

City of Ecorse

Receivership Transition Advisory Board Meeting Minutes

Tuesday, December 13th, 2016

Ecorse City Hall

Council Chambers

Albert B. Buday Civic Center

3869 West Jefferson

Ecorse, Michigan 48229

RTAB MEMBERS PRESENT:

ROBERT BOVITZ

JOAN BROPHY

JEFF SYKES

ALSO PRESENT:

PATRICK DOSTINE

Michigan Department of Treasury

Reported by:

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Called to order at 9:02 a.m.

Tuesday, December 13, 2016

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MR. SYKES: All right Patrick, do you want to do roll call?

MR. DOSTINE: Sure. Rob Bovitz.

MR. BOVITZ: Here.

MR. DOSTINE: Joan Brophy.

MS. BROPHY: Here.

MR. DOSTINE: Jeff Sykes.

MR. SYKES: Here.

MR. DOSTINE: You have quorum, Mr. Chair.

MR. SYKES: All right, thank you very much. Okay, so the first item is to approve the agenda, and I'd like to add an item to the agenda, for the beginning of new business. And that item will, to be discussed, is to discuss the appraisal that we have before us.

It seems that there's an opportunity, potentially, to sell some property, and so there'll be a discussion about that. So I will entertain a motion to approve the agenda, with this condition.

MR. BOVITZ: So moved.

MS. BROPHY: Support.

MR. SYKES: All right, all those in favor? Aye.

MS. BROPHY: Aye.

1 MR. BOVITZ: Aye.

2 MR. SYKES: Those opposed, the same.

3 (No response)

4 MR. SYKES: The agenda is approved.

5 I'd also like to remind the audience that if you

6 intend to speak during the public comment portion of this

7 meeting, it'll be necessary for you to sign in at the

8 sheet at the podium.

9 So with that, I will move on to approval of RTAB

10 minutes of November 7th, 2016.

11 MS. BROPHY: Move to approve.

12 MR. BOVITZ: Support.

13 MR. SYKES: All those in favor say aye. Aye.

14 MS. BROPHY: Aye.

15 MR. BOVITZ: Aye.

16 MR. SYKES: Opposed, the same.

17 (No response)

18 MR. SYKES: The minutes are approved.

19 So we'll move on to old business, of which there

20 is none.

21 So, we will start with new business, and go

22 ahead and we'll begin with the appraisal report. You guys

23 are pretty quick, huh?

24 MS. CAPRA: Yeah. Good morning, Terri Capra,

25 community development. The city has an opportunity to

1 sell 3715 West Jefferson, to a developer. It's known as
2 the old Wayne Metro building. It's been vacant for
3 probably seven years, pretty close to seven years, I
4 believe. We have a offer to sell to him for \$40,000; it
5 was appraised at \$50,000 back in May of 2015.

6 It does need work, the floor upstairs is warped,
7 the basement steps caved in. The gentleman wants to turn
8 it into a senior apartment complex, with the possibility
9 of a pharmacy in there. He's going to want to sink
10 approximately \$300,000 into the building, which will
11 generate revenue for the city.

12 Mr. Wycoff has prepared the purchase agreement;
13 my goal is to try to close it by the end of the year, so
14 this can go on the tax rolls for next year. It does have
15 a true cash value of \$406,000, so I anticipate it going on
16 for about \$200,000. If I can get it closed by the end of
17 the year.

18 The plan is also that it will be presented to
19 the mayor and council at the upcoming council meeting, to
20 seek for their approval to sell it, so, I'm just asking
21 the TAB board if they would agree to -- we don't want to
22 scare the guy off. He's ready to get started, but, he
23 doesn't want to put any money into it -- plans,
24 architects, until it's been blessed by the TAB board.

25 MR. SYKES: So, one of the first questions I was

1 going to ask, but it sounds like you've already answered
2 that, is that, what would happen if we saved this for the
3 next RTAB meeting? Again, it's one of those things where
4 I personally am not a huge fan of getting front of city
5 council and approving something, but it sounds like if you
6 can get it closed before the end of this year, then
7 there's a revenue opportunity, you can get it on the tax
8 rolls.

