

City of Ecorse

Receivership Transition Advisory Board Meeting Minutes

Tuesday, February 14, 2017

Ecorse City Hall

Council Chambers

Albert B. Buday Civic Center

3869 West Jefferson

Ecorse, Michigan 48229

RTAB MEMBERS PRESENT:

JEFF SYKES

ROBERT BOVITZ

JOAN BROPHY

ALSO PRESENT:

PATRICK DOSTINE

Michigan Department of Treasury

Reported by:

Nina Lunsford (CER 4539)

Modern Court Reporting & Video, LLC

SCAO FIRM NO. 08228

101-A North Lewis Street

Saline, Michigan 48176

(734) 429-9143/nel

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

Called to order at 9:00 a.m.

Tuesday, February 14, 2017 - Ecorse, Michigan

*** * * * ***

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

MR. DOSTINE: Sure. Joan Brophy.

MS. BROPHY: Here.

MR. DOSTINE: Rob Bovitz.

MR. BOVITZ: Here.

MR. DOSTINE: Jeff Sykes.

MR.SYKES: Here.

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

MR.SYKES: Thank you very much.

I'll entertain a motion to approve the agenda as presented.

MR. BOVITZ: So moved.

MS. BROPHY: Support.

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

MS. BROPHY: Aye.

MS. BAILEY: Aye.

MR. SYKES: Those opposed the same.

(No response)

MR. SYKES: The agenda is approved.

I'd like to remind the audience that if you intend to speak during the public comment portion of the

1 meeting, it'll be necessary for you to sign in the sign in
2 sheet located at the podium.

3 Okay, with that, I will move on to the approval
4 of the RTAB minutes of January 10th, 2017. I'll entertain
5 a motion to approve those minutes.

6 MS. BROPHY: Move to approve.

7 MR. BOVITZ: Support.

8 MR. SYKES: All those in favor say aye.

9 MR. BOVITZ: Aye.

10 MS. BROPHY: Aye.

11 MR. SYKES: Now at this point, I should probably
12 abstain, because I wasn't able to attend that meeting. Is
13 that typical, or?

14 MR. BOVITZ: Well, you can commend the temporary
15 chair for a fine job.

16 MR. SYKES: Very nicely done, very nicely done.
17 I mean, I read through them, so I don't have an issue with
18 them, but is it typical to abstain, or should I go ahead
19 and approve?

20 MR. DOSTINE: I never been asked that question,
21 to be honest with you, Mr. Chair. I don't know.

22 MR. BOVITZ: You can't verify what was said, but
23 you can certainly vote.

24 MR. SYKES: So the minutes for the RTAB meeting,
25 January 10th, have been approved.

1 Next we'll move onto old business, of which
2 there is none. So we'll move onto new business.

3 The first item is to amend the 2017 RTAB meeting
4 schedule. We have a board member that has a conflict with
5 the July 11th, 2017, meeting. So with the new schedule,
6 I'll entertain a motion to approve an amendment to the
7 2017 RTAB meeting schedule.

8 MS. BROPHY: I'll move to approve.

9 MR. BOVITZ: Support.

10 MR. SYKES: All those in favor say aye.

11 MR. BOVITZ: Well, the discussion is, my
12 daughters have a dance competition down in Charleston,
13 South Carolina. And believe me, I'd rather be here on
14 July 11th.

15 MR. SYKES: I mean, I can vote no, if you want.
16 Your call.

17 MR. BOVITZ: No, we're good.

18 MR. SYKES: Okay, we're good. All those in
19 favor say aye. Aye.

20 MS. BROPHY: Aye.

21 MR. BOVITZ: Aye.

22 MR. SYKES: Those opposed, the same.

23 (No response)

24 MR. SYKES: The amended schedule has been
25 approved. So next, we'll move onto the approval of

1 resolutions and ordinances of city council meetings. The
2 first is a resolution from the regular council meeting of
3 December 20th, 2016. I would also like to note that
4 Resolution 350 and Resolution 354 were approved at the
5 previous board meeting, so with that, I'll entertain a
6 motion to approve the remaining resolutions from regular
7 city council's meeting of December 20th, 2016.

