

APPROVED JULY 8, 2014

ECORSE RECEIVERSHIP TRANSITION ADVISORY BOARD ~~(TAB)~~

MEETING

RTAB

June 10, 2014

Ecorse City Hall

2nd Floor Conference Room

Albert B. Buddy Civic Center

3869 West Jefferson Avenue

Ecorse, Michigan 48229

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MEMBERS PRESENT:

Edward Koryzno

Robert ~~ovitz~~ Bovitz

Joyce Parker

MEMBERS ABSENT:

None.

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ALSO PRESENT:

GEORGE STRAND, CITY ADMINISTRATOR

REPORTED BY:

CHRISTINE A. FELTS, CSMR/CER-986  
Certified Court Reporter

1 Ecorse, Michigan

2 Tuesday, June 10, 2014 - 9:03 a.m.

3 \* \* \*

4 MR. KORYZNO: Good morning. I will call  
5 the City of Ecorse Receivership Transition Advisory  
6 Board Meeting for Tuesday, June 10th, 2014 to order.

7 Roll call?

8 MR. VanDEGRIFT: Rob Bovitz?

9 MR. BOVITZ: Here.

10 MR. VanDEGRIFT: Joyce Parker?

11 MS. PARKER: Here.

12 MR. VanDEGRIFT: Edward Koryzno?

13 MR. KORYZNO: Here.

14 Approval of the agenda. I'll entertain a  
15 motion to approve the agenda.

16 MR. BOVITZ: So ~~move~~ *moved*

17 MS. PARKER: Support.

18 MR. KORYZNO: Any corrections, additions?

19 Seeing none, all in favor of the -- Mr.  
20 VanDeGrift, do you have a question?

21 MR. VanDEGRIFT: Not <sup>for</sup> the agenda.

22 MR. KORYZNO: Okay. Thank you.

23 All in favor of the motion say aye.

24 MR. BOVITZ: Aye.

25 MR. KORYZNO: Aye.

1 MS. PARKER: Aye.

2 MR. KORYZNO: Opposed, same sign? The  
3 agenda is approved as printed.

4 Next item is approval of the May 6, 2014  
5 TAB Minutes. I'll entertain a motion to amend the  
6 May 6th RTAB Meeting Minutes with the following  
7 corrections.

8 Page 4, Section 5, Line 4, Ubay, U-b-a-y  
9 should be Dube, D-u-b-e. Page 10, Section 12, Line  
10 3, Trax Air should be P-r-a-x-a-i-r. Page 15,  
11 Section 17, line 25, again Trax Air should be  
12 Praxair, P-r-a-x-a-i-r. Section 15 -- or excuse me,  
13 Page 15, Section 18, Line 6, many should be may, m-a-  
14 y. Page 27, Section 33, Line 15, Granderson should  
15 be Grandison, G-r-a-n-d-i-s-o-n. Page 27, Section  
16 33, Line 15, Gutierrez, should be L-u-c-i-e-r. And  
17 lastly Page 37, Section 45, Line 11, out should be  
18 about, a-b-o-u-t.

19 <sup>Bovitz</sup>  
MR. ~~Vandegrift~~: Move to accept with the  
20 amendments.

21 MS. PARKER: Support.

22 MR. KORYZNO: Moved and supported. Any  
23 further discussion? Seeing none, all in favor of the  
24 motion, say aye.

25 MR. BOVITZ: Aye.

1 MR. KORYZNO: Aye.

2 MR. <sup>Bovitz</sup>~~Vandegrift~~: Aye.

3 MR. KORYZNO: Opposed, same sign. The  
4 motion is approved.

5 Old business. TAB requested additional  
6 information. Five-year budget. Treasury staff has  
7 further reviewed the most current five-year budget  
8 and certain financial concerns have arisen. Treasury  
9 fiscal health specialist Mathieu Dube is here and Mr.  
10 Dube, would you please approach the podium and  
11 provide us with your comments?

12 MR. DUBE: At the request of the  
13 departmental analyst, I looked at three documents  
14 that were submitted by the City, one of which is the  
15 most current five-year projections. They also  
16 provided the more-detailed analysis and I reviewed  
17 those. And so what I did is I broke down the  
18 analysis into three segments.

19 I looked at the five-year projection as a  
20 whole. I looked at a comparison of the most current  
21 projections to the prior projections, to see what  
22 changes the City is, is looking at making in their  
23 projections with the financial impacts.

24 And lastly, I looked at the Public Safety  
25 Department in more detail, to look at what impact our

1 proposed change is going to make over the next five  
2 years.

3 In looking at the current five<sup>1 year</sup>-projections,  
4 there was some noted increases in revenues. Most  
5 notably for property taxes and also increases in  
6 State shared revenue as part of the projections.

7 The City has an overall reduction in its  
8 budget of 304,000, compared to the EM's most -- the  
9 second year of the EM budget, but that's generally  
10 attributed to the US Steel settlement going away,  
11 which is an expected change. If that is taken out of  
12 the equation and we're comparing more apples to  
13 ~~apples~~<sup>apples</sup>, the City is forecasting essentially a five  
14 percent increase in revenue over the next five years.

15 In looking at, I think, the most current  
16 economic climate for the City and the State, a five  
17 percent increase seems to be a little bit optimistic  
18 and I think that will actually bear out during  
19 further analysis of that done, and I'll get to that.

20 Strictly looking at the five-year  
21 projections, there are some areas that increased or  
22 vary between the EM's '14-'15 budget and the City's  
23 '18-'19. And the reason I look at those two frames  
24 of reference is, it gives a -- the larger differences  
25 with how the annual changes should kind of filter out

1 more easily and can be more noticeable.

2 In doing that, there are some notable  
3 increase in our variances between EM's '14-'15 budget  
4 and the City's projections for '18-'19. Some of the  
5 more notable are things like public safety has an  
6 expected increase of a quarter million dollars or  
7 seven percent increase over those five years.  
8 Community development, \$131,000 increase or 74  
9 percent. Retirement of about 63,000 or four percent.  
10 And the Executive Department has a \$56,000 or 37  
11 percent increase. So from the second year of the  
12 EM's budget to '18-'19, those are the expected City's  
13 changes.

14 There are some also notable decreases, one  
15 of which is Human Resources. There's an almost  
16 \$92,000 decrease in human resources planned  
17 expenditures over that five-year span, which is  
18 almost 35 percent. And the Public Works Department  
19 has only in '18-'19 a significant reduction.

20 And I've dug in a little bit deeper into  
21 that. The City decreased its expected lawn cutting  
22 expenditures by 90 percent in the fifth year, going  
23 from 120,000 to 12,000. I don't know if that was  
24 maybe a typo or if that was an expected change, but  
25 that stood ~~one~~ out during the analysis.

<sup>1</sup>  
one

1 I then took a comparison of the most  
2 current projections to the prior projections. Having  
3 seen what the City's anticipated future cash inflows  
4 and cash outflows from a budgetary perspective were,  
5 I wanted to compare the prior City Manager's to the  
6 current City Manager's expected five-year forecast.

7 What I did is I took the '18-'19 budgets,  
8 those that are five years out and compared those as a  
9 way of what is the impact of any changes that the  
10 City plans on making.

11 The City's new projections five years out  
12 show \$948,000 more in revenue than the prior City  
13 Manager's projections. A portion of that is from  
14 property taxes, which some increase would have been  
15 expected. There is change in the state law pending  
16 that would alter the personal property tax and so  
17 some increase is not unexpected.

18 State shared revenues are expected by the  
19 City to increase \$118,000 more under the current  
20 projections than under the prior projections.

21 Another area with a significant increase is  
22 licenses and permits. The City is now projecting an  
23 increase of over \$100,000 or 62 percent since the  
24 last projections.

25 The third item that I examined was public

1 safety. There has been mention of a decrease in fire  
2 protection as a way of balancing the budget, and so  
3 looking at the detail provided by the City, one could  
4 get a better understanding of what the dollars  
5 involved are. What is the five-year impact of those  
6 changes? Are there any other increases that are  
7 offsetting some of the cost-cutting maybe? I don't  
8 understand that perspective. And so I looked at the  
9 line of detail for the budgets, for the five-year  
10 forecast.

11 By '18-'19, so five years into the future,  
12 the City expects its public safety budget to actually  
13 change by -- to increase by approximately \$251,000,  
14 compared to the most current amended 2013-2014  
15 budget. And so at face, that seems counterintuitive  
16 to what we originally noted that there was going to  
17 be significant cuts.

18 And so in looking at this, the City plans  
19 with its change in its fire department expects a  
20 \$567,000 decrease in expenditures by '18-'19, offset  
21 by an approximate increase of 133,000 in part-time  
22 staffing expenditures.

23 With that, I would have expected the  
24 overall budget to either go down or at least stay the  
25 same, and the overall budget actually increases,

1 which was somewhat counterintuitive to what my  
2 expectations were.

3 I took a further examination and as a way  
4 of trying to understand that shift, I said if we  
5 recalculate the '18-'19 projections without the  
6 change in the fire department, so we're going to add  
7 back in the cuts and we're going to reduce the  
8 increase in staffing that are expected, what is the  
9 actual trend for that five-year span? It's really an  
10 increase in expenditure of 607,000 or 19.5 percent  
11 compared to the Manager's second-year budget, the  
12 Emergency Manager's second year of their, of their  
13 budget, which seems a little bit maybe out of line  
14 with what my real expectations were.