9 MS. CAPRA: Yeah, and hopefully, I can get it
10 closed by December 31st. If not, but there will also
11 generate some revenue if we have gone through with this,
12 because there will be building department fees, review
13 fees, water connect fees; you know, he's going to have to
14 put new water heaters in 18 -- he's planning on doing 18
15 units.

16 MR. SYKES: Okay. During the presentation to
17 the city council, how was it discussed with city council
18 that this has already been to the RTAB?

19 MS. CAPRA: I'm sorry?

20 MR. SYKES: How was that presented to the city
21 council, that this has already been to the RTAB? My
22 concern is that I don't, in any way, shape, or form, want
23 city council feeling like, okay, the RTAB has already
24 approved this, so we should go ahead and approve this.

25 We need to decide this, you know, based on the

1 information they have, and --

2 MS. CAPRA: Well, I'm going to present it to the
3 mayor and council on Tuesday.

4 MR. SYKES: Okay.

5 MS. CAPRA: The mayor already knows about it, he
6 was in the negotiations. I will have the appraisal
7 available, you know. I will tell him, you know, if they
8 approve it, that I did get a conditional approval from the
9 TAB.

10 MR. SYKES: Okay. Make sure they understand it
11 is conditional.

12 MS. CAPRA: Ordinary circumstances, I went to
13 the TAB first, because if I go to them, I don't want to
14 scare this guy off. That's the bottom line, I don't want
15 the guy to run.

16 MR. SYKES: Okay. Any maybe during that
17 presentation, if there's any way you can let them know
18 that you did get conditional approval from the RTAB, even
19 though this is something that they're a little bit
20 uncomfortable with, because they don't, you know, want to
21 get in front of the city council.

22 MS. CAPRA: Okay, well I can, you know, let them
23 know RTAB did this in the Christmas spirit, this time and
24 one time only.

25 MR. SYKES: Yes.

1 MS. CAPRA: You know, because I just don't want
2 to lose this guy.

3 MR. SYKES: Okay.

4 MR. BOVITZ: Yeah, it just sounds like that's
5 the best use for the property, it was originally zoned for
6 retail, back in the day; it's been vacant, so it's just
7 been, caused burden on the city. I don't see the city
8 having any other future uses for it, so if you get \$40,000
9 out and put it on the rolls, it's a win - win.

10 MS. CAPRA: It does need work, it's been vacant,
11 and -- Joan can attest to what it looks like.

12 MR. BOVITZ: And especially for senior housing;
13 if he has \$300,000 he wants to dump into it, that's great.
14 But as far as like the water connection, all that, it's
15 all on him, so --

16 MS. CAPRA: Building fees, whatever else.

17 MR. BOVITZ: So it's actually revenue for the
18 city.

19 MS. CAPRA: As a city, we need businesses, we
20 need revenue. Yes. We've got to build up businesses.
21 We've got some businesses that want to come into the city
22 but then they get gun shy when you put all these, oh, I've
23 got to get this, this, and this.

24 MR. BOVITZ: Well, especially if you see a big
25 anchor building like that, which is sitting vacant, it

1 just adds to the illusion of blight, so if you can get
2 someone in there, again, I think it's a win - win. You
3 get \$40,000, get him to dump some money into the right
4 housing procedures --

5 MS. CAPRA: The guy originally offered \$20,000;
6 we got him up to \$40,000 And like I said, the appraisal's
7 over a year and a half old.

8 MR. BOVITZ: I like it.

9 MS. BROPHY: Is there a timeline, that's he's
10 going to get this project done? I think the worry is
11 always, are they going to just purchase the building and
12 then not do the project? Is there anything in the
13 purchase agreement, that --

14 MS. CAPRA: Well, my conversation was -- well,
15 we got the purchase agreement --

16 MS. BROPHY: To kind of hold his feet to the
17 fire, to --?

18 MS. CAPRA: I believe -- I didn't go over that,
19 but I believe Chuck put something in the purchase
20 agreement that -- I apologize -- well, we will definitely
21 hold his feet to the fire. I don't see it in the purchase
22 agreement, but he did tell us as soon as we get the okay,
23 he wants to get his plans drawn up, and measure, and
24 architect and builder, and secure the property.

