

City of Ecorse

Receivership Transition Advisory Board Meeting Minutes

Tuesday, September 12, 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:

ERIC CLINE

Michigan Department of Treasury

Reported by:

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Called to order at 9:08 a.m.

Tuesday, September 12, 2017 - Ecorse, Michigan

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MR. SYKES: Shall we do a call to order?

MR. CLINE: Yes. Jeff Sykes?

MR. SYKES: Here.

MR. CLINE: Rob Bovitz?

MR. BOVITZ: Here.

MR. CLINE: Joan Brophy.

MS. BROPHY: Here.

MR. CLINE: Quorum is present.

MR. SYKES: All right, I'll entertain a motion
to approve the agenda.

MS. BROPHY: So moved.

MR. BOVITZ: Support.

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

MR. BOVITZ: Aye.

MS. BROPHY: Aye.

MR. SYKES: Those opposed, the same.

(No response)

MR. SYKES: At this point, I'd like to remind
the audience, if you intend to speak during the public
comment portion of the meeting, it'd be necessary for you
to sign in at the podium, located up here at the front.
So with that, we'll move on to approval of RTAB minutes of

1 August 8th. I'll entertain a motion to approve the August
2 8th RTAB minutes.

3 MR. BOVITZ: So moved.

4 MS. BROPHY: Support.

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

6 MR. BOVITZ: Aye.

7 MS. BROPHY: Aye.

8 MR. SYKES: Those opposed the same.

9 (No response)

10 MR. SYKES: This motion has passed.

11 We'll move on to old business, of which there is
12 none. So we will now move on to new business. First, we
13 have the approval of resolutions and ordinances for city
14 council meetings. We'll start off with the resolutions
15 from the regular city council meeting of July 18th.

16 At this point, Tim, I was going to ask if we
17 could get just a little bit of an explanation of what
18 ended up taking place at the meeting? I guess Resolution
19 582 was brought up and then tabled, and then brought up
20 again? I'm not -- we just want to get just a little bit
21 of clarity on what had taken place.

22 MR. SADOWSKI: Okay. Let's see. Okay,
23 reference the 582, Ecorse has been working with the Ecorse
24 Housing Commission for numerous years, trying to demolish
25 and rebuild the housing. What had happened, is,

1 throughout the years, the housing commission was not
2 allowed to take ownership of the property. Even though,
3 apparently, we had authorized that transaction, it was
4 never done. So then it, when the title work happened,
5 they said we needed to file the deed and execute the deed
6 again.

7 This was for, to transfer the property from the
8 City of Ecorse to the Ecorse Housing Commission, so that
9 property transfer and -- could happen. And then the
10 development could happen.

11 You can see there was a six to one vote; the one
12 person that voted no expressed their opinion that they did
13 not want to give the property away to the housing
14 commission. They wanted to sell the property. The six
15 others preferred the development, and transferring the
16 property that was already supposed to be transferred,
17 numerous years ago.

18 So it was voted six to one, to transfer to
19 Ecorse -- to transfer all the property that the
20 development currently sits on, to the Ecorse Housing
21 Commission, and transfer the deed. So that's what the
22 resolution was about.

23 MR. SYKES: Well, that was the resolution, but
24 wasn't there something that had taken place? Did it get
25 tabled first, and then get brought back up?

1 MR. SADOWSKI: So it was tabled, then it was un-
2 tabled, and then it was voted on.

3 MR. SYKES: Okay.

4 MR. SADOWSKI: The one that was tabled for a
5 future date was the street alley vacations. Which were
6 two ends, like almost easement portions, where there was
7 no street being paved. It was just like a -- into the
8 path that the street actually ends. The city charter
9 requires a notice, and that notice was not long enough in
10 the newspaper, so it was re-advertised, and then vacated
11 at a later meeting.

12 MR. SYKES: Okay. Okay. Any other questions?
13 No? Okay, I'll entertain a motion to approve the regular
14 city council meeting of July 18th, 2017. All of the
15 resolutions.

16 MR. BOVITZ: So moved.

17 MS. BROPHY: I'll support.

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

19 MR. BOVITZ: Aye.

20 MS. BROPHY: Aye.

21 MR. SYKES: Those opposed the same.

22 (No response)

23 MR. SYKES: This motion has been approved.

24 Next, we'll move onto the resolutions from
25 regular city council meeting of August 1st, 2017. Any

1 problems, questions?