15 I think at this point, the City may need to  
16 reexamine its five-year projections and maybe further  
17 explain or detail how some of these projections were  
18 derived at, to when some of those results were going  
19 to be counterintuitive to what were to be expected.

20 MR. KORYZNO: Thank you, Mr. Dube.

21 Any questions from the Board members?

22 MS. PARKER: Yes. Mr. Dube, with your  
23 analysis of the five-year budget, were you able to  
24 discuss it in detail with the City for any type of  
25 explanation on the rationale for some of the

1 projections?

2 MR. DUBE: No, I have not.

3 MR. KORYZNO: I think that would be  
4 advisable that the Treasury staff sit down with, with  
5 Mr. Strand and discuss the details.

6 MS. PARKER: Okay, and actually I have a  
7 comment as opposed to another question for Mr. Dube.

8 MR. KORYZNO: Sure.

9 MS. PARKER: Just looking at the projection  
10 for the next five years, you know, I actually have  
11 concerns with it primarily because of service  
12 delivery and the concern related to public safety.  
13 During the time that I served in Ecorse as the  
14 Emergency Manager, we did levy a special assessment  
15 for police and fire services, with a commitment to  
16 the residents here that services, once we made those  
17 adjustments, would not be increased even further.  
18 And so I think there's a need to <sup>reevaluate</sup> ~~reevaluation~~ that  
19 process, to determine if there are other options  
20 available to balance the budget going out during that  
21 five-year period.

22 Secondly, I do think that there's a need to  
23 sit down with the State and I certainly would be  
24 willing to participate in that process, to review the  
25 budget in more detail and work with the City to put

1 together projections that might be more realistic.  
2 Again, there may be some other options that are more  
3 realistic.

4 That's all I have.

5 MR. KORYZNO: Thank you.

6 <sup>Koryzno</sup>  
Mr. ~~Bovitz~~, any comments?

7 MR. BOVITZ: No.

8 MR. KORYZNO: Seeing none, I will entertain  
9 a motion to reject the five-year budget as submitted.

10 MS. PARKER: So moved.

11 MR. BOVITZ: Supported.

12 MR. KORYZNO: Being moved and supported.

13 Any further discussion?

14 The only thing I would reiterate is that  
15 the Treasury staff sit down with Mr. Strand and  
16 discuss the assumptions behind the five-year  
17 projections and get better detail as to why certain  
18 expenses are going up more than anticipated that they  
19 go up.

20 MR. STRAND: Okay.

21 MR. KORYZNO: All in favor of the motion  
22 say aye.

23 MS. PARKER: Aye.

24 MR. BOVITZ: Aye.

25 MR. KORYZNO: Aye.

1                   Opposed, same sign. Then the motion to  
2 reject the five-year budget is approved.

3                   I might note that in the absence of an  
4 approve five-year budget, the City is bound to follow  
5 the two-year budget that Ms. Parker submitted. And  
6 also under the terms of the EM Order 94, the City  
7 must resubmit a five-year budget for approval.

8                   Next item, approval of RTAB evaluation  
9 tool. The Governor's appointment letter of the board  
10 requires that the Board conduct an annual evaluation.  
11 To this end, the treasury staff has developed an  
12 evaluation tool which will be made available to the  
13 City.

14                   I'll entertain a motion to approve the  
15 draft RTAB evaluation tool.

16                   MR. BOVITZ: So moved.

17                   MS. PARKER: Supported.

18                   MR. KORYZNO: Any discussion?

19                   MS. PARKER: Just a question. In reference  
20 to submitting the evaluation tool to the City, is  
21 there certain expectations as far as what you're  
22 looking for from the City?

23                   MR. KORYZNO: Mr. VanDegrift?

24                   MR. VanDEGRIFT: Indeed, I think that there  
25 will be a series of questions that the City will be

1 responding to as an integral part of the evaluation  
2 tool. I think the general theme will center around  
3 the compliance with the two-year budget and general  
4 operational ~~conferences~~ <sup>competencies</sup>. There will be a two-way  
5 informational stream with the City, where the  
6 Treasury and the Board will be asking for information  
7 and then I think evaluate it based on those  
8 responses.

9 MS. PARKER: Okay. Thank you.

10 MR. KORYZNO: Any other questions from the  
11 Board about the evaluation tool? Seeing none, all in  
12 favor of the motion say aye.

13 MS. PARKER: Aye.

14 MR. KORYZNO: Aye.

15 MR. BOVITZ: Aye.

16 MR. KORYZNO: Opposed, same sign.

17 The motion to approve the draft RTAB  
18 evaluation tool is approved.

19 New business. Approval of resolutions and  
20 ordinance for City Council meetings.

21 Number one, resolutions from regular City  
22 Council meeting on April 15, 2014, I'll entertain a  
23 motion to approve the resolutions from the April 15,  
24 2014 City Council Meeting.

25 MR. BOVITZ: So moved.

1 MS. PARKER: Support.

2 MR. KORYZNO: It's been moved and  
3 supported. Any discussion? Seeing none, all in  
4 favor of the motion, say aye.

5 MR. BOVITZ: Aye.

6 MR. KORYZNO: Aye.

7 MS. PARKER: Aye.

8 MR. KORYZNO: Opposed, same sign. The  
9 motion to approve the resolutions from the April  
10 15th, 2014 Council Meeting is approved.

11 Resolutions from the regular City Council  
12 meeting of April 29, 2014. I'll entertain a motion  
13 to approve the resolutions from the April 29, 2014  
14 Council meeting with the exception of Resolution  
15 136.14, the DPW Superintendent contract, and  
16 Resolution 140.14, the five-year budget.

17 MS. PARKER: So moved.

18 MR. BOVITZ: Support.

19 MR. KORYZNO: Discussion. Resolution  
20 136.14 concerns the ~~removal~~<sup>renewal</sup> of the DPW contract with  
21 Mr. Kevin Lawrence.

22 Mr. Strand, in your disclosure to the  
23 Board, you indicated that this contract amount was  
24 provided for in the City budget. Treasury inquiry  
25 suggests that only \$55,000 of the \$65,000 contract

1 amount is budgeted for, and that in addition, a  
2 broader benefits package is included.

3 Would you please explain why the disclosure  
4 form states that the contract is budgeted for when it  
5 appears that's not the case.

6 MR. STRAND: I prepared a memorandum that I  
7 sent to Treasury yesterday evening and I passed one  
8 out this morning. And the reason I said that it was  
9 budgeted is that the, is, first of all, the Director  
10 of Public Works position is paid 50 percent from the  
11 general fund and 50 percent from the Water and Sewer  
12 fund. This is June so it's near the end of the  
13 fiscal year. And I also had been advised that it is  
14 permitted to transfer funds within a fund and so  
15 that's why I identified it as within the budget  
16 parameters, because I can -- it's my understanding I  
17 had the authorization to transfer within the general  
18 fund to a different activity. I discussed that with  
19 Drew and he, he concurred with me that that is  
20 correct, with -- you know, the intent of the Treasury  
21 was not to require each line item in the general fund  
22 to, to, to stay within that particular line item  
23 without the ability of the City to make transfers  
24 within the fund, so that was my logic for that.

25 MR. KORYZNO: Any questions for Mr. Strand?

1 MR. BOVITZ: No.

2 MS. PARKER: Just a question in reference  
3 to the adoption of the two-year budget, and I do  
4 agree that you can look at transfers within  
5 departments, but I think the City's budget was  
6 adopted I believe by department, and maybe Mr.  
7 McCurley can clarify that. It's been a while.

8 Am I correct on that?

9 MR. MCCURLEY: Yes, ma'am, you are.

10 MS. PARKER: So I'm thinking you can  
11 transfer within departments, but not by, just by  
12 fund.

13 MR. STRAND: I was advised that I could by  
14 fund, just so you're aware.

15 MS. PARKER: Well that's why I asked Mr.  
16 McCurley.

17 MR. STRAND: I did ask Mr. McCurley.

18 MS. PARKER: To get some clarity on that,  
19 on that issue.

20 MR. STRAND: I did ask Mr. McCurley and I  
21 have submitted transfers from department to  
22 department. For example, the Mayor and Council  
23 budget they went over on some I think supplies so I  
24 transferred from my budget to their budget, and I was  
25 advised to do that by Mr. McCurley.

1 MS. PARKER: So --

2 MR. KORYZNO: Mr. McCurley, would you  
3 approach the podium, please.

4 MR. McCURLEY: Good morning.

5 MS. PARKER: Good morning.

6 MR. KORYZNO: Good morning.

7 MR. KORYZNO: Could you advise us as to how  
8 you did inform Mr. Strand as to what he could or  
9 could not budget?

10 MR. McCURLEY: My advice to Mr. Strand was  
11 that he cannot move from one department to another.  
12 He can transfer within each department. We did  
13 authorize an expenditure from legislative into  
14 executive for certain supplies. There was never any  
15 money budgeted to transfer from one department to  
16 another department. That cannot be done. The order  
17 was departmental budgets and that's what I explained.

18 MR. KORYZNO: So are you, specifically in  
19 relationship to the, the DPW issue, did you advise  
20 Mr. Strand that the additional amount could be  
21 transferred then?

