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CITY OF FLINT  
RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING  
WEDNESDAY, FEBRUARY 10, 2016  
2:00 p.m.

Meeting before the RTAB Board at 1101 S. Saginaw,  
Flint, Michigan, on Wednesday, February 10, 2016.

BOARD MEMBERS PRESENT:

Frederick Headen - The Chairperson  
Michael Finney  
Michael Townsend

FROM THE CITY:

Natasha Henderson, Administrator  
Jody Lundquist, Finance Director  
Kerry Nelson, Council President  
Eric Mays, Council member

OTHERS PRESENT:

R. Eric Cline, State of Michigan,  
Treasury Department Manager  
Keith Pemberton  
Gladys D. Williamson  
Arthur Woodson  
Tony Palladeno, Jr.  
R.L. Mitchell

REPORTED BY: Mona Storm, CSR# 4460

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1 Flint, Michigan

2 Wednesday, February 10, 2016

3 2:03 p.m.

4 THE CHAIRPERSON: The meeting will be in  
5 order, please.

6 Let the record reflect that we do have three  
7 members present, a quorum.

8 Next item is the approval of the agenda. Are  
9 there any additions to the agenda?

10 If not, the agenda will be considered  
11 approved.

12 Next item the approval of the January 22nd,  
13 2016 Special RTAB Meeting minutes. It has Attachment  
14 1. Are there any corrections or addition to those  
15 minutes?

16 MR. FINNEY: I will move approval.

17 THE CHAIRPERSON: Is there support?

18 MR. TOWNSEND: Support.

19 THE CHAIRPERSON: Those in favor, please say  
20 "aye".

21 BOARD MEMBERS: Aye.

22 THE CHAIRPERSON: Opposed?

23 Motion is adopted.

24 Item II, Unfinished Business, there is none.

25 Item III, New Business. Do we have either

1 the Mayor or Council President Nelson?

2 MR. NELSON: Good afternoon.

3 THE CHAIRPERSON: Good afternoon.

4 MR. NELSON: Sorry about that.

5 I just wanted to say thank you today. We  
6 actually ask, is there any way possible to assist us in  
7 helping us with the water bills for our citizens of the  
8 City. I know the Governor has had something laid out  
9 and something in mind but there's a real need for  
10 assistance here with our citizens and their water  
11 bills. Because, for the last two years, the water has  
12 not been up to where it should be and, rightfully so,  
13 they should not have to pay for their water bills.

14 And we are asking that, if there's any way  
15 you can, because our citizens are hurting and they  
16 are -- are crying out and saying that we need help.  
17 And so, at the local level, we're trying to do all that  
18 we can. And we're asking that the Governor will -- not  
19 to say we don't appreciate what he's already done.  
20 But, if he would really look at it and reconsider  
21 and -- and let us know.

22 This community, really, we're hurting and so  
23 we just need some help with the -- with assistance to  
24 get this infrastructure and the new pipelines and  
25 service lines. And, really, the citizens should not

1 have to pay for water that they cannot use.

2 So we were just asking that, if you can, any  
3 way, assist us in helping us. And the Mayor's doing  
4 all she can and the City administrators doing all they  
5 can and the staff is doing what we can and we  
6 appreciate what the Governor is doing but we -- we  
7 would just ask that he would relook at some things and  
8 really know that this community is hurting.

9 Thank you so much.

10 THE CHAIRPERSON: Thank you, Council  
11 President.

12 MS. WILLIAMSON: Thank you.

13 THE CHAIRPERSON: The next item on the agenda  
14 would be the Approval of Resolutions from City Council.  
15 We'll begin with the Regular City Council Meeting of  
16 January 11th, 2016, Resolutions 968 and 984. Were  
17 there any questions from the members about those two  
18 resolutions?

19 MR. TOWNSEND: No, Mr. Chairman.

20 THE CHAIRPERSON: If not, is there a motion  
21 that resolutions from the Regular City Council Meeting  
22 of January 11, 2016 be approved?