8 MR. BOVITZ: So moved.

9 MS. BROPHY: Support.

10 MR. SYKES: Any further discussion?

11 (No response)

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

13 MS. BROPHY: Aye.

14 MR. BOVITZ: Aye.

15 MR. SYKES: Those opposed, the same.

16 (No response)

17 MR. BOVITZ: Well, it --

18 MR. SYKES: Go ahead.

19 MR. BOVITZ: The Resolution 351.16, the MERS
20 payment, are we going to do that as a separate motion?

21 MR. SYKES: Oh, yes, I apologize. Yep. So,
22 let's back up for a second.

23 MS. BROPHY: Okay.

24 MR. SYKES: So I'll entertain a motion to
25 approve the remaining resolutions, with the exception of

1 Resolution 351.

2 MR. BOVITZ: I'll amend my motion.

3 MS. BROPHY: I'll support.

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

5 MS. BROPHY: Aye.

6 MR. BOVITZ: Aye.

7 MR. SYKES: Those opposed, the same.

8 (No response)

9 MR. SYKES: This motion has passed.

10 Okay, so now we move on to Resolution 351. Mr.
11 Flaten, could you please provide a summary of this item
12 for the board?

13 MR. FLATEN: I'm going to defer that to Tim
14 Sadowski.

15 MR. SYKES: Tim.

16 MR. SADOWSKI: Well, the city received excess
17 surplus funds from the personal property tax. And we as a
18 city planned on making an additional payment to MERS,
19 because funding for some of our divisions are negative, as
20 you all well know, and this would bring it up to ten
21 percent funding ratio, so, and avoid a \$2 million deficit
22 next year.

23 So the city came up with using the surplus funds
24 to make an additional payment to MERS. But rather than
25 pay it now, collect interest, and pay it -- start paying

1 it in July.

2 MR. SYKES: I think it's a good way to use that.
3 There's a couple of -- will probably be a couple
4 opportunities to ask how you're looking at spending the
5 additional, or the remainder of that? Could you spend
6 just a minute talking a little bit about that? I mean,
7 what are the plans?

8 MR. SADOWSKI: Most of the money is restricted,
9 and those have already been divided over the funds. The
10 city could use those to have a fund balance for future
11 years, they could pay down debt, in future years. Or they
12 could roll -- they could levy back the millage for next
13 years, and use up the fund balance.

14 Because the only surplus was what I just spoke
15 about, that's unrestricted, that the city chose to send
16 that to MERS, because that division was so underfunded;
17 it's not constitutional to not fund a pension division,
18 and so that would bring it up from negative, I believe 23
19 percent, to almost ten percent funded. And avoid a
20 balloon payment. All the other monies are restricted.

21 MR. SYKES: Okay. Thank you.

22 Any further discussion?

23 (No response)

24 MR. SYKES: I'll entertain a motion to approve
25 Resolution 351.

1 MS. BROPHY: I'll move to approve.
2 MR. BOVITZ: Support.
3 MR. SYKES: All those in favor say aye. Aye.
4 MS. BROPHY: Aye.
5 MR. BOVITZ: Aye.
6 MR. SYKES: Those opposed, the same.
7 (No response)
8 MR. SYKES: Resolution 351 is approved.
9 Next, we have resolutions from regular city
10 meeting, council meeting, January 3rd, 2017. I'll
11 entertain a motion to approve the resolutions from the
12 regular city council meeting, January 3rd, 2017.
13 MR. BOVITZ: So moved.
14 MS. BROPHY: Support.
15 MR. SYKES: Any further discussion?
16 (No response)
17 MR. SYKES: All those in favor say aye. Aye.
18 MS. BROPHY: Aye.
19 MR. BOVITZ: Aye.
20 MR. SYKES: Those opposed, the same.
21 (No response)
22 MR. SYKES: This resolution has been passed.
23 Now, next we have resolutions from regular city
24 council meeting of January 17th, 2017. Any further
25 discussion?