25 It's probably got to totally be gutted. I would

1 anticipate probably six months. A permit is good for six
2 months, so, we will definitely hold his feet to the fire.

3 MR. SYKES: Okay. I'll entertain a motion to
4 approve the sale of this office building, as presented.

5 MS. BROPHY: Okay, I'll move to approve the sale
6 of the office building as presented.

7 MR. BOVITZ: Support.

8 MR. SYKES: All right, any further discussion?

9 (No response)

10 MR. SYKES: Hearing none, all those in favor say
11 aye. Aye.

12 MS. BROPHY: Aye.

13 MR. BOVITZ: Aye.

14 MR. SYKES: Opposed, the same.

15 (No response)

16 MR. SYKES: This request has been approved.

17 So we'll move on next to the 2017 RTAB meeting
18 schedule. I'll entertain a motion to approve the RTAB,
19 2017 RTAB meeting schedule.

20 MS. BROPHY: I'll move approval.

21 MR. BOVITZ: Support.

22 MR. SYKES: All right, all those in favor say
23 aye. Aye.

24 MS. BROPHY: Aye.

25 MR. BOVITZ: Aye.

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MR. SYKES: Opposed, the same.

(No response)

MR. SYKES: The RTAB meeting schedule is approved. Next item we have is approval of the resolutions and ordinances of city council meetings.

The first one up is the resolution from the closed session city council meeting of October 25th, 2016. It appears that there were no substantive action taken at this meeting, and therefore, no board action is necessary. So, let's see --

MR. BOVITZ: Well it looks like that meeting lasted about an hour before the regular meeting, and the main discussion was in connection with specific pending litigation, so when you say there was no action, there was just nothing that was a formal --

MR. SYKES: Right. You're right. Nothing -- and you're right. Substantive is probably not fair.

MR. BOVITZ: Well, there was no action taken by council because it was closed session, but was there anything, even though it's not public knowledge, that we should be aware of, that was discussed?

MR. SYKES: I don't think so.

MR. FLATEN: Not at this time.

MR. SYKES: I would say being that it was closed session, I don't think that we get an opportunity to know

1 what that would be.

2 MR. BOVITZ: All right.

3 MR. SYKES: You're right. So when I say
4 substantive action taken, that doesn't mean that nothing
5 substantive had taken place at the board meeting; that
6 wouldn't be fair.

7 MR. BOVITZ: There was probably a good
8 discussion.

9 MR. SYKES: Yeah, absolutely. I guess the term
10 was mostly along the lines of the action under the
11 meeting.

12 MR. DOSTINE: There was no actionable --

13 MR. SYKES: Right.

14 MR. DOSTINE: Action, or, resolution, that came
15 out of, for us.

16 MR. SYKES: Right. Okay, so we'll move on to
17 resolutions from the regular city council meeting of
18 November 7th. I'll entertain a motion to approve the
19 resolutions from the November 7th, 2016 meeting.

20 MR. BOVITZ: Well, first we have to do the
21 October 25th, because of the regular meeting.

22 MR. SYKES: Oh, I'm sorry. Yeah, I'm sorry, I
23 see it. We have -- thank you very much.

24 MR. BOVITZ: So moved.

25 MS. BROPHY: Support.

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MR. BOVITZ: The minutes of the October 25th regular meeting.

MR. SYKES: All right.

MS. BROPHY: I'll support that.

MR. SYKES: All right. All those in favor of approving the resolutions from the city council meeting of October 25th, 2016, please say aye. Aye.

MS. BROPHY: Aye.

MR. BOVITZ: Aye.

MR. SYKES: Opposed, the same.

(No response)

MR. SYKES: These resolutions have passed.