2 MR. BOVITZ: Was no meeting, so.

3 MR. SYKES: Oh. Then we can --

4 MR. BOVITZ: A two-minute meeting.

5 MR. SYKES: Yeah. So there are actually no
6 resolutions on that, so there's no need to vote?

7 MR. CLINE: Correct.

8 MR. SYKES: Perfect. All right, let's move on
9 to resolutions from regular city council meeting August
10 2nd.

11 MS. BROPHY: I'll move to approve the regular
12 city council meeting of August 2nd, the minutes.

13 MR. BOVITZ: Support.

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

15 MR. BOVITZ: Aye.

16 MS. BROPHY: Aye.

17 MR. SYKES: Those opposed the same.

18 (No response)

19 MR. SYKES: This motion has been approved.

20 Next we move onto claims and accounts, for
21 regular city council meeting draft minutes of August 15th,
22 2017. Any comments?

23 MR. BOVITZ: I don't have August 15th; I have
24 August 29th.

25 MR. CLINE: We may have an error --

1 MR. BOVITZ: Because I think that was part of
2 the question, too, about why we don't have financials.
3 Attachment 5 is the 29th, Attachment 4 was the 2nd, so I
4 just figured they skipped the meeting, but now I see an
5 agenda, there was a meeting on August 15th.

6 MR. CLINE: Yes. We have an error, and I do
7 apologize, I didn't catch that. We should have the
8 meeting from August the 15th on the agenda, as well, all
9 the resolutions.

10 MR. SYKES: I have that on mine.

11 MR. BOVITZ: Maybe you don't have the minutes.

12 MR. SYKES: Yeah, but I don't have the minutes.

13 MR. BOVITZ: It's on our agenda.

14 MR. SYKES: Yeah, but not the minutes, right.

15 MR. CLINE: So it's not on the -- I have the
16 claims on the agenda that I have. I have the August 2nd
17 meeting, and I have the claims; I do not have the August
18 15th meeting.

19 MR. SYKES: So how should we handle this
20 situation?

21 MR. CLINE: You could make a motion to amend the
22 rules to amend the agenda, to add that on there. And then
23 take a second vote, to address the resolutions from the
24 15th.

25 MR. SYKES: Okay. Now, what you're saying is

1 there's some information that you don't have, so --

2 MR. BOVITZ: We need to vote, first to amend the
3 agenda, to include the resolutions from the 15th, and then
4 we need to amend the agenda to include the claims and
5 accounts for the August 29th meeting. So we're doing two
6 amendments to the agenda. Because August 29th meeting
7 would have fallen outside of our regular review. But
8 definitely, we need to approve the resolutions from the
9 15th. And those are the minutes we need to get copies of.

10 MR. SYKES: Okay. And you're comfortable with
11 voting prior to getting copies?

12 MR. BOVITZ: Well, no.

13 MR. SYKES: Right. So if that's the case, then.

14 MR. BOVITZ: If someone could run a copy of it
15 right now?

16 MR. CLINE: I have a copy of the minutes of the
17 15th. I'm very surprised that that wasn't included; I
18 really thought that it was.

19 MR. BOVITZ: I just figured it was summer
20 vacation, they just took the meeting off.

21 MR. SADOWSKI: We're going to get you a copy.

22 MR. CLINE: I do apologize; I'm not sure --

23 MR. BOVITZ: Okay, so in the meantime, I'll
24 approve -- I'll move to change the rules, to allow for the
25 changes. How do you want to put that in a motion?

1 MR. CLINE: I think we should suspend the rules,
2 in order to amend the agenda, to add those items. And
3 then you can just state what items you want added.
4 MR. BOVITZ: So, suspend the rules.
5 MS. BROPHY: I'll support.
6 MR. SYKES: All those in favor, say aye. Aye.
7 MR. BOVITZ: Aye.
8 MS. BROPHY: Aye.
9 MR. SYKES: Whatever just happened has been
10 approved.
11 MR. BOVITZ: Now we need to go back and amend
12 the agenda.
13 MR. SYKES: Right. All right.
14 MR. BOVITZ: So what, we should just previously
15 -- it was your motion then.
16 MS. BROPHY: Yeah, so this will be mine.
17 MR. SYKES: All right.
18 MS. BROPHY: So I'm going to move to amend the
19 agenda, to add --
20 MR. SYKES: Resolutions from August 15, then --
21 MS. BROPHY: Okay, resolutions from August 15th,
22 as well as the August 29th --
23 MR. SYKES: Claims and accounts.
24 MS. BROPHY: Claims and accounts?
25 MR. SYKES: Correct. And I will support that.

