2013 with the exception of Item #187.13, Item #191.13, Item #193.13, Item #195.13, Item #199.13, Item #200.13, and Item #2.13Sp.

1. Item #187.13 (Claims and Expenses of $847,791.44)
   The dollar amount of this item is larger than historical amounts. Please explain.

   McCurley will provide more information to the TAB.

   Koryzno – Motion made that Item #187.13 is NOT APPROVED until further information is provided.

By motion made (Koryzno) and supported (Bovitz) the Board unanimously approved the motion. Item #187.13 is NOT APPROVED at this time.

2. Item #191.13 (Budget to Actual report for period ending July 31, 2013)

   Koryzno - The budget to actual report, Item #191.13, submitted at the August 20, 2013 City Council meeting, reveals that the City may have made an accounting error, whereby revenues from property tax collection have been incorrectly allotted to the chargeback line item. Chargebacks should not be recognized until the end of FY14 when the County sends the bill, and in any case it is unusual for the chargeback fund to be a source of revenue while the operating property tax fund shows zero collections at the end of July. This may be a transcription error as the codes for these two funds are only one digit different (101-000-402.000 v 101-000-412.000). The Board requests from the City Administrator an explanation of the discrepancies in account numbers 101 000 402.000 and 101 000 412.000.

   McCurley – Prior year receivables from Wayne County are a revolving fund. They were not posted by the cashier at the time of the report. It has since been corrected.

   Koryzno – Motion made that explanation is satisfactory and that Item #191.13 be approved.

DRAFT

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

3. Item #193.13 (Litigation settlement of Randal v. Ecorse)

   Koryzno - During the August 13, 2013 TAB meeting the Board added to the agenda a settlement approval for this lawsuit. Subsequent to that approval, it was discovered that $7,500 of $12,500 settlement will be a Judgment Levy. The TAB was not aware of this outcome when the case was presented to the "Board".

   PA 436 section 23 (5) (g) requires the TAB review proposed judgment levies and approval of the lawsuit settlement should not be construed as approval of the judgment levy.

   Koryzno – Motion made that the Board request from the City Administrator all information about the proposed judgment levy related to this settlement.

By motion made (Koryzno) and supported (Bovitz), the Board unanimously approved the motion. Item #191.13 is NOT APPROVED at this time.

4. Item #195.13 (James Hill, Building Officials contract approval)

   Koryzno - It is my understanding that the City desires to contract with a private individual to provide building inspection services. However, any building official within a community must be registered with the Department of LARA, as the building official for that community. This is required under PA 54 of 1986. The proposed contract does not include the requirement that the individual to be registered and maintain said registry. Also, PA 54 requires a certain level of qualification before being eligible for Building Official status. It is unclear if the proposed contractor has achieved this level of qualification.

Koryzno – Motion made that the Board not approve Item #195.13 and requests the City Administrator to amend the proposed contract language to conform to PA 54 of 1986 and resubmit to City Council and TAB for approval.

Parker – Requested that a provision of the contract should be that a current license is provided on an annual basis.

By motion made (Koryzno) and supported (Bovitz), the Board unanimously approved the motion. Item# 195.13 is NOT APPROVED at this time.

DRAFT

5. Item #199.13 (Hire the services of Michael D. Crow as Interim City Attorney)

   Koryzno - It is my understanding that City Council has proceeded with hiring an interim City Attorney. Does the City Administrators job description include hiring all City department heads? Discussion determined that the City Administrator job description includes hiring all department heads which does include the City Attorney.

   Elam had concerns that the TAB is not abiding by the City Charter.

   Koryzno - PA 436 section 12 (1) states that EM may take one or more actions with respect to a local government that is in receivership notwithstanding any Charter provision to the contrary and (1) (g) EM may create a new position and define the position. PA 436 section 21 (2) states no order may be amended after the EM exits.

   Koryzno – If the City is without a City Attorney, the City Administrator should move quickly to appoint one.

   Koryzno – Motion made that the Board not approve resolution 199.13 because the Board's understanding is that EM Order 82 created the position of City Administrator whose duties include hiring all City department heads.

By motion made (Koryzno) and supported (Bovitz), the Board unanimously approved the motion. Item #199.13 is NOT APPROVED.

6. Item #200.13 (Sale of DPS Building)

   Koryzno - The City Council took action to sell the DPS building for $54,500, no additional documentation was provided.

   McCurley – The City purchased the building approximately one year ago. Now that the court has moved, we have room for staff in City Hall. The City went out for a quote, received bids, and Council approved the sale.

   Parker requested the City to provide the bids submitted and an appraisal. If no appraisal was done, how did the City come up with a value of the building?

   Koryzno – I would request that the Board to be provided all of the information requested before approving this item.

DRAFT

Koryzno – Motion made that the Board not approve resolution 200.13 and requests the City Administrator to provide all information related to this item including, but not limited to, competitive bids and an appraisal of the building.