Now we'll move on to November 27th. Entertain a motion to approve the resolutions of the November 7th, 2016.

MS. BROPHY: So moved.

MR. BOVITZ: With the --

MS. BROPHY: Wait a second --

MR. BOVITZ: Resolution 321.16, is that?

MR. SYKES: Yep. And so --

MR. BOVITZ: Oh, I see. Okay. Support.

MR. SYKES: Okay, any discussion? So we have, in this item, please note that the board approved Resolution 321.16 at our previous meeting. So with that, I'll entertain a motion to approve the resolutions from

1 November 7th, 2016.

2 MS. BROPHY: Okay.

3 MR. BOVITZ: Motion stands.

4 MR. SYKES: Oh, I'm sorry. Yeah. All those in
5 favor say aye. Aye.

6 MS. BROPHY: Aye.

7 MR. BOVITZ: Aye.

8 MR. SYKES: Opposed, the same.

9 (No response)

10 MR. SYKES: Resolutions from the November 7th,
11 2016 meeting, are approved.

12 So next, we have claims and accounts from
13 regular city council meeting draft minutes of November
14 22nd, 2016. I'll entertain a motion to approve --

15 MS. BROPHY: I'll move approval of the claims
16 and accounts of November 22nd.

17 MR. BOVITZ: Support.

18 MR. SYKES: All right, all those in favor say
19 aye. Aye.

20 MS. BROPHY: Aye.

21 MR. BOVITZ: Aye.

22 MR. SYKES: Opposed, the same.

23 (No response)

24 MR. SYKES: It's passed. So, next, we move on
25 to city administrator items. The first item is approval

1 of city council minutes, which was addressed in new
2 business. The next item is approval of purchasing of new
3 equipment; this was addressed at our last board meeting.
4 The third item is checks released, and this is for
5 information only.

6 So we'll move on to the fourth item, which is
7 approval of Resolution 337.16, which is the DUWA service
8 agreement and with that, I'd like to have some additional
9 discussion.

10 *(Extremely loud construction noise level
11 escalating from demolition going on outside)*

12 MR. FLATEN: I'm sure you're all aware, the
13 Downriver Utility Wastewater Authority -- it's what
14 communities downriver that are attempting, it will,
15 eventually, take over the sewage disposal system that's
16 located in Wyandotte, from Wayne County.

17 There is a price attached to that, still being
18 discussed. They have received a letter from the Authority
19 that they are willing to take this system over. Most of
20 the agreements between the Authority and the community
21 members, a number of them have been approved. We are one
22 that approved that contract with the Authority, to how the
23 system would operate under the Authority's jurisdiction.

24 There are some other communities that have not
25 had their council meetings yet, to approve this. But it's

1 anticipated that all, in some point in time, will do that,
2 because it's a lot less expensive to be a member of the
3 system or an owner of the system, as opposed to being a
4 customer of the system. Because if you're a customer of
5 the system, you will pay generally the same costs that
6 owners do, but there will be a surcharge with almost 50
7 percent of that cost added to it.

8 So there's no way we could afford that, from
9 being a member of the system, or an owner of the system,
10 part owner of the system, with the other 12 communities.
11 We'd be better off. We'd have more say in the operation,
12 too, in terms of buying equipment that's needed, or just
13 the operation of it.

14 And the operation of the system will be
15 contracted out to a firm that -- it had gone out for bid,
16 and received bids from three different companies that
17 operate sewage and water systems.

18 The system, the company they picked is Viola; I
19 think everybody's probably a little bit familiar with
20 Viola, if they paid attention to the Flint issue, they
21 were involved in that, but they were not involved in the
22 direct operation of the system. They were on a consultant
23 basis for other issues, related to, but not directly
24 involved with, processing and the treating of water,
25 before it's put into the system for consumption.

1 So, I know Charlie Wycoff stated he had some
2 questions; all of his questions have been answered by the
3 board and their respective attorney. He has no other
4 objections, and is in favor of this, the city moving
5 forward, into the purchase of the system from Wayne
6 County, and operating it for ourselves.