22 MR. McCURLEY: I don't remember the DPW  
23 Department being specifically discussed, but we can  
24 transfer, if we know the expenditures are going to be  
25 high in salaries or overtime, the requirement was to

1 find it within your departmental budget or else a  
2 budget amendment has to be approved by the Council  
3 and the Transition Advisory Board and the State  
4 Treasury. That's what's been advised since I've been  
5 here.

6 MS. PARKER: Mr. Chair, I guess my comment  
7 is that with the City, if there's an interest in  
8 transferring based on fund, I would think can you  
9 amend the budget in some respect to allow that, but I  
10 don't believe it was adopted that way by order. So  
11 that's my concern. If you want to make other  
12 adjustments, certainly there's a process to do that.

13 MR. McCURLEY: Even by funds, State law  
14 does not allow you to transfer from one fund to  
15 another fund without Council approval, Transition  
16 Advisory Board approval, and State Treasury, and then  
17 you also still have to be careful because you cannot  
18 transfer money from say local road to general fund.  
19 General fund can be for any purposes, but local road,  
20 as you well know, can only be used for local roads.

21 MR. KORYZNO: So Mr. McCurley, in your  
22 opinion, are there funds available to increase for  
23 the DPW Superintendent's contract?

24 MR. McCURLEY: Not without making another  
25 internal budget amendment with then reducing an

1 expenditure from some other line item. So currently,  
2 no, the two-year budget calls for a \$55,000 salary.  
3 The five-year budget calls for a \$55,000 salary.

4 MR. KORYZNO: Does that also apply to the  
5 broader benefit package that is referred to?

6 MR. McCURLEY: That is correct, it does.

7 MR. KORYZNO: Any --

8 MS. PARKER: Yes, so the benefits that are  
9 included in the contract, is that an additional  
10 expense that's not budgeted for right now in the  
11 City's general operating fund? For example, you  
12 know, if you're talking about an additional \$10,000,  
13 is there an increase, for example, with workers'  
14 comp, with FICA, with a number of other things, over  
15 and above the \$10,000, and when you talk about other  
16 benefits included in the contract, is that over and  
17 above the \$10,000?

18 MR. McCURLEY: Yes. I mean it would be  
19 over and above, correct, because they also talked  
20 about defined contribution for his pension that  
21 wasn't supposed -- originally was not scheduled to  
22 start from until 18 months after the current  
23 contracts. It talks about immediately. So that was  
24 not budgeted. FICA the same thing, those type  
25 benefits, yes, ma'am.

1 MS. PARKER: And this may not be a question  
2 for you, but maybe for Mr. Strand.

3 As I review the contract, I'm assuming that  
4 this position is a department level position, a  
5 department head position.

6 MR. STRAND: Yes.

7 MS. PARKER: Do we have department heads  
8 receiving overtime and other benefits that are  
9 similar to those that are not in that category?

10 MR. KORYZNO: Mr. Strand, please approach  
11 the podium. Thank you.

12 Thank you, Mr. McCurley.

13 MR. MCCURLEY: You're welcome.

14 MR. STRAND: The answer is, is no. I do  
15 know that the Director of Public Works is a working  
16 supervisor so he -- it's not unusual for him to be  
17 out in the field, as well as doing managerial work,  
18 so I believe that was part of his consideration,  
19 where he was negotiating his contract with the Mayor  
20 and Commission. He -- I know some of his work hours  
21 had been 90 to 95 hours I think, you know, for a two-  
22 week period, and so I believe that was part of what  
23 he was able to negotiate with them.

24 And I think again it's a recognition of the  
25 limited amount of employees within the department.

1 And I have seen that concept before. There was a  
2 City Manager in Sterling Heights who, after a certain  
3 amount of hours of overtime, he could receive time  
4 and a half. It was Steve Duchene in Sterling Heights  
5 and it was in the Detroit newspaper.

6 MS. PARKER: Do you know what the other  
7 Public Works Director made with the City prior to Mr.  
8 Lawrence taking the position?

9 MR. STRAND: No, I do not.

10 MS. PARKER: Okay. Mr. McCurley, do you  
11 recall? And also, if there was time and a half for  
12 anything over and above 40 hours.

13 MR. MCCURLEY: I believe Mr. McDonald (ph.)  
14 was earning \$75,000 a year. He did not receive  
15 overtime. I'm not certain if his contract addressed  
16 it, but I do not remember seeing any overtime for his  
17 budget. The only overtime that I've seen prior to  
18 this was the police and fire department.

19 MS. PARKER: Thank you.

20 MR. KORYZNO: Any further discussion?

21 Then I would entertain a motion to deny  
22 Resolution 136.14 the DPW contract.

23 MS. PARKER: So move.

24 MR. BOVITZ: Support.

25 MR. KORYZNO: Any discussion? Seeing none,

1 all in favor of the motion, say aye.

2 Aye.

3 MS. PARKER: Aye.

4 MR. BOVITZ: Aye.

5 MR. KORYZNO: Opposed, same sign. The  
6 motion to deny Resolution 136.14 is approved.

7 Resolution 140.14 concerns the five-year  
8 budget, which has been addressed in old business.

9 Approval of hiring Election  
10 Specialist/Assistant City Clerk. While this action  
11 occurred during a Council meeting outside the normal  
12 review period with any Board meeting, we realize that  
13 the upcoming elections merit early review of this  
14 employment offer.

15 Mr. Strand, in light of the earlier issues,  
16 are this employee's wages provided for in Emergency  
17 Manager Parker's two-year budget?

18 MR. STRAND: The answer is yes.

19 MR. KORYZNO: Oh, I'm sorry. Time out. I  
20 flipped the wrong page, so hold that answer.

21 MR. STRAND: Okay.

22 MR. KORYZNO: My apologies.

23 The next item is entertain a motion to  
24 approve resolutions from the April 15th, 2014 City  
25 Council Meeting.

1 MR. BOVITZ: So move.

2 MS. PARKER: Support.

3 MR. KORYZNO: Any discussion? Seeing none,  
4 all in favor of the motion, say aye.

5 MS. PARKER: Aye.

6 MR. BOVITZ: Aye.

7 MR. KORYZNO: Aye.

8 Opposed, same sign. The motion to approve  
9 the resolution from the April 15th, 2014 Council  
10 Meeting is approved.

11 I'll entertain a motion -- or resolutions  
12 from the regular City Council Meeting May 13th, 2014.  
13 I'll entertain a motion to approve resolutions from  
14 the May 13th, 2014 City Council Meeting, with the  
15 exception of Resolutions 155.14, Lawn Maintenance  
16 Contract and Resolution 156.14, Janitorial Contract.

17 MR. BOVITZ: So ~~move~~ moved.

18 MS. PARKER: Support.

19 MR. KORYZNO: Discussion. Resolution  
20 155.14 concerns a lawn maintenance contract. The  
21 City submitted a contract disclosure form, which  
22 stated that this contract amount of \$17,690 plus  
23 \$11.50 per lot was budgeted for.

24 Mr. Strand, would you approach the podium  
25 and explain this expenditure, please.

1 MR. STRAND: The lawn mowing contract, as I  
2 understand it, they are kind of a standby, the  
3 service. They are not the primary contractor with  
4 the City for lawn mowing, so they're just a backup,  
5 in the case that there's additional work that has to  
6 be addressed or if they, if they have -- you know, if  
7 the other person is not able to keep up with the  
8 work.

9 So in my analysis, they were the most  
10 qualified, most responsive and responsible bid, and  
11 it's my understanding that this is, this is an  
12 estimate of the lawn mowing and so they're kind of on  
13 an on-call basis. And so as I understand, there is  
14 ongoing work that, the City has been doing on an  
15 annual basis so I made the assumption that it was  
16 within the two-year budget.

17 And I did not -- it was not one of the  
18 questions that I was given in advance, so I wasn't  
19 able to research as thoroughly as I was able to on  
20 some of these others.

21 MR. KORYZNO: Thank you. So the dollar  
22 amount of \$17,690 is specifically for what?

23 MR. STRAND: Mowing grass for people who  
24 are in noncompliance with the City's, you know, codes  
25 and ordinances and to protect the public health,

1 safety and welfare. So that's one of the reasons  
2 that I marked that was, you know, it was a necessary  
3 service because, you know, the City, as long as they  
4 do have the revenue, they should make sure that  
5 they're in compliance with the codes here in the  
6 City. It's between the City. They're City-owned  
7 lots.

8 MR. KORYZNO: So is this -- you know the  
9 number of lots that need to be mowed now and the  
10 number of times they need to be mowed?

11 MR. STRAND: No, I do not.

12 MR. KORYZNO: So then how is the \$17,000  
13 figure arrived at?

14 MR. STRAND: Let's see. I would have to do  
15 more research on that. The specs were written before  
16 I arrived here and it was bid out in open before I  
17 think and so I, you know, I made --

18 MR. KORYZNO: Yeah, I understand.

19 MR. STRAND: I made some assumptions that  
20 prior administration had did the work correctly.

21 MR. KORYZNO: And the \$11.50 per lot, how  
22 does that play into the cost?

23 MR. STRAND: The \$11.50 per lot is for the  
24 City-owned lots and the \$13.50 is for the privately-  
25 owned lots. That's why I made a notation in the

1 contract, because that's how the contract was written  
2 and -- but both of those forms are correct and that  
3 it's \$11.50 for a City-owned lot and \$13.50 for a  
4 privately-owned lot.

