

City of Ecorse
Receivership Transition Advisory Board Minutes
Tuesday, April 8, 2014
9:00 am

(Approved May 6, 2014)

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

Members Present

Edward Koryzno
Robert Bovitz

Members Absent

Joyce Parker

Staff Present

D. Van de Grift
A. Dempkowski
M. Dube
W. O'Neal
C. Wycoff

I. CALL TO ORDER

- A. Roll Call – Mr. Koryzno called the meeting to order at 9:00 am. Let the record show that all Board Members are present with the exception of Joyce Parker.
- B. Approval of Agenda – By motion made (Bovitz) and supported (Koryzno), the Board unanimously approved the agenda.
- C. Approval of March 11, 2014 TAB draft minutes – By motion made (Bovitz) and supported (Koryzno), the Board unanimously approved the March 11, 2014 TAB Regular Board meeting minutes as amended.

II. OLD BUSINESS

A. TAB requested additional information

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

Koryzno - Additional information has been received concerning the City's outstanding legal fees. While this new memo provides a helpful historical account of how many of these fees have been incurred, it did not report a total liability. Administrator O'Neal, please tell the Board when these bills will be paid.

O'Neal – Mr. McCurley was going to respond to this item, but he is not in attendance at this time.

Wycoff – The amount of outstanding fees is currently \$206,000. The invoices associated with this amount will be paid with the exception of \$34,000. This amount is under dispute and it will remain unpaid until it is resolved.

2. Resolution #34.14 (2013/2014 Budget Amendment) of February 4, 2014 Council Meeting

Koryzno - Treasury staff has further analyzed the City's proposed budget amendment. Financial Health Specialist Dube, please inform the Board of your findings.

Dube – After further review and additional discussions with the City, the Office of Fiscal Responsibility is satisfied with the 2013/2014 Budget Amendment proposal.

Parker – Regarding the judgment levy, is that related to River Rouge?

Wycoff – I assume you are referring to the levy property - the part of the property that has a building that encroaches Ciungan Park. That property was purchased in October 2013.

Parker – Shouldn't this have been reviewed and approved by the TAB?

Van de Grift – A reminder to the Board – this was reviewed and approved by the TAB.

Parker – Regarding the Public Safety Department overtime - Is this for the traffic detail?

O'Neal – The majority of this is for Paramount Pictures overtime.

Parker – How much will come out of the fund balance to cover the amendment?

O'Neal – In the second year budget there is a decrease of \$200,000 in fund balance

Parker – As I read the memo from Treasury, is there any type of discussion about adjusting the expenses to meet what the revenue projections are?

O'Neal – There is not much leeway in the budget so we did not do that.

Koryzno - Entertain a motion to approve Resolution #34.14 – 2014/14 Budget Amendment from the February 4, 2014 Council Meeting.

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

3. 5-Year Budget

Koryzno - Treasury staff has further analyzed the City's proposed five-year budget. Financial Health Specialist Dube, please inform the Board of your findings and concerns.

Dube -- The City is looking at projected annual deficits beginning with the 2014/15 budget and thereafter. The cumulative total in four years is \$1.4M. The majority will end up basically eliminating all of the City's fund balance and taking it back to deficit situation in the future. The City should review the projections and make the adjustments necessary now, before fund balance is eroded.

Parker -- Are you saying that beginning with 2014/15, those four years can be brought into balance by evaluating the projections in those years?

Dube -- Yes.

Koryzno -- I would like to remind the Board that had the City accepted the CGAP grant award with River Rouge for consolidating its jail and dispatch services they would have saved approximately \$1.5M.

Koryzno - Entertain a motion to require the City to balance the five-year budget and resubmit it by the next RTAB meeting in May 2014.

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

4. Report - Payment Process to Ensure Bills are Paid Timely

Koryzno - During last month's meeting, Ms. Parker requested a summary of the City's payment processes, with attention paid to how the Xerox bill is paid. While we have received a renewed request to add certain vendors to the preapproval list, we have not received a payment process summary. Mr. O'Neal, what is the status of this report?

O'Neal -- To change the current process, we would have to circumvent the TAB. We didn't realize that if we have a contract that was approved by TAB, we can make the payments without further TAB approval. We are now doing this and it is solving the late payment issue.

Koryzno -- We still require the City to provide the Board on what the process is on how the City will pay its bills on time. Please relay our request to the new City Administrator. We will revisit this issue.

Koryzno – Entertain a motion to require the City to provide the Board with a report on the process to pay bills timely and postpone further discussion to the May TAB meeting.

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

III. NEW BUSINESS

A. Approval of Resolutions & Ordinances for City Council Meetings

1. Resolutions from Regular City Council meeting of February 18, 2014

Koryzno - Entertain a motion to approve all resolutions from the February 18, 2014 City Council meeting, with the exception of Resolution #59.14 (Budget Amendment 2014-3 Library Funds) which is not approved.