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MR. BOVITZ: Oh, I can't. Okay.

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

MR. BOVITZ: Aye.

MS. BROPHY: Aye.

MR. SYKES: Those opposed the same.

(No response)

MR. SYKES: The agenda amendment has been approved. So when we get a copy, we'll start back off with the minutes from August 15th, and then move onto the claims and accounts for August 29th.

We'll go ahead and move a little bit out of order, then, and move on to city administrator items. And so first, we have approval of city council minutes. This was addressed in new business. Next, we have approval of Resolution 528, or 582. This was also addressed and discussed in new business.

Next, we have approval of Resolution 569. This was addressed in new business. We have -- okay, next we have approval of Resolution 570, addressed in new business. Approval of Resolution 594, which was also addressed in new business. Approval of Resolution 595, which was addressed in new business. Approval of Resolution 596; this contract was addressed in new business. Approval of Resolution 599, this was addressed in new business.

1 And lastly, we have Resolution 623. This action
2 occurred during a city council meeting that's outside the
3 review period of today's board meeting. So the city
4 manager has requested that we bring this forward. So at
5 this point, Mr. Sadowski, do you have any additional
6 information, or so, that you'd like to discuss about the
7 full time, I think it's called a Vactor, truck operator?

8 MR. SADOWSKI: So, it was in the Vactor truck
9 purchase, which was Resolution 570, that you guys just
10 approved, to purchase a Vactor truck. That is a
11 refurbished Vactor, \$450,000. So we purchased this piece
12 of equipment to bring that service in-house.

13 Currently it's on call, and it's very expensive.
14 When you have an on call Vactor truck, there's a minimum,
15 and the minimum is \$680. So bringing it in house, we
16 would need the two operators to run the truck, and then we
17 would have a full-time service.

18 And the money, financially, is pretty close to
19 what we're currently paying. So, right now, I budget in
20 the city budget, \$215,00. And the first year, the grand
21 total is \$215,623. So you can -- it's almost a break
22 even. It's almost a break-even point for the budget.

23 So these two people would be brought in. We had
24 interviewed it, we have a conditional offer of employment
25 to these two individuals, based on what they're currently

1 making, and what they're willing to come here for. And
2 that's what's been presented to the city council. Which
3 is what is on your agenda, it's basically the \$21 an hour
4 with benefits, for these two individuals. And that would
5 bring that service in house. For almost the same cost as
6 we're contracting it out, only on an on-call basis. If
7 that makes sense.

8 MR. BOVITZ: Well, a \$160,000 purchase, I saw
9 that in the minutes, with a 30-day guarantee, then the
10 letter was dated 7/13. Was that, was that extended, to
11 allow us to --

12 MR. SADOWSKI: They are holding on to the truck
13 for us, in anticipation that you would approve it today.

14 MR. BOVITZ: That's the only, really, upfront
15 cost? All the rest are operational costs, the
16 maintenance, the fuel, the insurance, and of course the
17 labor?

18 In the past, we have outsourced functions like
19 this, because it was tough to get operators with the
20 proper credentials, to operate the machinery. You're
21 confident that you're hiring -- these individuals have the
22 proper credentials, as far as operating?

23 MR. SADOWSKI: We were able to recruit from
24 another community, if you look at the resume. So, we were
25 able to recruit two people from another community that

1 basically do similar operations. And so that's why the
2 city postponed the package until we could put it all
3 together.

4 We didn't want to just buy a truck and then have
5 nobody to operate it. So we did the interviews before we
6 purchased the truck, then we were able to get a truck for
7 a price, and then put the package together. So that's why
8 we asked for it to be pulled forward.

9 MR. BOVITZ: And so it's a comprehensive
10 analysis. You've allowed for overtime wages, and all the
11 benefits, and escalation, and cost of living increases and
12 so forth? But you're confident that the bottom line, of
13 the \$215,000 to \$238,000 in five years, that's going to be
14 basically a break even you'd be paying on the on-demand
15 service?

16 MR. SADOWSKI: Yeah. So you're getting pretty
17 much, you're getting a full-time service, for the same
18 price or a little slightly lower, based on the five-year
19 projection, of wages, and they get increases and all those
20 benefits, would happen.

21 MR. BOVITZ: You've allowed for that, too?

22 MR. SADOWSKI: Yes.

23 MR. BOVITZ: But what we haven't allowed for is
24 the outsource, we can't control what you charge, on on
25 demand. But also, you only advertised it for five years.