23 MR. TOWNSEND: Motion to approve.

24 THE CHAIRPERSON: Is there support?

25 MR. FINNEY: Support.

1 THE CHAIRPERSON: Those in favor of the  
2 motion, please say "aye".

3 BOARD MEMBERS: Aye.

4 THE CHAIRPERSON: Opposed?

5 Motion is adopted.

6 Next item are Resolutions from the Regular  
7 City Council Meeting of January 25th. It's Attachment  
8 3, Resolutions 985, 985.1, 989, 990, 991, 992, 993 and  
9 994. Are there questions about any of those City  
10 Council Resolutions?

11 MR. FINNEY: Mr. Chairman, is there anybody  
12 here from the City that wants to address any of these?

13 MS. HENDERSON: I would like to --

14 THE CHAIRPERSON: Miss Henderson.

15 MS. HENDERSON: -- if I may.

16 THE CHAIRPERSON: Yes.

17 MS. HENDERSON: 990, which would be referred  
18 to is -- that is not listed as 990, per Council  
19 records, that was actually dropped by the Council. So,  
20 if we could get that removed, that would be great.

21 THE CHAIRPERSON: So you wish to have that  
22 removed from the list?

23 MS. HENDERSON: Yes, sir.

24 THE CHAIRPERSON: Okay.

25 MR. FINNEY: You said that was not approved

1 by Council?

2 MS. HENDERSON: Yes, that was actually  
3 dropped. It has to go through another procedure.

4 THE CHAIRPERSON: And will that be the only  
5 revision?

6 MS. HENDERSON: Yes, sir, that is correct.

7 THE CHAIRPERSON: Questions about any of the  
8 other resolutions other than 990?

9 MR. FINNEY: I move for adoption.

10 THE CHAIRPERSON: Is there support?

11 MR. TOWNSEND: Support.

12 THE CHAIRPERSON: Those in favor of the  
13 motion, please say "aye".

14 BOARD MEMBERS: Aye.

15 THE CHAIRPERSON: Opposed?

16 Motion is adopted.

17 Next item, City Administrator.

18 Miss Henderson.

19 MS. HENDERSON: Are there any questions that  
20 you all have of me? If not, I will defer to  
21 Jody Lundquist as CFO for the Budget to Actual Report.

22 MS. LUNDQUIST: Good afternoon.

23 THE CHAIRPERSON: Good afternoon.

24 MS. LUNDQUIST: Good afternoon. At this  
25 point, I have no new news to report since the November

1 30 report. What you have before you are through  
2 December 31, 2015, our attached investment report has  
3 changed slightly in its format. In prior months, it  
4 had activity beginning with a month and ending with a  
5 month with which it was reporting.

6 We took a picture of our financial position  
7 for the fiscal year. I changed the beginning balance  
8 start date so that now it reflects our fiscal year  
9 beginning July 1, 2015. It gives a better picture of  
10 where we started and where we are now, specifically, as  
11 we review our position for our water and sewer funds  
12 and our cash position there.

13 With our revenue and expenditure report, with  
14 the Budget to Actual, nothing at this point  
15 tremendously out of line. Our water and sewer cash  
16 flows and activity for the budget continues to remain a  
17 concern. The City remains under a spending freeze and  
18 all of these activities are ongoing as we then look  
19 forward to preparation of our fiscal year '17/'18  
20 biannually budget.

21 And that's all I have.

22 THE CHAIRPERSON: Question, if I may, about  
23 the last two pages of the cash investment account  
24 summary. The last page, which has the water and sewer  
25 fund and the numbers that correspond to the -- to the

1 memorandum about a cash decrease in the sewer fund of  
2 \$249,000 and 3.7, \$3.8 million cash decrease in -- in  
3 the water fund, from July 1 of '15 to December 31, '15.  
4 There's listed, under the water fund, a cash reserve  
5 line. Could you tell me what -- what that is. I don't  
6 see it show up under any other funds.

7 MS. LUNDQUIST: Right. So the water fund is  
8 subject to additional legal parameters. As you may be  
9 familiar with the Revenue Bond Act, there are certain  
10 accounts that are required by Revenue Bond Act as a  
11 result of those bond covenants.