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

(No response)

MR. SYKES: I'll entertain a motion to approve the resolutions from regular city council meeting, January 17th, 2017, with the exception of Resolution 367.

MS. BROPHY: I'll move approval.

MR. BOVITZ: Support.

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

MS. BROPHY: Aye.

MR. BOVITZ: Aye.

MR. SYKES: Those opposed, the same.

(No response)

MR. SYKES: This motion is passed.

So with that, we'll move onto Resolution 367. Mr. Flaten, please provide a summary of this item for the board.

MR. FLATEN: Again that's Tim's --

MR. SYKES: Hey Tim.

MR. SADOWSKI: Hello. As I discussed, the general fund would use its unrestricted proportion; that will bring the net income -- we had -- the city had planned on using about 300,000 in fund balance. Now that fund balance is eliminated, the use of that fund balance was eliminated.

The use of that fund balance was eliminated, the general fund, under current operations, would have a

1 \$20,000 surplus. So that's a big swing. That includes
2 the MERS payment, the additional MERS payment.

3 Like I said, most of the other monies were
4 restricted, you can see the rubbish fund now has a
5 \$276,000 surplus, all restricted. We have the judgment
6 bond, 396 funds, again, we have a \$342,000 surplus because
7 we got that excess restricted money.

8 And the same thing with the water and sewer
9 fund, we've got excess restricted money for the Wayne
10 County EPA; again, that's just going to sit in a bank
11 account, unless the city decides to make extra payments
12 or, it's just going to sit in the bank.

13 So that's all good, for the city's financials,
14 but when most of our millage is restricted, when we get
15 reimbursement for our millages, it's kind of being
16 restricted. And so, the second quarter, the second
17 quarter had surpluses in all funds, and is a balance.

18 I'll answer any questions.

19 MR. BOVITZ: The stabilization bond fund, 2.3
20 million, is that just a rounding thing? Why there's a
21 dollar on that account? That's pretty close to breaking
22 even.

23 MR. SADOWSKI: Yes, that is just a rounding
24 thing. What happened with that, is, the city pulled
25 forward the \$2 million that made the additional payment.

1 So fund 395, you can see the city made that principal
2 payment of \$2.3 million.

3 That is the additional payment the city had
4 planned on making last year, but couldn't make until
5 November. And that nearly wiped out those bonds. There
6 is now less than several hundred thousand that will be
7 paid off in the next fiscal year.

8 So that's why that is. It's, that appropriated
9 fund balance is just a number that was used to balance
10 that fund, in that account.

11 MR. BOVITZ: So there's just a strange
12 coincidence that it was a dollar surplus?

13 MR.SADOWSKI: Yes, it's just from rounding.

14 MR. BOVITZ: Okay.

15 MR. SADOWSKI: It's just from rounding, and
16 then, yeah, we'll use the fund balance to balance that
17 off, and, that will be paid off. Those bonds are from
18 2002, which will be paid off early, which alleviates our
19 debts.

20 MR. SYKES: I think that's prudent.

21 Any further questions? Any further discussion?

22 (No response)

23 MR. SYKES: I'll entertain a motion to approve
24 Resolution 367.

25 MR. BOVITZ: So moved.

1 MS. BROPHY: Support.

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

3 MS. BROPHY: Aye.

4 MR. BOVITZ: Aye.

5 MR. SYKES: Those opposed, the same.

6 (No response)

7 MR. SYKES: Resolution 367 has passed.

8 Next, we have claims and accounts from regular

9 city council meeting draft minutes of January 31st, 2017.

10 Any discussion?

11 (No response)

12 MR. SYKES: I'll entertain a motion to approve

13 the claims and accounts from the regular city council

14 meeting draft minutes of January 31st, 2017.