By motion made (Koryzno) and supported (Bovitz), the Board unanimously approved the motion. Item# 200.13 is NOT APPROVED at this time.

7. Item #2.13Sp (Approval of $2,347,038.87 payroll claims and expenses)

Koryzno - Each City Council meeting, the City approves by resolution both "payroll" and "claims and expenses". On the 8/9/13, the City Council approved a significantly larger amount for claims and expenses than usual. This resolution for $2,347,038.87 is not itemized and it is very difficult to "track".

Concerning the $2,347,038.87 in claims and expenses which was approved via resolution 2.13Sp (8/19/13), the Board would like to see how much of that was paying bills for FY 13/14, how much of that amount is to come out of the General Fund and how much is to come out of the other city funds, a statement of whether any significant one-time purchases were included in this sum, a city affirmation that despite this large expense the EM ordered two-year budget has not been exceeded, and would like a general explanation of why this two week period generated claims and expenses far in excess of the previous periods.

Koryzno – Motion made that the Board requests the City Administrator to provide itemized detail for the $2,347,038.87.

By motion made (Koryzno) and supported (Bovitz), the Board unanimously approved the motion. Item #2.13 Sp is NOT APPROVED.

Koryzno – Motion to approve the resolutions and ordinances adopted by the Ecorse City Council at their meetings held on Regular City Council meetings of August 7, 2013 and August 20, 2013 and a Special City Council meeting of August 9, 2013 are approved with the exception of:

Item #187.13	Item #191.13	Item #195.13
Item #195.13	Item #199.13	Item #200.13
Item #2.13Sp		

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

DRAFT

III. Discussion Items

Letter from City Administrator dated September 5, 2013

A. Paragraph 1 of Letter from City Administrator of September 5, 2013 (Meeting Minutes)

   Koryzno - Pursuant to the TAB's request the City has provided City Council meeting minutes for August 7, 9 and 20. No further action is necessary as this item was addressed under Board Action.

B. Paragraph 2 of Letter from City Administrator of September 5, 2013 (Monthly Budget to Actual report)

   Koryzno - Pursuant to the TAB's request the City will provide more information. This item was addressed under Board Action.

C. Paragraph 3 of the Letter from City Administrator of September 5, 2013 (Tidwell Court case approval)

   Koryzno - This lawsuit settlement has not been approved by City Council and no action is necessary. The Board is satisfied with the information provided and the City Administrator may proceed to Council for action and return to the TAB for final approval.

D. Paragraph 4 of the Letter from City Administrator of September 5, 2013 (ESET, Inc. (Jack Durbin) Consulting Engineer's contract approval)

   Koryzno - No further action is necessary as this item was addressed under Board Action.

E. Paragraph 5 of the Letter from City Administrator of September 5, 2013 (James Hill Building Official's contract approval)

   Koryzno - No further action is necessary as this item was addressed under Board Action.

F. Paragraph 6 of the Letter from City Administrator of September 5, 2013 (Majestic Contractors, LLC sidewalk construction contract approval

   Koryzno - The Board will not act on this item until the Council minutes of the 9/3/13 meeting are reviewed.

G. Paragraph 7 of the Letter from City Administrator of September 5, 2013 (Majestic Contractors, LLC sewer repair contract approval)

DRAFT

Koryzno - The Board will not act on this item until the Council minutes of the 9/3/13 meeting are reviewed.

H. Paragraph 8 of the Letter from City Administrator of September 5, 2013 (decision on request for appointment of a Deputy Treasurer in accordance with Chapter VII, Section 12 of the Ecorse City Charter made by the Ecorse City Council as reflected in Resolution No. 156.13 adopted on July 23, 2013.)

   Koryzno - The City Council has requested approval to appoint a Deputy City Treasurer and this request was previously denied by the TAB at the June 23, 2013 meeting.

   The Board unanimously adopted a motion at the July 23, 2013 meeting stating that it is the TAB's understanding that since section 21 (2) of PA 436 provides that an EM's orders remains in effect after an EM's departure until one year after the termination of a City's receivership, which has not yet occurred, there is no basis for the establishment of filling of the position of Deputy Treasurer. No further action is needed.

I. Paragraph 9 of the Letter from City Administrator of September 5, 2013 (Decision on request from Ecorse City Councilman Nathaniel Elem for reconsideration of inclusion of an (sic) appointee of the Ecorse Mayor and appointee of the Ecorse City Council on the TAB, as was contemplated in the last year's proposed Interlocal Agreement between the City and the State, as reflected in the August 20, 2013 Ecorse City Council meeting minutes, on page 188.)

   Koryzno - PA 436, section 23 addresses the appointment of the TAB and its Board members. Council member Elem may wish to review this section of the law. No further action is needed.

IV. Public Comment

No Public Comment.

V. Other Business

No Other Business.

VI. MOTION TO ADJOURN

There being no further business, and without objection, Mr. Koryzno adjourned the meeting at 9:50 AM.

DRAFT