5 MR. KORYZNO: And is the 17,000 a not-to-  
6 exceed figure?

7 MR. STRAND: That's my understanding,  
8 correct, but it could go over if -- again, I did not  
9 write the specifications, so, and in reviewing the  
10 information that I was given, I did not see that kind  
11 of detail.

12 MR. KORYZNO: Ms. Parker, is this the way  
13 it was handled when you were EM?

14 MS. PARKER: Well, during the time that I  
15 was the EM, the City did have one contractor that was  
16 used and didn't actually have a secondary contractor,  
17 so that's a change, and actually that was the  
18 question, whether it's actually budgeted for in the  
19 budget.

20 MR. STRAND: Uh-huh.

21 MR. KORYZNO: Is this in the budget, the  
22 EM's two-year budget, Mr. Strand?

23 MR. STRAND: I believe -- I guess I would  
24 ask the EM to, if I may, if it was budgeted in the  
25 two-year budget?

1 MS. PARKER: Yeah. I don't recall having  
2 secondary contracts, so if, you know, without going  
3 back to review it, I would say that it's not  
4 included, unless you are able to reduce your original  
5 contract in order to have additional funding  
6 available.

7 MR. STRAND: Okay, I would have to yield to  
8 the institutional <sup>Knowledge</sup> ~~nominee~~ (ph.), which --

9 MR. KORYZNO: Perhaps Mr. McCurley could  
10 shed light on this item.

11 MR. MCCURLEY: The budget for, the two-year  
12 budget Ms. Parker put together, included a lump sum  
13 dollar amount, so it was like 120,000 or 170,000 at  
14 the time, so it wasn't, in my belief, it wasn't  
15 necessarily tied into one contract, but she is  
16 correct we only had one contract. But I am aware of  
17 what I think Scott McDonald tried to put this in  
18 place was to hire a backup in case the other company  
19 couldn't do certain things. And his intention was  
20 that both companies would be under the budget as  
21 called for in lawn cutting. That was the intent.

22 I don't know if I cleared it up or made it  
23 muddier, but basically --

24 MR. KORYZNO: So there's a lump sum, if I  
25 understand you correctly, there's a lump sum line

1 item allocated for this purpose prior.

2 MR. McCURLEY: That is correct.

3 MR. KORYZNO: When Ms. Parker was EM, there  
4 was one contractor. Now there are two contractors.

5 MR. McCURLEY: The time that you may exceed  
6 your budget is if you have more lots to cut than what  
7 you planned on, so that's, that's an issue we don't  
8 know at this point in time and probably not even when  
9 the contract was even adopted or put out for bid,  
10 because if we had more -- if we get more properties  
11 back from Wayne County, then we have more lots to  
12 cut, so that may increase the cost. And before we  
13 increase the cost, we've got to make sure that it's  
14 within the budget.

15 MR. KORYZNO: Thank you.

16 MR. McCURLEY: You're welcome.

17 MR. KORYZNO: I'll entertain a motion.

18 MS. PARKER: So move.

19 MR. BOVITZ: Support.

20 MR. KORYZNO: The move supported to approve  
21 Resolution 155.14 Lawn Maintenance Contract. Any  
22 further discussion?

23 Seeing none, all those in favor of the  
24 motion, say aye.

25 MR. BOVITZ: Aye.

1 MS. PARKER: Aye.

2 MR. KORYZNO: Aye. Opposed, same sign.

3 Motion to approve the lawn maintenance contract is  
4 approved.

5 Resolution 156.14 concerns a janitorial  
6 contract. Again, the City has represented that the  
7 contract amount of \$41,191.56 per month was budgeted  
8 for. It appears that only \$36,000 a month is  
9 budgeted for.

10 Mr. Strand, could you please address this?

11 MR. STRAND: Yeah. In reference to the  
12 janitorial contract, the previous contract was  
13 \$43,114 and the contract in front of you today is  
14 \$41,191.56. This is a savings of \$1,923.44.

15 So that was the basis for my recommendation  
16 is that it was less money than the existing contract,  
17 so I had just found the two-year budget. I see it --  
18 I found it on the website, City of Ecorse website, so  
19 I now know that I need to be referencing that more in  
20 preparing those forms and -- but anyway, I made the  
21 assumption because it was less than the existing  
22 contract that it was budgeted for.

23 MR. KORYZNO: Questions from the Board?

24 MS. PARKER: Just a question. As far as  
25 the work, the scope of work that will be done by this

1 particular contractor, is it more than what has taken  
2 place beforehand or is it less?

3 MR. STRAND: I didn't write the  
4 specifications, but so it's, I would say it's equal  
5 to or more, but it would have to be confer with  
6 perhaps the City Controller to be certain. But it's  
7 my -- as I understand it, the City was dissatisfied  
8 with the previously existing vendor Roadrunner and  
9 that, that they -- that is the reason they bid it  
10 out, and so as a result of being ~~asked~~ asked, this,  
11 the recommendation was made at this time.

12 MR. KORYZNO: Before you leave the podium,  
13 Mr. Strand, is this amount budgeted within the two-  
14 year budget.

15 MR. STRAND: I would have to -- I made the  
16 assumption that if it was less money than what the  
17 existing budget is and if that was approved, then I  
18 made the assumption that it is, and I know it's  
19 probably -- I would assume it's charged to different  
20 cost centers, so that was the basis for why I  
21 believed it was, but I had -- as I said, I think it's  
22 the result of this meeting and the additional  
23 questions being asked so I, I'm adding more analysis  
24 to -- for future recommendations to the TAB Board, I  
25 could get more specific, with the two-year budget,

1 but that was -- if it was less than what is existing,  
2 then I felt that it must be budgeted because we were  
3 approved a higher amount.

4 MR. KORYZNO: Thank you.

5 Mr. McCurley, could you approach the  
6 podium, please.

7 Is it your understanding that there's  
8 sufficient funds within the EM's two-year budget to  
9 pay for this cost?

10 MR. MCCURLEY: If I may ask a couple  
11 questions. I had heard 4,100 per month, right if  
12 that's what I remember hearing?

13 MR. STRAND: No. It's --

14 MR. KORYZNO: \$41,191.

15 MR. STRAND: For the whole year.

16 MR. KORYZNO: For the whole year, divided  
17 by 12 so that would be, I think is what Mr. Strand  
18 said --

19 MR. MCCURLEY: I thought I heard \$4,100 per  
20 month.

21 MR. STRAND: No, it's \$3,432.63.

22 MR. MCCURLEY: \$36,000 is budgeted in the  
23 two-year budget and the five-year budget, so in  
24 either case, it does exceed.

25 MR. KORYZNO: All right, so that would

1 require a budget amendment.

2 MR. McCURLEY: Yes, either transferring the  
3 funds from one area within that budget or coming back  
4 before the Council and Transition Advisory Board,  
5 that is correct.

6 MR. KORYZNO: Thank you.

7 Any further discussion by the Board  
8 members?

9 MS. PARKER: Just a question for Mr. Strand.  
10 Is it possible to go back and take a look at the  
11 budget to determine if there's an opportunity to  
12 transfer money within that department to cover the  
13 additional amount?

14 MR. STRAND: Yes, yes, there is. I would  
15 like to ask the Board, if possible, if it would be  
16 willing to approve this contract we have. There's  
17 been quite a bit of dissatisfaction with the quality  
18 of cleaning in the City Hall and if I could move  
19 forward on that, I would be appreciative.

20 The vendor, existing vendor, knows that  
21 they're, you know, being removed and so there has to  
22 be criminal checks of the new vendor for the work  
23 that they will be doing in the police department and  
24 insurances and so forth. So we were hoping to get  
25 them onboard July 1st and so if it's possible, I

1 would appreciate it, and we would do the analysis  
2 that we were asked to provide and an amendment, which  
3 would be probably in time for the new fiscal year, if  
4 that would work.

5 MR. KORYZNO: Any further discussion?

6 Mr. VanDegrift, since the Treasurer's  
7 approval is required to amend the budget, may the  
8 RTAB Board approve a contract that would increase the  
9 budget prior to an amendment?

10 MR. VanDEGRIFT: My understanding is that  
11 Mr. McCurley had explained the detailed level of the  
12 two-year budget is what dictates whether an amendment  
13 to that budget is necessary. My understanding is  
14 it's by fund, so if there's an expenditure that is  
15 not provided for in that fund, without a  
16 corresponding reduction in that fund, then the two-  
17 year budget necessarily would need to be amended in  
18 order to comply with the Emergency Manager order, as  
19 well as the Uniform Budget and Accounting Act.

20 Does that address your question?

21 MR. KORYZNO: Yes, it does.

22 MR. VanDEGRIFT: So I would imagine the  
23 circumstance, you would need to amend is what I'm  
24 hearing.

25 MR. KORYZNO: All right. Ms. Parker?

1 MS. PARKER: I guess the question that I  
2 was raising with Mr. Strand is whether within the  
3 department. So for example, I believe there's a  
4 department for City Hall, and within that department,  
5 if for example, you're short \$4,000 for janitorial  
6 services, could you transfer maybe under one of the  
7 other line items, which would be within compliance  
8 related to the budget.

9 MR. STRAND: I would like to think so. If  
10 I could ask the City Controller, are you able to  
11 maybe find \$4,000? I know the drop-in center and  
12 some other places.