1 If the equipment is better than five years, it's a win.

2 MR. SADOWSKI: Yes. Yes, it is. Yeah, it was
3 basically a very conservative estimate, kind of giving
4 leeway, to make sure that program would work, financially.

5 MS. BROPHY: Can I ask how often they would
6 come, on call?

7 MR. SADOWSKI: They're here quite often. I
8 don't know if you -- how closely you look at the bills,
9 but Safeway is our on-call vendor. And you can see, their
10 bills are \$7,000, \$8,000, every couple weeks. So they're
11 quite often on call.

12 MR. BOVITZ: And plus having the equipment here,
13 you're not waiting for them to get there. If there's
14 another demand in another community, that wants the same
15 on demand service. That's all I had.

16 MR. SYKES: Okay. I'll go ahead and entertain a
17 motion, to approve Resolution 623.

18 MR. BOVITZ: So moved.

19 MS. BROPHY: Support.

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

21 MR. BOVITZ: Aye.

22 MS. BROPHY: Aye.

23 MR. SYKES: Those opposed, the same.

24 (No response)

25 MR. SYKES: This motion has passed. So I guess

1 at this point, folks want to take a minute to continue to
2 look through this for sec, or?

3 MR. CLINE: Mr. Chairman?

4 MR. SYKES: Yes?

5 MR. CLINE: I have a breakdown of all the
6 motions that were approved in there; if you would like, I
7 can go through it very quickly for you, and just draw --

8 MR. SYKES: That's a probably a good idea.

9 MR. CLINE: On certain ones. Okay. I'll just
10 make some quick references; I'll skip just sort of the
11 more administrative things that they did. Resolution 604
12 was the approval of the payroll, rounding up \$108,000.

13 Resolution 605 was claims and accounts,
14 \$525,000. Resolution 606 was the approval of the street
15 closure for an event held by a local church. Resolution
16 607 was approval of a park use permit for an event.
17 Resolution 608 was approval of use of the right of way for
18 a local church for an event. Resolution 609 was approval
19 of a street closure for a block party.

20 Resolution 610 was approval of some elevator
21 upgrades here in city hall, in the amount of \$23,000. And
22 I know, with discussions with the city administrator, the
23 elevator is having some issues due to its age, and
24 acquiring parts. Which, as we're finding, some of the
25 other communities my office is working with, a couple of

1 them are having the same problem, due to elevator age,
2 finding parts that are still in manufacturing. So that, I
3 believe, is an important issue.

4 Resolution 611 is vacating some streets that are
5 not on the approved list of streets within the city. This
6 is being done at the request of MDOT.

7 Resolution 612 through 615 are the approval of
8 business licenses within the city for various active --
9 you know, for various new businesses that want to start.

10 Resolution 616 is an agreement with a local
11 architect, I believe out of Southfield, if I remember
12 correctly. To act as the city's dangerous building
13 official for appeals, and everything. So this is an
14 important activity the city wants to get rolling on. And
15 I've reviewed these; I don't have any particular concerns
16 about any one of these, these items, so.

17 MS. BROPHY: This resume was included in the
18 package we got, yes?

19 MR. BOVITZ: And that was what I was asking,
20 was, where'd this come from? Because I was at this
21 meeting. Okay.

22 MR. CLINE: Yes, and I do apologize for the
23 confusion, not getting that information. I was not
24 certain how we let this get by us. So, we'll be extra
25 diligent next month.

1 MR. BOVITZ: It looks like the only real
2 substantive proposal was the 611, but it looks like that
3 may have been just a formality, the city attorney's
4 report, with all the different vacated properties and
5 legal descriptions, and so that was a formality. That
6 wasn't any controversial --

7 MR. CLINE: No, I don't believe so, no. This is
8 just something we just need to take care of, as I said, at
9 the request of MDOT. I think they did that, another batch
10 of those roads, actually, last month, I believe.

11 MR. BOVITZ: Right, because I thought -- I was
12 wondering if it was a second reading, but that's probably
13 just a formality. It may be, just be -- and you always
14 look at the length of time of the meetings, too. It was
15 less than an hour meeting, so there couldn't have been a
16 whole lot of discussion.

17 MR. CLINE: No.

18 MR. BOVITZ: Looks like most of the block
19 parties, and the business license. But I still can't get
20 used to saying St. Andre Bessette. I still call it St.
21 Francis.