7 Some people have said, would it be cheaper if we
8 built our own system? Absolutely not. Absolutely not.
9 The cost of building your own system, with wells and so
10 forth, to the holding tanks, the operation of the system,
11 the DEQ requirements that change almost daily. There's no
12 way it would be cheaper for us to build our own system and
13 operate it. It just wouldn't be effective.

14 So, with that, it's pretty much the discussion
15 on that, and I would suggest that you be in favor of our
16 agreeing to the Downriver Utility Wastewater Authority
17 service agreement.

18 MR. SYKES: Have any comments?

19 MS. BROPHY: I just, I read Chuck Wycoff's
20 letter, and I thought it was a good explanation of the
21 direction the city is going in. You mentioned that the
22 purchase price was still under discussion; is that
23 something -- what is the present --

24 MR. FLATEN: Tentatively, right now, it's \$57
25 million. And what'll happen there is that -- it's another

1 reason why we consulted with the bond council attorney, is
2 to make sure that we, as Ecorse, will survive any kind of
3 inspection or investigation of our financial system, to
4 afford our share of the system, which, we don't know what
5 that will be just yet. Because we don't know the price of
6 the bonds or anything. But there may be a defeasance of
7 any current bonds that are outstanding with the system,
8 and then that'll just be re-done, and we'll have to pay
9 off the balance of those bonds.

10 But at this point in time, Wayne County, they
11 are listing -- I hope they are, and if they're not, too
12 bad, but, they're not totally cooperative in this, our
13 taking the system. They have their, basically, what they
14 call their due diligence. And that's fine.

15 But to tell us that you don't know what the
16 value of your fixed assets are, in the system, that's -- I
17 can't buy that. Your accountant's got lists of all your
18 equipment and everything, the value of the building, value
19 of all the real estate that's involved in this, because of
20 the underground lines that are there.

21 All of this is available financially, but
22 they're examining that, so it's holding up. And there's
23 other issues that Wayne County is just foot dragging, if
24 you will, on this. We're intent to take this system,
25 eventually we'll get it.

1 MS. BROPHY: My only comment is that as rate
2 payers, we may have already paid for it.

3 MR. FLATEN: That's in the discussion, Joan,
4 right from the beginning of time. We have always, you
5 know, the communities that are involved, have always paid
6 for the new equipment. Wayne County hasn't invested in
7 that; that's ours. That's all been on the rates that were
8 charged to the users. And keep thinking, why are we the
9 ones that are not the owner operators of the system, and
10 they got a simple sheet of paper, acknowledging the fact
11 that they are owner operators. And that goes back into
12 the 1980s, probably.

13 MS. BROPHY: Right.

14 MR. FLATEN: It's not as clear a takeover as the
15 South Huron Valley Utility Authority was. Because the
16 South Huron Valley Utility Authority didn't have a sewer
17 housing area, or a system of building it, or, you know,
18 anything, that would accept the downriver.

19 So we were all flowing into one direction, but
20 when we -- when the South Huron Valley was formed, it came
21 as part of what they used to call super sewer, and then it
22 was son of super sewer, and who knows what came after
23 that? But there was a number of communities that were all
24 involved, and they were all from the north and the west
25 side. They couldn't all come together.

1 So there were certain downriver communities that
2 did, who bought the land, paid for the construction,
3 floated the bonds. Wayne County had virtually nothing to
4 do with this except bill us for what, after the system was
5 even built, they were still charging us. And the nice
6 part about it was, is when the South Huron Valley was done
7 and completed and we took it over, the communities down in
8 that corner, which is you know, like Gibraltar, and Flat
9 Rock, Woodhaven, Brownstown -- part Brownstown.

10 We saved a lot of money. I personally know,
11 from Woodhaven's experience, we were paying over a million
12 dollars a year to Wayne County for our share of that
13 system. And when we took it over and contracted out, our
14 costs went down to \$750,000.