13 MR. McCURLEY: Currently in that, the  
14 janitorial service is budgeted in the Building and  
15 Maintenance Department, in which there is 36,000.  
16 Within that department, there is building lights of  
17 \$170,000. Is the building lights going to be  
18 \$170,000? I don't know, but that's the budget we put  
19 together in the same two years. So if we're -- if  
20 building maintenance is 40,000. We're not 100  
21 percent certain. So if we approve this contract,  
22 then we definitely have to amend the budget  
23 internally and we'll have to take it either from  
24 building lights or building maintenance and hopefully  
25 our building maintenance will not go up that much.

1                   So yes, we could do it, but six months  
2                   down the road, we may be revisiting this issue and  
3                   trying to determine where we can cut costs further  
4                   within that department that ultimately will mean a  
5                   budget amendment with Council and the Transition  
6                   Advisory Board.

7                   MR. KORYZNO: Thank you.

8                   MR. McCURLEY: You're welcome.

9                   MS. PARKER: Mr. Chair, I would move to  
10                  approve the janitorial contract, subject to the  
11                  transfer of those dollars within the department line  
12                  item.

13                  MR. BOVITZ: Support.

14                  MR. KORYZNO: All right. Any further  
15                  discussion? <sup>The</sup> ~~Th~~ move is supported to approve  
16                  Resolution 156.14, Janitorial Contract. All in favor  
17                  of the motion say aye.

18                  MS. PARKER: Aye.

19                  MR. BOVITZ: Aye.

20                  MR. KORYZNO: Aye.

21                  All opposed, same sign.

22                  The motion to approve Resolution 156.14 is  
23                  approved.

24                  Letter from City Administrator dated ~~April~~ <sup>June</sup> 10  
25                  ~~8th~~, 2014. Number one, approval of City Council

1 Minutes addressed in New Business. Two, approval of  
2 April 14th, 2014 monthly budget to actual financial  
3 report. Entertain a motion to approve the budget to  
4 actual financial report as submitted for April.

5 MR. BOVITZ: So move.

6 MS. PARKER: Support.

7 MR. KORYZNO: Any discussion? Seeing none,  
8 all in favor of the motion, say aye.

9 MR. BOVITZ: Aye.

10 MR. KORYZNO: Aye.

11 MS. PARKER: Aye.

12 MR. KORYZNO: Opposed, same sign. The  
13 motion to approve the April budget to actual  
14 financial report is approved.

15 Number three, five-year budget was  
16 addressed in old business. Number four, approval of  
17 the DPW Superintendent contract was addressed in new  
18 business. Number five, approval of janitorial  
19 contract was addressed in new business. Six,  
20 approval of lawn maintenance contract also addressed  
21 in new business.

22 MR. VanDEGRIFT: Now you're back to where  
23 you left off.

24 MR. KORYZNO: Now I'm back to number seven,  
25 approval of hiring Election Specialist/Assistant City

1 Clerk.

2 Now Mr. Strand, you may approach the podium  
3 and provide an answer as to whether the wages for the  
4 Election Specialist/Assistant City Clerk are provided  
5 for in Ms. Parker's two-year budget.

6 MR. STRAND: Yes, the City Clerk, the  
7 elected City Clerk was replaced. I wasn't certain of  
8 the exact date, but it sounds like the first of the  
9 year and the salary was \$30,000, and that's my  
10 understanding that was the salary of the previous  
11 City Clerk.

12 The office, as I mentioned, has been  
13 operating with only one person since the elected  
14 Clerk resigned, and so I did look at the budget, the  
15 two-year budget has \$52,380 and the Clerk's salary is  
16 30,000 and the part-time Assistant at 28 hours per  
17 week at \$13.50 an hour and is 19,656, totaling  
18 49,656, so yes, it does.

19 MS. PARKER: Question?

20 MR. KORYZNO: Yes.

21 MS. PARKER: Mr. Strand, in the City  
22 Clerk's office, is there also a full-time AFSCME  
23 employee?

24 MR. STRAND: No. We had one. I'm starting  
25 negotiations with the AFSCME Union this Thursday and

1 one of the items for discussion is the position. I  
2 think their position is it should be a union position  
3 and so we're -- that's one of the items we'll be  
4 discussing.

5 MS. PARKER: So was the position eliminated  
6 in the City Clerk's office?

7 MR. STRAND: The position, the new City  
8 Clerk wrote a new job description, and I think when  
9 we initially discussed it, we had talked about either  
10 full time possibly a 24-hour position, and the AFSCME  
11 Union Contract will allow us three part-time people,  
12 24 hours or less, without union review of the job  
13 description and so forth.

14 And so I did meet with the union about that  
15 and their -- the important thing to them was that  
16 the job position be posted and it was. And so the  
17 recommendation from the committee was that the 28  
18 hours, it eventually would work into full time, and  
19 so as the contract is written, we would have to  
20 discuss the job description and the, the wage level,  
21 although -- you know, our City Attorney reminds me  
22 that because we're under receivership and so forth,  
23 that there is some, perhaps some, some higher law  
24 that could potentially come into play regarding the  
25 union contracts and -- but I think what we're trying

1 to do is to make sure we ensure a good working  
2 relationship with the union and so this is still an  
3 open item.

4 You know, one of the suggestions I made to  
5 the union in my response was about whether they would  
6 have interest and an agreement to would allow this  
7 part-time position for 28 hours instead of 24 hours.  
8 That's something I'll know more about this Thursday.

9 I also know that, you know, they probably  
10 have an interest in protecting their numbers in the  
11 union.

12 MR. KORYZNO: I understand this is a part-  
13 time position?

14 MR. STRAND: Yes, it is.

15 MR. KORYZNO: And so it would be governed  
16 by the City's personnel rules, manual, so forth?

17 MR. STRAND: That and the union contract,  
18 it was more <sup>than</sup> 24 hours per week.

19 MR. KORYZNO: So you're anticipating more  
20 than 24 hours?

21 MR. STRAND: Yes, that was the  
22 recommendation of the Board when they hired the  
23 position and so --

24 MR. KORYZNO: So it would be under the  
25 collective bargaining agreement then?

1 MR. STRAND: Correct.

2 MR. KORYZNO: This position?

3 MR. STRAND: Right, so if it -- that would  
4 be the present information unless there was some type  
5 of negotiated agreement otherwise, but I can't cross  
6 that road before I, before I can make a  
7 recommendation.

8 And I know you also had some other  
9 questions regarding for expired contracts of people  
10 who, with health insurance premiums that exceed the  
11 80/20 percent. I know the State legislature just I  
12 think last week introduced possible law to exempt  
13 police and fire from that requirement, because we --  
14 the AFSCME contract expired June 30th of 2013 and the  
15 police contract arbitration decision expired June  
16 30th, 2013. So that's also one of the things that we  
17 need to discuss and I'm having the Controller's  
18 office review whether or not we can adhere, you know,  
19 to that, to that law.

20 I consulted the City Attorney as far as his  
21 opinion regarding Act 54, so that's something else  
22 that, you know, that we need to discuss as part of  
23 our negotiations.

24 MR. KORYZNO: Thank you.

25 MS. PARKER: Mr. Chair.

1 MR. KORYZNO: Ms. Parker?

2 MS. PARKER: Just one other comment. Maybe  
3 the City Attorney, I notice he's here, could respond.

4 From a labor standpoint, with filling this  
5 position, are we in compliance with the contract?

6 MR. WYCOFF: With the collective bargaining  
7 agreement?

8 MS. PARKER: Yes.

9 MR. KORYZNO: Mr. Wycoff, would you  
10 approach the podium and, and state your name, please,  
11 for the record?

12 MR. WYCOFF: Charles Wycoff, Office of the  
13 City Attorney.

14 I believe that we, or I have reviewed the  
15 collective bargaining agreement. I have also  
16 reviewed the personnel policies of the City as they  
17 currently exist. They are also being currently being  
18 amended. And if the position, as Mr. Strand has  
19 indicated, stays below the 24 hours, it's controlled  
20 by our personnel policies. If it's 28 hours, it is  
21 controlled by the collective bargaining agreement,  
22 which gives me some pause because there are wage  
23 rates and benefits that would be provided in the  
24 contract that we would probably have to be adhered  
25 to. So the 24 hours would be my recommendation, but

1 again, that's not within my control.

2 MR. KORYZNO: Thank you.

3 I'll entertain a motion.

4 MS. PARKER: I would move for the approval  
5 of the Assistant to the City Clerk position not to  
6 exceed 24 hours per week.

7 MR. BOVITZ: Support.

8 MR. KORYZNO: Move and supported. Any  
9 further discussion? Seeing none, all those in favor  
10 of the motion say aye.

11 MS. PARKER: Aye.

12 MR. KORYZNO: Aye.

13 MR. BOVITZ: Aye.

14 MR. KORYZNO: Those opposed, same sign.

15 The motion to approve the hiring of an Assistant  
16 Clerk is approved.

17 Next item is number eight, approval of  
18 health care benefits for Judge Michael Ciungan is  
19 addressed <sup>in</sup> ~~as~~ new business.