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

Discussion – Resolution #59.14 Budget Amendment 2014-3 – Library Funds

Koryzno - It appears a gift from the Praxair Company for library use necessitates a budget amendment. Mr. O’Neal, is this amendment for the library separate from the previous budget amendment?

O’Neal – Yes. This item was overlooked. There is \$2,500 for computers donated to the library.

Parker – Is this just a matter of appropriation for the \$2,500 or is that the amount allocated from the grant?

O’Neal – The amount from Praxir is \$2,500 which fully covers the cost for the computers. No money from the City is needed.

Koryzno - Entertain a motion to approve Resolution #59.14 (Budget Amendment 2014-3 Library Funds) from the February 18, 2014 City Council Meeting.

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

2. Resolutions from Special City Council meeting of February 25, 2014

Koryzno - Entertain a motion to approve all resolutions from the February 25, 2014 City Council meeting.

Bovitz – There were no resolutions acted on at this Special Meeting, therefore the Board does not need to take action.

No action taken.

3. Resolutions from Special City Council meeting of February 27, 2014

Koryzno - Entertain a motion to approve all resolutions from the February 27, 2014 City Council meeting.

Parker – There is an amount of \$16,592.00 on the CDBG Fund application for job creation. What specifically is that for?

O’Neal – That is a line item to create part time positions for grass cutting and blight elimination.

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

4. Resolutions from Regular City Council Meeting of March 4, 2014

Koryzno - Entertain a motion to approve all resolutions from the March 4, 2014 City Council meeting, with the exception of Resolution 80.14 (City’s Grant of a 198 Tax Abatement) which is not approved.

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

Discussion took place regarding Resolution #80-14 (City’s Grant of a 198 Tax Abatement). There is confusion as to whether the 198 Tax Abatement resolution was approved by Council. City Attorney Wycoff was under the impression that this item was not approved, yet the Council Minutes reflect approval.

Koryzno - Entertain a motion to postpone approval of Resolution #80.14 (City’s Grant of a 198 Tax Abatement)

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

B. Letter from City Administrator dated April 8, 2014

1. Items 1, 3, 4, 5, and 6 have been addressed in Old Business and New Business
2. Item #2 – March 2014 monthly Budget-to-Actual Financial Report

Koryzno - It should be concerning to the City that public safety overtime is currently reported at 86% of budget while only 67% of the fiscal year has passed.

O'Neal – There has been an increase in traffic safety, but as discussed earlier in the meeting, Paramount Pictures is the reason for the additional costs in overtime.

Koryzno - Entertain a motion to approve the March budget to actual report.

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

3. Item #7 – Approval of City Administrator George Strand

Koryzno - We note that while Mr. Strand's contract purports to allow the City to discharge Mr. Strand at any time without cause, any such action would require Board approval. Also, while the City Council meeting of April 3, 2014 is outside the timeframe for this month's Board review, it is important that the City appoint a City Administrator.

Koryzno - Entertain a motion to approve the April 3, 2014 Resolution #106.14 appointing Mr. George Strand as City Administrator.

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

4. Item #8 – Ecorse Boat Ramp Contract

This information has been received and filed.

5. Item #9 – Vendor Pre-Approval Checklist

Koryzno - Previously, the City has fallen behind on payments to various creditors including Xerox and AT&T. The Board directed the City to examine its payment process so that these bills can be timely brought to the Board for regular approval.

Koryzno – I would like to have the Office of Fiscal Responsibility staff meet with city staff to clarify what the issues are.

Koryzno - Entertain a motion to add AT&T to the preapproval list.

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

6. Item #10 – Checks Released

This list of payments has been received and filed.

7. Item #11 – CPI Underground Contractor

Koryzno - The City has disclosed that it paid approximately \$14,000 to CPI for emergency water main repairs. This emergency appropriation was proper as an emergency expense.

8. Item #12 – Jack Durbin and James Hill Termination

This information has been received and filed.

9. Item #13 – Violations of EFM Order 94

This information has been received and filed.

10. Item #14 – Recreation Plan Approval

This information has been received and filed.

IV. PUBLIC COMMENT

John Miller, Ecorse, MI - Stated he is happy to hear that the TAB is helping the City come up with a better system to pay its bills timely.

Wayne O'Neal – Interim City Administrator O'Neal noted this is his last Board meeting and that he appreciated working with the TAB.

V. BOARD COMMENT

A. Occasionally the documents submitted by the City are illegible. Please ensure that future submissions are readable.

VI. ADJOURNMENT

There being no further business the meeting adjourned at 9:45 am.



Angela Dempkowski