12 THE CHAIRPERSON: So the cash reserve account  
13 applies to that?

14 MS. LUNDQUIST: Correct.

15 THE CHAIRPERSON: And the -- one of the  
16 questions that occurred to me, as I was looking at  
17 these numbers this afternoon, if I were to have looked  
18 at a year ago, with these numbers, July 1 of '14 to  
19 December 31 of '14, how would those numbers have  
20 compared to the numbers that are depicted here?

21 In other words, would there have been a  
22 reduction of cash in prior years as well; is there  
23 something related to 2015 that was unique?

24 MS. LUNDQUIST: So looking at -- this is just  
25 purely speculation. Without those numbers in front of

1 me, I would assume that December 31, 2014 would have  
2 been higher than July 1, 2014 --

3 THE CHAIRPERSON: Okay.

4 MS. LUNDQUIST: -- as the City continued to  
5 build its fund balance reserve, had ongoing operations,  
6 set aside money for capital improvements.

7 Then, looking at July 1, 2015 to December 31,  
8 2015, you see that decrease is largely a result of a  
9 decrease in customer collections. We were seeing that  
10 on almost a daily basis with the number of customers  
11 that are actually paying their water bills, as well as  
12 the \$2 million that the City paid towards the purchase  
13 of Lake Huron water through DWS and Karegnondi Water  
14 Authority.

15 THE CHAIRPERSON: So the cash reductions are  
16 a decrease, they're not a result of expenditures out of  
17 the fund or they're really the result of decreased  
18 collections coming in?

19 MS. LUNDQUIST: Correct. So the City had  
20 budgeted -- between its water and sewer funds, the  
21 budget was approximately \$68 million. The revenues  
22 that we're projecting were approximately \$68 million.  
23 So those monies were to maintain our capital  
24 improvement schedule and to keep up with our day-to-day  
25 operations and then we had to eliminate a good majority

1 of the capital improvements that had been planned to  
2 offset the results of the Preliminary Injunction Order  
3 in August. And then that's just been further  
4 exacerbated by the declaration of the water crisis.

5 THE CHAIRPERSON: Thank you.

6 Other questions?

7 MR. FINNEY: Just a quick one. Do you have a  
8 sense of a percentage of payers who are actually paying  
9 in full or some portion of their bills?

10 MS. LUNDQUIST: I don't have in front of me  
11 the collection rate for January. When the City has  
12 historically looked at our collection rate, we take  
13 into consideration the fact that a large percentage,  
14 would be about 75 percent of our customers, might be in  
15 a special state of delinquency.

16 When we're issuing shutoff notices, we're at  
17 least able to enforce payment or collections through  
18 those shutoff notices. Without the ability to use that  
19 as a mechanism for collections, we were seeing that  
20 fall such as that in October we hit a low of  
21 70 percent. So we were billing out -- say we were  
22 billing out \$1 million in 2015, we were seeing \$70,000  
23 in cash.

24 We saw a slight bump up in December because  
25 we had issued shutoff notices in November. So that's

1 kind of a testimony to the ability of the City to  
2 collect through issuing shutoff notices and seeing that  
3 fall.

4 And, like I said, I don't have that in front  
5 of me but I have been monitoring January activity on a  
6 weekly basis and, for each week in January, it went  
7 down about \$300,000, that's per week, from the prior  
8 year, and about 200 customers there's actual foot  
9 traffic coming in and paying per day.

10 So I would -- right. So -- so you obviously  
11 saw the bump in December. That increase brought our  
12 average to about 85 percent. I would say that we're  
13 rather -- that they are lower for January.

14 MR. FINNEY: So 85 percent of the actual --

15 MS. LUNDQUIST: It's a percentage of -- of  
16 cash we're collecting compared to the amount that we're  
17 billing on any given month.

18 MR. FINNEY: So, even at the -- at the  
19 historically -- at the historical rates of collection,  
20 what was -- what was happening to both these funds, the  
21 water and sewer fund, was it, in fact, a break even,  
22 was it --

23 MS. LUNDQUIST: Yeah. So we're at about  
24 98 percent. So if we were billing out \$6 million a  
25 month, between water and sewer combined, we're

1 collecting about \$6 million a month. So that's why I  
2 was able to respond -- rather speculate what July 1  
3 looked like versus December 31 for 2014, I would expect  
4 that those balances would either be even, if not  
5 December 31 be slightly higher, whereas now, with the  
6 collection rate that we have July 1, 2015 versus  
7 December 31, 2015, it's substantially lower. And,  
8 again, it's by virtue of our collection rate.