15 MS. BROPHY: So moved.

16 MR. BOVITZ: Support.

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

18 MS. BROPHY: Aye.

19 MR. BOVITZ: Aye.

20 MR. SYKES: Those opposed, the same.

21 (No response)

22 MR. SYKES: This motion is passed.

23 Next, we'll move onto the city administrator

24 items. First is the approval of city council minutes,

25 which was addressed in new business.

1 Next is the approval of the budget to actual for
2 November, 2016.

3 I'd just like to say that I appreciate that
4 we're keeping up on the budget to actual, I think it's
5 important, and I do really appreciate that.

6 So with that, is there any discussion about
7 these two items? I'm just talking a little bit about
8 November and December.

9 MS. BROPHY: And December; you'd like a motion
10 for both?

11 MR. SYKES: I'll do it one at a time. But --
12 you know what? I'll do them both. Can I do that?

13 MR. DOSTINE: Sure.

14 MR. SYKES: I'll entertain a motion to approve
15 both the budget to actual, for November 2016, and
16 December, 2016.

17 MS. BROPHY: So moved.

18 MR. BOVITZ: Support, support.

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

20 MS. BROPHY: Aye.

21 MR. BOVITZ: Aye.

22 MR. SYKES: Those opposed, the same.

23 (No response)

24 MR. SYKES: Both the budget to actual for
25 November and December have been approved.

1 MR. BOVITZ: Aye aye.

2 MR. SYKES: Aye aye.

3 Next, have Resolution 367, the budget amendment,
4 and this was addressed in new business.

5 Next, we have checks released; this was
6 informational only.

7 The last item that we have is the updated five
8 year financial forecast, and this is information only, but
9 I just wanted to ask, do we have any discussion? Does
10 anybody want to discuss the five year forecast?

11 MR. BOVITZ: Well, just looking at the bottom
12 line, and the cumulative debt five years out, is going to
13 be, was it, 2 million? So it's, obviously, some work
14 needs to be done.

15 I don't know where the revenues are going to be
16 increased, but you know, unfortunately, some of the costs
17 are uncontrollable, and not optional, at this point. So
18 it's just an observation on it, there's no answer.

19 MR. SYKES: Okay. Okay, with that, Patrick, any
20 public comment?

21 MR. DOSTINE: There are no requests for public
22 comment at this time, Mr. Chair.

23 MR. SYKES: Okay. Any board comment?

24 MR. BOVITZ: I noticed at the December 20th city
25 council meeting, there was a presentation done at the very

1 end by Gina Wilson-Stewart, publisher for the Telegram.
2 And some of the bullet points they talked about, these
3 upcoming events, including Downriver Council for the Arts,
4 and I was just wondering, does anyone want to comment?
5 What was -- what that was? Maybe Joan, you know?

6 MS. BROPHY: I have no idea what that was. Does
7 anybody recall --?

8 MR. BOVITZ: Full disclosure -- Joan is the
9 chair of the Downriver Council of the Arts, and I'm on the
10 board, so.

11 MS. BROPHY: Yeah, we're curious.

12 MS. LAZO: (From the audience) We're having a
13 breakfast on March 3rd, with the mayors from the downriver
14 area, and -- business breakfast, and --

15 MS. BROPHY: I actually think that's the
16 Downriver Delta, having a breakfast?

17 MS. LAZO: Yes.

18 MS. BROPHY: Okay, and it's taking place at the
19 Downriver Council for the Arts.

20 MR. BOVITZ: Oh, okay.

21 MS. BROPHY: It was one item, I think.

22 MR. BOVITZ: Well, we're glad to have you.

23 MR. SYKES: Any other board comments?

24 (No response)

25 MR. SYKES: I will entertain a motion for

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

adjournment.

MR. BOVITZ: So moved.

MS. BROPHY: Support.

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

MS. BROPHY: Aye.

MR. BOVITZ: Aye.

MR. SYKES: Those opposed, the same, we are
adjourned.

(Proceedings adjourned at 9:16 a.m.)

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

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 February 14th, 2017, 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: February 20, 2017

s/ Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)
Certified Electronic Reporter