20 Approval of purchase of 3981 14th Street,  
21 Ecorse, Michigan. The City has requested  
22 authorization to purchase a property for the taxes  
23 owed. It should be stated that the Board reviews  
24 actual City Council resolutions and actual contracts,  
25 rather than prospective plans, which the Council

1 might take future action on. It's hoped that the  
2 City will have a more developed plan for this  
3 property before taking action, and only then will a  
4 resolution come before the Board.

5 Number 10, approval of revised pre-approval  
6 vendor list. Mr. Strand, you submitted a new request  
7 to add three items to the pre-approval list. Please  
8 approach the podium and tell the Board why these  
9 expenses did not get addressed by the normal Board-  
10 approval process.

11 MR. STRAND: In the memoorandum that I  
12 handed out this morning and I E-mailed last evening,  
13 the Ecorse Senior Birthday, this was a check that had  
14 already been approved by the Mayor and Council and  
15 the TAB Board. She tried to, Mrs. Stevenson tried to  
16 cash it. The bank didn't allow her to cash it, so I  
17 asked the Controller to re-issue the check with her  
18 name also on it so that the check could be cashed.  
19 So I felt that it was already approved by the two  
20 Boards and was simply a clerical error that we were  
21 correcting.

22 The William Kaiser Electrical Inspector.  
23 There were two forms that were given to me that  
24 apparently have been implemented in the past by the  
25 Controller's Office and the City, and that was to

1 authorize payment to William Kaiser, Electrical  
2 Inspector, and Kevin Lawrence, regarding mileage, and  
3 the -- so I had, I had approved those, because it was  
4 my understanding that that was allowed because it was  
5 part of -- it was recognized, it was recognized as  
6 part of payroll, even though they were an independent  
7 contractor for the City.

8 With reference to Kevin Lawrence, there was  
9 a contract signed April 3rd, 2013 with Mr. Lawrence  
10 that did allow for mileage reimbursement, and so I  
11 was discussing that with Mr. VanDegrift, who felt  
12 that that would be sufficient allow those payments in  
13 advance.

14 The Downriver Blacktop, Mr. McCurley gave  
15 you a copy of the document that was signed by John  
16 ~~Overlander~~ <sup>Openlander</sup> (ph.) and in my discussion with the  
17 Controller, it was my understanding that he felt  
18 that, in that circumstance, because the agreement had  
19 been entered into before the TAB Board that he  
20 thought we could probably proceed and to make those  
21 payments. However, that's why the recommendation is  
22 in front of you today, to make sure we were on sound  
23 footing regarding that.

24 The OHM, the contract for these services  
25 were approved by both the Mayor and Council and the

1 RTAB Board, and the State <sup>Treasury</sup> ~~Treasure~~ called, I think it  
2 was Angela who, or wrote to me that you authorized  
3 the check to be released. We are very appreciative  
4 because time seemed of the essence and that  
5 particular item in litigation the City was  
6 experiencing. So we are grateful for the help and  
7 those were the reasons.

8 MR. KORYZNO: So if I understand it the  
9 Ecorse Senior Birthday was a check that was already  
10 written and approved by the Board and this was just  
11 merely a reissue, and the OHM was already approved by  
12 the Board, so you're asking for three, three  
13 additional items to be added to the preapproval list;  
14 is that correct?

15 MR. STRAND: Yes.

16 MR. KORYZNO: Any questions or discussion  
17 from the Board?

18 I'll entertain a motion.

19 MR. BOVITZ: So moved.

20 MS. PARKER: Support.

21 MR. KORYZNO: It's been moved and supported  
22 to approve the requested additions to the RTAB  
23 preapproval list.

24 Further discussion? Seeing none, all in  
25 favor of the motion say aye.

1 MR. BOVITZ: Aye.

2 MR. KORYZNO: Aye.

3 MS. PARKER: Aye.

4 MR. KORYZNO: Opposed, same sign.

5 The Resolution to approve the requested  
6 additions to the RTAB preapproval list is approved.

7 Number 11, approval of resolution to work  
8 off the City Council draft Minutes. Previously the  
9 Board discussed the willingness to consider reviewing  
10 draft City Council Minutes for the purposes of claims  
11 and accounts. The condition such a change on the  
12 City showing that it's doing all it can to process  
13 bills in an expeditious manner.

14 Mr. Strand, can you tell us what progress  
15 the City has made toward this end?

16 MR. STRAND: I believe that formerly I  
17 don't believe that we have accomplished anything I  
18 would, you know, presented to the Board today.  
19 However, as a result of our discussion, which I'm  
20 appreciative of, because I want to do a good job -- I  
21 work with Mr. VanDegrift about the -- I'm trying to  
22 write the administrative guideline to help guide us  
23 in implementing the processing of the bills, and I  
24 was very appreciative because he, Mr. VanDegrift gave  
25 me some comments with the draft and so, you know, I

1 think that that's one of the ways I'm going to  
2 address that, as well as, you know, any advanced  
3 checks that are written, but the -- I think that one  
4 of the items that I understand had been discussed  
5 previously with the TAB Board was if prior -- if we  
6 didn't have to wait for the agenda, or the Minutes,  
7 to be formally approved by the Mayor and Council,  
8 that that would allow us to accelerate approvals, not  
9 only for possibly expenditures, but primarily for  
10 general items that were approved at the Board  
11 meeting, but the Minutes were not actually approved.  
12 That would probably accelerate some of the movement  
13 of the City of Ecorse in -- if that was the reason  
14 for that, that other item being placed on the agenda.

15 MR. KORYZNO: My recollection is you're  
16 correct, that was part of the discussion. I think it  
17 was in tandem with department heads and the City  
18 submitting their invoices in a timely manner for  
19 payment. So personally, I would not take action on  
20 this until you demonstrate or provided us with a  
21 report that demonstrates that there has been some  
22 progress within the City departments moving bills,  
23 payment of bills timely.

24 MR. STRAND: Okay.

25 MR. KORYZNO: I think once we see that,

1 then we would reconsider, if the Board is in  
2 agreement with that.

3 MS. PARKER: Yes, I am.

4 MR. BOVITZ: Yes.

5 MR. KORYZNO: So I would make a motion to  
6 that effect.

7 MS. PARKER: Support.

8 MR. BOVITZ: But we're just not --

9 MR. KORYZNO: Or entertain a motion.

10 MS. PARKER: Okay.

11 MR. BOVITZ: But we're not, we're just not  
12 taking action on it.

13 MR. KORYZNO: All right. Let's not take  
14 action.

15 MS. PARKER: Do you want to table it.

16 MR. KORYZNO: All right, I can take no  
17 action and then Mr. Strand can take action -- or  
18 bring it back to us at his convenience.

19 Item 12, checks released without RTAB  
20 approval. Despite the Board's reprimand last month,  
21 a new list of unapproved checks has been submitted.  
22 Although several of these items likely were approved,  
23 others were clearly not.

24 Mr. Strand, what emergency necessitated the  
25 unapproved payment of these bills? An emergency is

1 an unforeseen combination of circumstances resulting  
2 in a state that calls for immediate action.

3 MR. STRAND: That was, I believe that was  
4 what I was just responding to you, was the -- those  
5 were the bills that were approved in advance was the  
6 Kaiser and Kevin Lawrence, Downriver Blacktop the OHM  
7 and Ecorse.

8 MR. KORYZNO: Okay. All right.

9 Number 13, additional request of agenda  
10 item appointment of McKenna Associates for building  
11 official services.

12 After the agenda deadline, the City  
13 requested that McKenna Associates be approved to  
14 perform building official services. It seems that  
15 the City does not have a Building Official to  
16 authorize Certificates of Occupancy to perform other  
17 function.

18 Mr. Strand, please explain your request.

19 MR. STRAND: First of all, I'm very  
20 appreciative that you allow this to be on the agenda  
21 and, as you know, the City has not been with a  
22 Building Official for several months and my  
23 predecessor had removed that individual from the  
24 office, and it's my understanding that that was also  
25 subject to TAB review is, at least, what I've been

1 told. And so the inspectors have expressed some  
2 concern to me that there's a need for a Building  
3 Official there.

4 We did start negotiating with Mr. Carl  
5 Brown, but the City Mayor and Council tabled that  
6 because of a special workshop and there seems to be  
7 an interest in bringing Mr. Hill back as the Building  
8 Official, and so there's work going on in that to  
9 review the decisions that were made. So during the  
10 interim, we still need a Building Official, and  
11 McKenna Associates has provided us with a contract  
12 that they can do -- we've talked about initially four  
13 hours per week at \$60 per hour, and Mr. Brown's  
14 contract, proposed contract, was \$50 per week (sic),  
15 plus a \$200 retainer -- or \$50 per hour, plus a \$200  
16 retainer, so at four hours, McKenna would be more  
17 economical. Also they would have, this person would  
18 have the support and backing of the entire department  
19 within McKenna Associates, and so we would ask that  
20 you approve this contract so we can adhere to State  
21 law and work on some of the backlog.

22 I should mention that I did disclose to Mr.  
23 VanDegrift that I have signed a lease for an  
24 apartment within the City of Ecorse and I cannot  
25 occupy that apartment until a Certificate of

1       Occupancy is approved. And so I'm not certain if we  
2       have anyone that could sign that Certificate of  
3       Occupancy without a building official.