9 MR. FINNEY: So I just have a general  
10 question. And this is about all the other funds that  
11 are presented here. Is there any other areas of  
12 concern with respect to, you know, budget and core tax  
13 system revenues and expenditures that we should be  
14 aware of?

15 MS. LUNDQUIST: Yeah, absolutely. So the \$30  
16 million that the Governor has proposed -- it's before  
17 the House -- would provide relief for our customers but  
18 in no way stabilizes our water fund. If anything, it  
19 just kicks the can down the road, it fills the gap, it  
20 repays those customers, you know, by virtue of placing  
21 credit on the accounts of those customers that were in  
22 the habit of paying that could potentially then wind up  
23 in them having credit bills for a certain period of  
24 time, which means, if we were receiving all the cash up  
25 front, we're not receiving any cash from those

1 customers for a series of months and then, at the end  
2 of the day, our net's still approximately zero and  
3 we're in the same position that we had with our  
4 systemic issues addressed.

5 The larger concern, of course, is that, with  
6 the water and sewer funds, the enterprise funds, the  
7 revenue they collect is dedicated to the operation of  
8 those systems. The general fund is the only fund that  
9 could then offset or assist if there are deficits in  
10 those funds.

11 The 2015 audit reports that we have a  
12 \$3 million surplus in the general fund, that would be  
13 approximately one month's worth of operating expenses  
14 for the water fund, not to say anything about the sewer  
15 fund.

16 From a collection standpoint, that was  
17 equally hard by the Preliminary Injunction Order and  
18 then the water crisis and then the water impact on the  
19 City of Flint and its ability to provide other  
20 services, such as public safety is not only if we had  
21 to reach into the general fund to help assist with  
22 the -- with financing the operations of the water and  
23 sewer fund, drops off tax values.

24 You know, we had dedicated safety millages  
25 and as those property tax values decline, so will the

1 property tax revenues there is to support those  
2 instances.

3 MR. FINNEY: Thank you.

4 MR. TOWNSEND: At that time -- what's your  
5 timetable for that -- that would be necessary to dip  
6 into the general fund?

7 MS. LUNDQUIST: August.

8 MR. TOWNSEND: August?

9 MS. LUNDQUIST: (Nods head.)

10 MR. TOWNSEND: So --

11 MR. FINNEY: That assumes the 30 million or  
12 no?

13 MS. LUNDQUIST: No, the 30 million would  
14 potentially kick that out a little bit further. We  
15 might make it to the end of December of 2016. But  
16 there -- there are so many uncertainties there with  
17 increasing costs, you know, that, ultimately, we don't  
18 have anything in writing that we would have any support  
19 to fulfill.

20 So, to say that, you know, we would make it  
21 until December 2016, that's maintaining the status quo,  
22 that's just simply being able to operate the system and  
23 respond to repairs and maintenance needs but that  
24 speaks nothing to the need of infrastructure repairs or  
25 any assistance to replace service lines. So that

1 financial support would have to come from elsewhere and  
2 it's not reflected in the timeline I just spoke of.

3 MR. TOWNSEND: So your request to not pay the  
4 bills should be also a credit to the -- I mean, to the  
5 customers but also a payment to the City is what you  
6 should be recommending, right?

7 MS. LUNDQUIST: Right. So not only would we  
8 need -- because the projections that the State used in  
9 order to come up with this \$30 million assumes a number  
10 of factors. It doesn't provide any relief for late  
11 payment -- or late payment charges. It does not  
12 provide any length of time that assumptions that they  
13 used that it was -- it would be 65 percent credit for  
14 residential accounts and 20 percent credit for  
15 commercial accounts for the period April 2014 through  
16 April 2016, assuming that the clean water date is  
17 April 2016.