15 So there is an advantage to owning this system.
16 And that's what'll happen here eventually, when the feet
17 stop being dragged.

18 MR. SYKES: Any comments? That was my concern
19 too, was approving something that didn't have a final
20 tally associated with it. But I don't see a whole lot of
21 options involved, so --

22 MR. FLATEN: No, there isn't.

23 MR. SYKES: Okay. So with that, I'll entertain
24 a motion to approve Resolution 337.16.

25 MR. BOVITZ: So moved.

1 MS. BROPHY: Support.

2 MR. SYKES: All right, any further discussion?

3 (No response)

4 MR. SYKES: Hearing none, all those in favor say
5 aye. Aye.

6 MS. BROPHY: Aye.

7 MR. BOVITZ: Aye.

8 MR. SYKES: Those opposed, the same.

9 (No response)

10 MR. SYKES: This motion has passed.

11 So the last item here is the revised five year
12 financial forecast.

13 MR. FLATEN: Tim is off today.

14 MR. SYKES: Tim's off today?

15 MR. FLATEN: I can tell you, on this five year
16 plan, our biggest concern is pension costs. The
17 department heads met with the mayor last Wednesday, to
18 discuss where we could make cuts within this budget, as it
19 exists now, and how it would affect the future.

20 Because we're looking at, probably, I think Tim
21 said, \$1.7 million next year. What we need to find, in
22 order to balance this budget, we will make some changes in
23 house, our current operation but as I said, the big
24 problem is what can we do with the pension system?

25 And you probably all saw the new legislation

1 that is being proposed. That's fine; I'm not totally in
2 favor of what they're trying to do, but to me, it kind of,
3 it shows that they recognize that they have a problem,
4 too.

5 For us, how we can come up with that kind of
6 money at this point, is our biggest problem. And the new
7 legislation's not going to help us that much.

8 MR. SYKES: I think the other thing that might
9 be helpful is, I've started to see some articles and some
10 news stories talking about this exact issue. And what
11 it's doing to cities' budgets. And so, that's, I mean,
12 the fact that it's getting out there, that's only going to
13 be helpful.

14 MR. FLATEN: It's a problem, not only for us
15 that are financially distressed. It's a problem for any
16 city that you might say is somewhat well heeled.

17 MR. SYKES: Yeah.

18 MR. FLATEN: They're all having this problem,
19 and there's a lot of complaints. I meet with the
20 downriver administrators once a month, and that was the
21 big topic at breakfast, this last time, is what are we
22 going to do? How much is it costing you? How much is it
23 costing other cities? It's a fear that it's going to
24 disrupt everybody's financial position.

25 MR. SYKES: Right.

1 MR. FLATEN: So.

2 MR. BOVITZ: Is there any progress, meeting with
3 MERS to discuss the relationship?

4 MR. FLATEN: Well, they won't let us use any
5 cash that we have; they've -- you know, what they want,
6 for us to build up to where we need to be, is they want
7 straight cash. They don't take -- they won't take the
8 bonds in trade. Bonds that we have with Clarkston, and
9 Manchester Schools. They won't take those. They said no,
10 those are yours, you want to get -- settle this, we want
11 cash. We don't have it. And I think they know that, but
12 they're -- the main thing is, they don't want to sit and
13 discuss how we can make certain changes to get to where
14 they want us to be.

15 I mean, if we can't afford \$4 million, what can
16 you accept from us, that we can afford to give you? To
17 make this work? We've already gone, at any time we're
18 hiring anybody, it's all a matter of deferred comp. It's
19 not a matter of defined benefit pension systems any more.

20 And then the other problem that we have is the
21 retirees' pensions and so forth, and the future of those.
22 I mean, that's a large cost for us, too. You know, what
23 they're recommending there is that cities pay up to a
24 matched amount, 80 percent, and retirees can pay 20
25 percent.

1 Well, I dare tell you, that we've got some
2 retirees that are dramatically up in age. Their pensions
3 cannot be as great as what pensions are now. And to take
4 20 percent of a medical premium, and charge it to them,
5 you're going to leave them with very little to live on. I
6 don't know how much a 95 year old person needs to live,
7 but the point is it's unaffordable.