4               I was told that the Billing Clerk has been  
5       signing those Certificate of Occupancies and the  
6       Building Permits, once she receives all the paperwork  
7       from the inspector, but AFSCME was concerned she was  
8       working outside her classification and so I asked her  
9       to stay within her classification. And so, you know,  
10      I haven't gotten to the point where if I would be  
11      legally able to sign those or the City Attorney, but  
12      I think it might be awkward. I think we would be in  
13      a better position to have a Building Official  
14      onboard.

15             MR. KORYZNO: Thank you.

16             Questions from the Board?

17             MS. PARKER: Yes. Mr. Strand, just a  
18      couple of questions and a comment.

19             One is in reference to -- well, I think you  
20      did state that the cost for McKenna is how much?

21             MR. STRAND: It's \$60 per hour and they  
22      provide their indemnification insurance, and the  
23      contract that we were negotiating with Mr. Brown was  
24      \$50 per hour, plus \$200 per month retainer, and the  
25      City provide the indemnification for him. And I

1 believe that in reading the contract with Mr. Hill,  
2 the City contract may not provide indemnification for  
3 him, but I would have to review that contract to be  
4 sure.

5 MS. PARKER: Okay, and what is considered  
6 the scope of services under the arrangement with  
7 McKenna and Associates?

8 MR. STRAND: It's to be the Building  
9 Official and --

10 MS. PARKER: Serve as the Building  
11 Official?

12 MR. STRAND: Correct.

13 MS. PARKER: Okay.

14 MR. STRAND: And they would provide four  
15 hours per week to the City, perform all the duties of  
16 the Building Official, as required by the State of  
17 Michigan and the City. They would supervise the  
18 City's part-time Building Inspectors. Initiate and  
19 track final disposition of violations, prosecution,  
20 of those by analysis of violations within the City.  
21 Conduct business license inspections. Takes measure  
22 to ensure residential rental properties are  
23 registered. Help enforce the City Zoning Ordinance,  
24 Dangerous Building Code Ordinances and other  
25 ordinances applicable. Implement software tracking.

*Inform*

~~Perform~~ the City Administrator, if he felt that he was being placed in conflicts with City officials, staff members or other departments. Maintain records for all the purposes of the City Controller.

It was kind of my idea that -- I might not be aware, but I think the department might be trying to, you know, stay afloat without the Building Official and so that I might not have yet been totally aware of some of their needs so that's another reason I felt this was pretty essential they fill, because it might not have gotten to my desk yet.

MS. PARKER: Okay, and just one comment in reference to City department level positions, under the, one of orders, as well as the job description that Mr. Strand is responsible for making the appointment, as part of that, you confer with the Mayor and the Council, but that is your responsibility, and I just wanted to bring that up because it is important.

MR. STRAND: Okay.

MR. KORYZNO: Thank you. I'll <sup>*entertain*</sup> ~~undertake~~ a motion to approve McKenna and Associates as to interim Building Official until a permanent one is identified by a formal hiring process.

1 MR. BOVITZ: So move.

2 MS. PARKER: Support.

3 MR. KORYZNO: Moved and supported. Further  
4 discussion? Seeing none, all in favor of the motion  
5 say aye.

6 MR. BOVITZ: Aye.

7 MS. PARKER: Aye.

8 MR. KORYZNO: Aye. Opposed, same sign.

9 The motion to approve McKenna and  
10 Associates as interim Building Official is approved.

11 Next item is Public Comment. If you want  
12 to speak, you need to have signed the sheet prior to  
13 this portion of the meeting. Mr. VanDegrift will  
14 serve as the timekeeper. You will have two minutes  
15 per Board rules to speak.

16 MR. BARLOW: My name is Jerome T. Barlow.  
17 If I might, since I'm under a two-minute time limit,  
18 I wish to speak quickly to this matter of -- I stand  
19 on behalf of three different individuals under three  
20 similar contracts, Mr. James Hill, Mr. Jack Durbin  
21 and Mr. Sam Garmo, that deals with the O'Brien  
22 Supermarket Project.

23 The short of this is this, the City  
24 Administrator, the Interim Administrator, was Mr. D.  
25 Wayne O'Neal, who severed the services of Mr. Hill

1 and Mr. Durbin. The issue of severing their services  
2 is an issue in itself. He has the right, because he  
3 is the interim City Administrator, to service -- to  
4 severe a contract with or without cause. There's no  
5 question about that part of it.

6 However, in the process, when put a cloud  
7 of integrity over that, the words crook, the words  
8 lies, the words notorious have been used throughout  
9 this and I have sworn depositions to that effect.  
10 The individuals' reputations professionally and  
11 personally have taken hits as a result of that.

12 Because the Transition Advisory Board did  
13 approve the severing of that contract, there is a  
14 process of vindication that I believe needs to come  
15 back through those same transitions that approved the  
16 severing of the contract. Not necessarily for the  
17 purposes of reinstating the individual, but for the  
18 purposes of clearing them in a manner of integrity.

19 That is the first request that I have.  
20 There may be a sentiment after the document that you  
21 have before you, came to City Council on Mr. Hill's  
22 behalf, and there's a similar document that's being  
23 prepared on Mr. Durbin's behalf, that indicates that  
24 the things that Mr. O'Neal cited were things totally  
25 within the power of the building official.

1                   The short of it is, if there is to be,  
2                   first of all, vindication of their names, I think  
3                   that a collective effort from the TAB --

4                   MR. VanDEGRIFT: That's two minutes.

5                   MR. KORYZNO: Thank you, Mr. Barlow.

6                   MR. BARLOW: Thank you.

7                   MR. KORYZNO: I might add that the Board  
8                   acts upon requests, it acts -- requests from the City  
9                   Administrator and actions and resolutions of  
10                  ordinances conducted by the, the City Council. So  
11                  outside of, outside of those actions, we would not be  
12                  taking any, any --

13                  MR. BARLOW: So if, if I might ask a  
14                  question. If the City Administrator, along with the  
15                  City Council, felt that the actions taken should be  
16                  reviewed and they were desirous of, of moving  
17                  forward, would the TAB Board give it fair hearing?

18                  MR. KORYZNO: The TAB Board reviews  
19                  ordinance and resolutions adopted by the City  
20                  Council, so if that's --

21                  MR. BARLOW: So they wouldn't?

22                  MR. KORYZNO: So it would come before -- if  
23                  the Board, if the City Council or the City  
24                  Administrator requested same.

25                  MR. BARLOW: Thank you very much.

1 MR. KORYZNO: You're welcome.

2 James Hill. Good morning.

3 MR. HILL: Thank you, thank you very much,  
4 and I'm glad to be allowed to be here today to speak  
5 to you and I'll try to make this as brief as I can.

6 Yes, I am -- what Mr. Barlow said is very  
7 true. It is not a question of whether or not the  
8 City Administrator has the authority to hire and fire  
9 a contractor. We recognize that.

10 However, beyond that, I'd like to go on and  
11 say that if you have an authority, then why did you  
12 go forward and smear someone's name? I am not a  
13 crook. I have never in my life accepted one penny in  
14 any shape, form or fashion of bribe money.

15 The reason that Mr. O'Neal did cite,  
16 concerning the O'Brien issue and also the dangerous  
17 building on 12th Street, the Michigan State Building  
18 Code clearly states, clearly in black and white,  
19 states that the Building Official has the authority  
20 to issue a foundation or parts or other permit  
21 without the total documentation being presented.

22 Mr. O'Brien also stated that the City  
23 Council, the Planning Commission, or the Zoning Board  
24 of Appeals had the authority to make the decisions  
25 they made. That's in indirect violation of Act 230

1 which is part of the (inaudible) process, the  
2 variances and the challenges. So again, I question  
3 his knowledge of what he was talking about.

4 In relationship to the house on 12th  
5 Street, there is a set form that we ordinarily go  
6 through to clarify and give that to the property  
7 owner every opportunity to reclaim their property.  
8 That's under section seven -- or Chapter 7, Section  
9 133a and b. However, Section 138a, b, c and d  
10 clearly -- also states that in the event that this  
11 building has been declared a danger, an immediate  
12 danger to the community, the building authority does  
13 have the authority to issue a demolition order and  
14 have it demo'd. As a matter of fact, it not just his  
15 right, it's his responsibility. If that building  
16 presents a clear and present danger to the community,  
17 it is the responsibility of the Building Official to  
18 order that building demo'd. That building was  
19 inspected and very clearly qualified as immediate  
20 danger. I took another building that had already  
21 been bid off the demolition list and put that one on.  
22 Now, it is true that that building was privately  
23 owned. We sent two certified letters, even though we  
24 didn't have to, to that owner. We did not get a  
25 response.

1 MR. VanDEGRIFT: Two minutes.

2 MR. HILL: I couldn't wait forever.

3 MR. KORYZNO: Thank you, Mr. Hill. I'm  
4 sorry.

5 MR. HILL: Is that it?

6 MR. KORYZNO: Yes, that's all.

7 MR. HILL: Thank you so much for your time.

8 MR. KORYZNO: You're welcome.

9 MR. HILL: I would ask, if I may, a future  
10 date to have more time with you to discuss this.

11 MR. KORYZNO: The next meeting you're  
12 welcome to attend.

13 Donald Agee.

14 MR. AGEE: Good morning, TAB Board, my name  
15 is Donald Agee.

16 There's two questions that I have. Is it  
17 possible I could have counsel come up here with me.  
18 It was pertaining to the -- he know more about the  
19 situation with Kevin Lawrence, that question on Kevin  
20 Lawrence, and also a question dealing with the  
21 Assistant City Clerk.