18 I leave that to the science and health  
19 officials, you know, to weigh in on what a realistic  
20 date there would be. But, with those factors alone,  
21 the time period alone that \$30 million will only  
22 provide relief for the customers' bills through April.

23 MR. FINNEY: I have one last question. So,  
24 if the \$30 million creates an opportunity for  
25 reductions in the amount of payments that the

1 citizens -- citizens would be expected to pay and that  
2 is only enough funding to support the water and sewer  
3 fund through December of 2016, have you put together a  
4 proforma that would illustrate what would need to  
5 happen, assuming that -- that that condition of paying  
6 only a portion of the bill continues beyond December of  
7 2016?

8 Do you understand what I'm saying?

9 In other words, there would need to be cash  
10 from somewhere to backfill for the deficit that would  
11 occur after December of 2016. Have you put together a  
12 proforma that would illustrate how much that -- how  
13 much would be required, assuming that the citizens were  
14 paying that reduced rate beyond December of 2016?

15 MS. LUNDQUIST: Right. So the number that  
16 the City Administrator has discussed with Council is  
17 \$60 million. Then we have, also, our State Senator  
18 Representatives about the fact that \$60 million will  
19 assist with stabilizing the loss in the funds and  
20 position us to move forward with our collection  
21 efforts.

22 MR. FINNEY: That's an annual number,  
23 60 million?

24 MS. LUNDQUIST: \$60 million would just be,  
25 basically, a one-time need and it would get us through

1 December of 2016, at which point, hopefully, we would  
2 have been able to secure other sources of funding, to  
3 address our infrastructure needs and we would then get  
4 our customers back in the habit of paying for a product  
5 that they're confident in.

6 Okay. So the -- well, the -- the time limit  
7 of April 2014 allows for two things, basically. It  
8 gives us a credit -- a 65 percent credit on the water  
9 bill portion only for our customers back to April 2014  
10 and then a few months from the historical building that  
11 we had.

12 We used a number of factors to project from  
13 December then out to April. So there was, I guess, 19  
14 months of historical data that we were able to say this  
15 is what we actually have billed to customers and that's  
16 what, then, customers would receive credit for and then  
17 they would send a number of months that we projected as  
18 we continue to bill the customers that we billed for  
19 that 35 percent of what otherwise they would --

20 Again, that only gets us from a bill relief  
21 standpoint, we were counting on that revenue one way or  
22 another. We had budgeted, you know, we had already  
23 been, in this case, booked it on our audited financial  
24 statements.

25 So we're not receiving support for any

1 customers bills after April. That is a conversation  
2 that will have to be had with the Governor's office and  
3 the State Legislature.

4 THE CHAIRPERSON: Other questions?

5 MR. TOWNSEND: No.

6 MR. FINNEY: No.

7 THE CHAIRPERSON: How often are residents  
8 billed; is it monthly?

9 MS. LUNDQUIST: Monthly.

10 THE CHAIRPERSON: Monthly?

11 MS. LUNDQUIST: We have nine customers that  
12 bills eight residential cycles and one commercial  
13 cycle, approximately two cycles go out per week.

14 THE CHAIRPERSON: And, if there is such a  
15 thing as a typical bill, what percentage of the bill  
16 would be water and what percentage would be sewer?

17 MS. LUNDQUIST: It's about 50/50.

18 THE CHAIRPERSON: And are -- are nonpayments,  
19 are people paying, for example, the sewer portion and  
20 if not water or not --

21 MS. LUNDQUIST: To my knowledge, I am not  
22 aware of any customers coming in and specifically  
23 paying only their sewer charges. There have been some  
24 public discussions, encouraging customers to at least  
25 pay their sewer charges while we see what the State

1 does in the form of bill relief assistance for these  
2 customers. But I am not aware of anyone actually  
3 taking the request now.

4 So that's why it's so crucial that, when we  
5 look at the health of the water fund, we don't forget  
6 that the sewer fund is also part of the utility system.  
7 When people refer to their water bills, they're, in  
8 fact, a utility bill that includes both water and sewer  
9 charges. So, by not paying their water bill, they're  
10 equally impacting the ongoing stability of the sewer  
11 fund as well.