8 And all of this ought to be done maybe this
9 week. *(Note: Referring to construction noise)*

10 Any other questions on that? But we are working
11 on it, that budget, to get it to work.

12 MR. SYKES: Well, I'm happy to hear that there
13 discussions taking place in dealing with those shortfalls
14 in the next year, and the following year. That's what I
15 think is key to planning for the future.

16 MR. FLATEN: Well, it is. We -- another issue
17 that we have is tax tribunals, and they still come. It
18 doesn't matter whether you're financially well off or
19 financially distressed. Those adjustments are still
20 coming, and we're trying to determine how we can work with
21 our company that does our assessing, to show them that
22 hey, if somebody's on the rolls for \$10,000 and they want
23 a tax tribunal, they go to 9500 or \$9,000, it's not saving
24 them a great deal of money.

25 It's not helping us either, in terms of what

1 happens down the road when you start to determine what
2 your sales figures are and what your percentage of
3 increase in property value is going to be in the next
4 year. Because they're doing it in six month, you know, 12
5 months of one year and 12 months of the current year. You
6 know how that works, Bob.

7 MR. BOVITZ: Well, the past two years, we've had
8 a representative from the Department of Treasury sit in
9 this meeting and present a report. I know the state
10 treasury likes to pick apart numbers and see if they're
11 doable. Has there been any input from the state, on this
12 recent five year forecast?

13 MR. DOSTINE: Not to this point.

14 MR. BOVITZ: It was an unfunded liability; that
15 was the number one concern that came up at that public
16 hearing we had at Elizabeth Park (sic), with all the
17 cities that were under public act. And you know, of
18 course, unfunded liability, you can't project what it is,
19 because you don't know how long people are going to last,
20 and you know, and then draw from the system. How do you
21 put a value on that -- you know --

22 MR. FLATEN: You look at the MERS statements, if
23 you look at the MERS statement, it tells you how much they
24 pay out every year. Ours is in excess of three and a half
25 million dollars. That's a lot. And when you've got

1 unfunded liability, or you're only at a portion of where
2 you're 37, or 38 percent funded, it makes the liability
3 even greater.

4 And if they short the number of years that they
5 use in their calculations, it just -- before long, our
6 pension contribution could be in excess of 50 percent of
7 our budget, if we continue like we are. That, we can't
8 handle. But you need to sit with somebody, be it a
9 representative of treasury, and a representative of the
10 MERS, and say, look, here's the figures; now, what can we
11 do, as a city, how much can we give, and afford to give,
12 that will help in managing our pension dollars.

13 And the invitation's open to them, I'll sit with
14 them any time they want. The mayor will, Charlie Wycoff.
15 Anybody. You guys can come if you want. I mean, it's the
16 only way you're going to know how much this is really
17 affecting us.

18 MR. SYKES: All right, thanks.

19 MR. DOSTINE: Mr. Chair, may I just say
20 something for the record, that above us, they're putting a
21 roof on, and my colleague to my right here, is, trying her
22 best to catch everything for the minutes. But if the
23 minutes can't catch it all, I want it to be known that the
24 hearing in this hearing room is very difficult right now.

25 MR. SYKES: It's going to be like one of those

1 Batman episodes, where there's lots of pow and bangs.
2 Mercifully we are getting close to the end of this loud
3 meeting. With that, is there any -- Patrick, you want to
4 see if there's any public comment?

5 MR. DOSTINE: Mr. Chair, there are no requests
6 today for public comment.

7 MR. SYKES: All right. Thank you.

8 MR. FLATEN: Can I -- I've got one more thing I
9 just want to add.

10 MR. SYKES: Of course you can.

11 MR. FLATEN: As a matter of information for you.
12 The Detroit Edison -- the Dingell Park building, that was
13 destroyed? We've reached a settlement and we reached
14 agreement with Detroit Edison of \$184,000. And that was
15 based upon the floorplan that we gave them, with
16 construction costs and so forth, to fix that, present that
17 at the next TAB meeting in January for approval. Council
18 will approve it next Tuesday night.