22 MR. KORYZNO: Well, why don't you go ahead  
23 and pose your questions. You have two minutes and  
24 then we can --

25 MR. AGEE: Okay, as far as the assistant

1 job, we were wondering, that not the elected job for  
2 the City Clerk, right? That's not an elected --

3 MR. KORYZNO: Pose your questions.

4 MR. AGEE: Okay, and also as far as Kevin  
5 Lawrence, we chose this matter on him because by him  
6 being a Supervisor, Kevin goes over and beyond what  
7 he does probably more than any other DPW guy has ever  
8 did, so that's what we was dealing with, Kevin, on  
9 that matter.

10 That's pretty much it.

11 MR. KORYZNO: All right. Thank you.

12 Mike Moore.

13 MR. MOORE: Mike Moore, Safety Director.

14 This is in reference to -- you made it  
15 abundantly clear that you were too keen on budget on  
16 amendments, and what we wanted to point out is that  
17 we have a traffic detail going, and Mrs. Parker made  
18 it very clear before that she had started a, some of  
19 the same type detail that she had been using, a  
20 person ~~for~~<sup>on</sup> straight time, but we've done that. We've  
21 used personal and straight time, but we've also  
22 started a traveling detail up where we're using --  
23 it's kind of like reward to where we can get in some  
24 overtime, but we took into consideration, there was  
25 an issue whereas just paying a person overtime,

1 that's kind of a reward because they're not making  
2 that much money, but down the line, we had to take  
3 into consideration that maybe FAC maybe would kick in  
4 or those type things, where only the money that  
5 they're making right then wasn't only the issue. But  
6 if the people that are working these details, these  
7 people aren't due to retire for 10, 15 years, like  
8 Corporal Barkman, per se. He's, he's on the lower  
9 tier, where he's not making a lot of money.

10 But what we also wanted to point out, we've  
11 given you handouts here to where the money we're  
12 putting out is not a lot of money that we're  
13 expending it. We also found out that we are eligible  
14 for what's called Stone Garden Grant and Corporal  
15 Barkman did the legwork on this and we were able to  
16 go back to, was it 2011?

17 MR. BARKMAN: 2011, yeah.

18 MR. MOORE: And 2012 and collect money. As  
19 long as we're running this detail in a certain area  
20 of town, which was like near the water. We're  
21 running this detail right at Jefferson and  
22 Southfield. We're eligible for this grant and the  
23 money we're expending out, the Boarder Patrol,  
24 they're paying us back. So we're running this detail  
25 virtually for nothing. And we're bringing in quite a

1 bit of money and you're going to see, I guess you can  
2 see right by here, what we're bringing in. We're  
3 bringing in well in, it's well into the six figures.

4 Would you like to --

5 MR. BARKMAN: Yeah, the estimated revenue,  
6 which is obviously based on a hundred percent  
7 compliance. We all understand that's not going to  
8 happen, but that's the only real number I could give  
9 is a hundred percent compliance, and that number is  
10 actually after the State and the Court receive all  
11 their portion. That's complete City fund. That's  
12 \$129,649 dollars from January 1st to May 31st. We  
13 paid \$16,387.54 in payroll and the estimated revenue  
14 after, after the payroll, is \$113,261.46. Now,  
15 again, that's based on a hundred percent compliance.  
16 To this date, the court has provided us, just on the  
17 traffic detail, we have brought in \$103,319.50 from  
18 January 1st to May 31st.

19 MR. VanDEGRIFT: That's two minutes.

20 MR. KORYZNO: Thank you, Safety Director  
21 Moore.

22 MR. MOORE: So that's all to say we're  
23 doing quite a bit of revenue, so if we bring a budget  
24 amendment, it's going to be a good thing. And we  
25 don't want the stink eye.

1 MR. KORYZNO: Very good. Thank you.

2 That's the end to Public Commend. Next  
3 item is Board Comment. Ms. Parker, would you be  
4 willing to respond to Mr. Agee's questions?

5 MS. PARKER: Mr. Agee had a question  
6 related to the Assistant City Clerk position and  
7 whether that's an elected position. I do not believe  
8 it is an elected position.

9 MR. KORYZNO: Counsel, you had a question.

10 MR. ELEM: Good morning. Council Member  
11 Nathanel Elem. Would you like me to respond to that?

12 MS. PARKER: What?

13 MR. ELEM: Would you like me to respond to  
14 that?

15 MS. PARKER: Oh, sure.

16 MR. ELEM: In reference to the Clerk,  
17 that's not an elected position. That's a unionized  
18 position, full time. If you recall, when you came in  
19 to the City of Ecorse, one of the things that you had  
20 to do in your plan was to eliminate the Deputy Clerk  
21 and the Deputy Treasurer, and that left the Clerk in  
22 that position, so that's, that's a full-time  
23 position, unionized. Not part time. It was a  
24 unionized job.

25 And one of the other things, since I'm up

1 here, the Superintendent of the DPW, he's a very --  
2 he's a asset to the City.

3 Number one, we going to have the staff  
4 qualified people to work. He goes out and he works  
5 on all these jobs himself, he does the work and if we  
6 can put him into the budget some kind of way, because  
7 if we don't keep him, we going to be in budget  
8 trouble.

9 The other thing, I didn't hear anything of  
10 approval of the benefits for Judge Michael <sup>Cuinigan</sup> children.

11 MR. BOVITZ: It was part of the April 29th  
12 Meeting that we approved the Minutes.

13 MR. KORYZNO: We approved the Minutes.

14 MR. BOVITZ: It was ratified in the April  
15 29th Minutes so it was approved, yes.

16 MR. ELEM: It was approved, yeah, in your  
17 minutes.

18 MR. KORYZNO: Go ahead.

19 MS. PARKER: Just a comment in reference to  
20 Mr. Lawrence. You know, I'm not suggesting that he  
21 doesn't do an outstanding job for the City. I think  
22 there's a need to go back and revisit the contract  
23 and the benefits to get that more in compliance with  
24 what is in the budget.

25 MR. ELEM: So we need an amendment to the

1 budget is what you saying? Review the whole  
2 contract.

3 MS. PARKER: Yeah. I think Mr. Strand needs  
4 to review that contract, in terms of some of the  
5 concerns that have been raised and maybe re-present  
6 that to the Mayor and Council, and as a result have  
7 come back to the TAB.

8 MR. STRAND: With the, yeah, with the  
9 Director of Public Works.

10 MS. PARKER: Yes, the Director of Public  
11 Works. So --

12 MR. ELEM: That was a unionized job. It  
13 wasn't a part-time job.

14 MS. PARKER: You mean the Assistant City  
15 Clerk?

16 MR. ELEM: Right.

17 MS. PARKER: Yeah, initially, you're  
18 correct, it was a full-time position. We eliminated  
19 the position during the time that I was here and we  
20 actually had the City Clerk working there as well as  
21 the union position, but it sounds like the union  
22 position is no longer in place, other than  
23 considering this part-time position.

24 MR. ELEM: It's no longer in place because  
25 the other lady retired from that position.

1 MS. PARKER: Right.

2 MR. ELEM: Now you're saying that he going  
3 to put an Assistant Clerk as a part time. That's  
4 creating another position. That's not filling the  
5 position that just was left. The two positions  
6 that's just been left was a part -- was a full-time  
7 unionized position. That was a full-time job.

8 MS. PARKER: But what was requested of the  
9 RTAB is to consider the part-time Assistant City  
10 Clerk position. That's what we discussed today.

11 MR. ELEM: Were you considering that just  
12 because you want to cut costs or --

13 MS. PARKER: Well, that's what was  
14 presented to the RTAB:

15 MR. ELEM: How can you -- the thing that  
16 got me confused. How can you -- I've been hearing  
17 that you thinking about have the person work like 24  
18 hours --

19 MR. KORYZNO: That's a discussion between  
20 you and --

21 MS. PARKER: Mr. Strand.

22 MR. KORYZNO: -- Mr. Strand, yes. We just  
23 review what action you take.

24 MR. ELEM: All right. Thank you.

25 MR. KORYZNO: Mr. Bovitz or Ms. Parker, any

1 other comments?

2 MR. BOVITZ: No.

3 MS. PARKER: No.

4 MR. KORYZNO: All right. Motion to  
5 adjourn?

6 MS. PARKER: So moved.

7 MR. BOVITZ: Support.

8 MR. KORYZNO: Moved and supported. All in  
9 favor of the motion say aye.

10 MS. PARKER: Aye.

11 MR. KORYZNO: Aye.

12 MR. BOVITZ: Aye.

13 MR. KORYZNO: The RTAB Meeting for June  
14 10th is adjourned at 10:39 a.m.

15 (Meeting concluded at about 10:39 a.m.)

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STATE OF MICHIGAN     )  
                              )   SS  
COUNTY OF OAKLAND    )

I certify that this transcript, consisting of 68 pages, is a complete, true, and correct record, to the best of my ability, of the Ecorse Receivership TAB Meeting, held in this matter on June 10, 2014.

I also certify that I am not a relative or employee of or an attorney for a party; or a relative or employee of an attorney for a party; or financially interested in the action.

June 17, ~~2013~~  
2014

CHRISTINE A. FELTS, CSMR/CER-986  
Certified Court Reporter