22 MR. SYKES: Okay.

23 MS. BROPHY: So I'll move approval of the
24 minutes of August 13th, 2017.

25 MR. BOVITZ: Support.

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

2 MR. BOVITZ: Aye.

3 MS. BROPHY: Aye.

4 MR. SYKES: Those opposed, the same.

5 (No response)

6 MR. SYKES: All right, the minutes for the
7 August 20 -- 15th have been approved. So lastly, we'll
8 move on to the claims and accounts from regular city
9 meeting, it's August 29th.

10 Questions?

11 MR. BOVITZ: Just wondering if we want to bring
12 Mr. Sadowski to provide anything in the financials to
13 present, today? Or any comments?

14 MR. SADOWSKI: I put the budget to actuals in
15 August, it must have been the August 29th? It must have
16 been. I thought it was the August 15th meeting. Okay.

17 Financials. Tax collections has been very slow.
18 The last report I ran, it was at 11 percent. We're still
19 waiting on the U.S. Steel payment; to be transferred to
20 the city, which was the bulk of our tax revenue. They
21 usually wait until the last due date.

22 As far as, I've prepared a budget amendment,
23 which the city council adopted at their last meeting,
24 which will be coming to you. It actually shows an
25 increase that, that position of about \$30,000 for, up from

1 the \$5,000 it was before. We have a lot of projects we
2 anticipate on doing, in this years' financials.

3 Like Rich Street, the water and sewer. The
4 sewer and storm separation project. So financials are
5 stable this year, for the budget. We're still going after
6 water loss. We completed a study, and there was no
7 significant loss in the infrastructure through leaks.
8 Which brought us back to meters again. The aging meters,
9 that had been installed in the eighties. And so we are
10 going to seek a grant to replace those, again, as we did
11 prior.

12 The overall taxes, like I said, are overall,
13 revenue is doing extremely well. We're hoping for an
14 overpayment again, and making additional payments.
15 Obviously, the city would like to get out of debt sooner
16 than later.

17 So that's really what the city's waiting for, is
18 the November payment, through the local community
19 stabilization fund. We'll see how fast we can go after
20 capital debt and pension. Everything else is just pretty
21 much status quo, other than the water loss continues to be
22 a significant problem in the water and sewer fund.

23 MR. BOVITZ: Just looking at the minutes of the
24 15th, I don't see where the financials were addressed
25 there, either.

1 MR. SADOWSKI: There must have been a -- August,
2 it must have been in the August 29th meeting, for July.

3 MR. BOVITZ: Could we get copies of those sent
4 to us, just so we don't lose a month? And how's the audit
5 coming?

6 MR. SADOWSKI: The audit, we finally got the
7 Wayne County confirm last week, and those numbers have
8 been prepared. So now the schedules will be prepared, and
9 all the confirms have been completed, so, we're all on
10 task, other than the worksheets. Because we weren't able
11 to complete them until we got the Wayne County confirm.
12 So that's -- that's going to schedule.

13 MR. BOVITZ: Like construction here is complete?

14 MR. SADOWSKI: The lights have been upgraded; we
15 need some drywall and painting work. But the city -- the
16 municipal building looks much better than it did a year
17 ago, I think. With painting, new carpet, lights upgraded,
18 exit signs working, basement cleared out. So we're making
19 improvements.

20 MR. BOVITZ: It shows the efficiency of the
21 LEDs. Less space, increase -- same amount of lighting.

22 MR. SADOWSKI: Yes, and they were original
23 fixtures, too.

24 MR. SYKES: All right, any further questions?

25 (No response)

1 MR. SYKES: All right, with that, I'll entertain
2 a motion to approve the claims and accounts from August
3 29th meeting.

4 MS. BROPHY: So moved.

5 MR. BOVITZ: Support.

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

7 MR. BOVITZ: Aye.

8 MS. BROPHY: Aye.

9 MR. SYKES: Those opposed, the same.

10 (No response)

11 MR. SYKES: This motion has been approved. So
12 with that, we'll move on to public comment.

13 MR. CLINE: No public comment.

14 MR. SYKES: All right. I'll move on to board
15 comment. Board comment?

16 MS. BROPHY: No.

17 MR. SYKES: I have none. I'll entertain a
18 motion for adjournment.

19 MR. BOVITZ: So moved.

20 MS. BROPHY: Support.

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

22 MR. BOVITZ: Aye.

23 MS. BROPHY: Aye.

24 (Proceedings adjourned at 9:33 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 September 12th, 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: September 19, 2017

s/ Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)
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