19 MR. SYKES: That's the perfect order. The
20 perfect order, I love that.

21 MR. FLATEN: We're trying to do that, believe
22 me.

23 MR. BOVITZ: Well the plans were put on hold
24 because there was a concern about the concession
25 (indiscernible)--

1 MR. FLATEN: (Still from the audience) Well, we
2 kind of adjusted the floorplan a little bit. Their
3 original settlement offer was \$121,000. And we said no,
4 we can't accept that, because, we have, you know, the
5 insurance adjuster came in and adjusted the cost, based on
6 depreciation, and only took into consideration the values
7 from the ground up.

8 Did not consider that we had in the contract
9 that if there was something that is wrong underneath the
10 foundation, meaning, the sewer lines that come in, the
11 water lines that come in, if they were found to be
12 damaged, when we started to raze this building and
13 reconstruct if there found to be damage, Detroit Edison
14 will pay for that, too.

15 MR. BOVITZ: Well, loss of revenue, too. You
16 went a whole full summer without it.

17 MR. FLATEN: (Still from audience) What we
18 were looking -- we wanted to put in a concession stand and
19 it kind of expanded the size of the building a little bit
20 and so we went to Hennessy and we said okay, put it on the
21 basic foundation and give us a room where we can put a
22 window in there and we can still from that little area,
23 use it as a concession type thing situation for the spring
24 and summer, and fall months.

25 And when we sent it back to them there was no

1 problem with that as long as it was on a basic -- on a
2 foundation. It took a while to get this done, but I
3 really needed to acknowledge the lady from Detroit Edison,
4 who's the area representative, for all the work that she
5 did in getting the other people at Detroit City Hall

6 MR. BOVITZ: Madeline Williams?

7 MR. FLATEN: Madeline Williams. Nice lady,
8 really helped us a lot. She sat with us for about two
9 hours one afternoon, while we negotiated with the
10 attorneys and the insurance adjusters. She basically
11 wanted to make this happen.

12 MR. SYKES: Thank you. Any board comment?

13 MR. BOVITZ: One thing, I noticed at the
14 November 22nd meeting, the city extended the terms of the
15 city council, so there's no odd year election. Was there,
16 there was a public hearing in conjunction with Public Act
17 532 of 2012. Was there any opposition, a public hearing,
18 for the city council to basically vote themselves an extra
19 year?

20 MR. FLATEN: (From the audience) No.

21 (inaudible)

22 MR. BOVITZ: Sometimes you will have naysayers
23 who see that as power, extending their own terms.

24 MR. FLATEN: (Inaudible, speaking from the
25 audience).

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MR. BOVITZ: Because there still may be an election in an odd year, if there's a proposal or something, but for the most part, the citywide election's going to be coinciding with the state and the federal elections every two years. Okay.

MS. BROPHY: I guess I'll just thank everyone, since we're ending up the year, so thank you to the mayor and council and staff, and Department of Treasury, for helping us out with these meetings. And have a nice holiday.

MR. SYKES: That's a great comment, thanks.

All right, with that, I'll entertain a motion for adjournment.

MR. BOVITZ: So moved.

MS. BROPHY: Support.

MR. SYKES: Those in favor say aye. Aye.

MS. BROPHY: Aye.

MR. BOVITZ: Aye.

MR. SYKES: Those opposed, the same.

(No response)

MR. SYKES: We are adjourned.

(Proceedings adjourned at 9:37 a.m.)

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STATE OF MICHIGAN
COUNTY OF WASHTENAW) .ss

I certify that this transcript is a complete, true, and correct transcript to the best of my ability of the RTAB meeting held on December 13th, 2016, City of Ecorse. I also certify that I am not a relative or employee of the parties involved and have no financial interest in this case.

RESPECTFULLY SUBMITTED: December 21, 2016

s/ Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)
Certified Electronic Reporter