12 THE CHAIRPERSON: Thank you. If there's no  
13 objection, the January 20, 2015 Budget to Actual  
14 Revenue Expenditure Report will be received.

15 Next item is Public Comment.

16 Mr. Cline.

17 MR. CLINE: Good afternoon. I have six  
18 individuals that have signed up for Public Comment.  
19 I'm going to start with Keith Pemberton.

20 THE CHAIRPERSON: And please be reminded that  
21 the rule remains in effect for two minutes per  
22 individual.

23 MR. PEMBERTON: Certainly.

24 THE CHAIRPERSON: Good afternoon.

25 MR. PEMBERTON: Good afternoon. My name is

1 Keith Pemberton and I'm a resident in Flint. I would  
2 like to say that what the young lady presented is only  
3 half of the story, only half of the truth.

4 The customers that want a rebate on the  
5 false- or wrongly-raised bills only want the water  
6 refunded, not the sewer. Nobody's saying they don't  
7 want to pay the sewer fund. If she's going to -- if  
8 she says that we need the water fund to keep the sewer  
9 bill caught up to date, that means that something's  
10 wrong with the sewer thing. Because why would they  
11 take the water part of the bill and the sewer part of  
12 the bill to pay the sewer part of the bill? That  
13 doesn't make any sense.

14 Along with our water and along with our  
15 sewer, we're also paying in that bill in the fee  
16 section, we're paying for streetlights, we're paying  
17 for garbage collection, we're paying for leaf pickup in  
18 the fall, we're paying for snowplowing in the winter,  
19 all of that stuff.

20 And that's all -- and that the funding that  
21 they're talking about running low on is for the master  
22 plan for the City and the housing thing that goes on.  
23 That's what all them funds are going to, that and  
24 Karegnondi.

25 We asked at the City Council meetings several

1 times for a specification, an item-by-item listing, of  
2 what the -- the -- the finance -- the bill was going to  
3 be for our City for 2015 and they kept saying, "We  
4 don't have that information. We don't have that  
5 information." They kept saying, "We'll bring it to the  
6 next meeting. We'll bring it to the next meeting."  
7 Nobody brought anything. We have -- this is our City  
8 and we don't have a clue what any of the money is going  
9 for because they won't tell us.

10 If you guys can't answer that question, you  
11 shouldn't be here either.

12 THE CHAIRPERSON: Thank you, sir.

13 MR. CLINE: All right. Gladys Williamson.

14 MR. PEMBERTON: Idiots.

15 MS. WILLIAMSON: Yes, sir. My name is  
16 Gladys Williamson and I'm a citizen of Flint. I was  
17 born and raised in Flint. I worked at the Buick. What  
18 concerns me is I've paid my water bill. I'm current  
19 for water that is good for nothing but to flush down  
20 the toilet into the sewer, and it's wrong.

21 I have diverticulitis now. I'm going to  
22 Mount Morris to take my showers because I've lost so  
23 much hair. I've got more hair in my hand than I've got  
24 on my head. And I don't understand. None of us  
25 understand. None of us can understand how the people

1 that are supposed to be representing and caring about  
2 us -- how this could happen. I don't understand.  
3 Nobody understands. We just keep paying.

4 Chase just got ahold of me and they want some  
5 more money for my house bill, to go in escrow, almost  
6 \$200. I paid twice for a streetlight that has no  
7 streetlight, there's just a pole sitting out in front  
8 of my easement. And twice they've charged me \$70-some  
9 that went on my escrow bill.

10 And now we're drinking this water? It's  
11 killing everybody. I want the Governor here, I want  
12 his family here and I want his dog here. And I want  
13 them locked up in a house in Flint for two years and I  
14 want to see then what he thinks about all of this  
15 because it's a sad shape.

16 The people that could walk away from their  
17 homes, they've walked away and you've done nothing but  
18 strap us with their debts. Please, please, do  
19 something. Do something for us. We're in duress.

20 I'm taking two blood pressure pills a day.  
21 You see how red my face is? I'm telling you, we -- you  
22 got to do something for us. And don't believe what  
23 these people -- that's half a story. We deserve to  
24 know where this money's going. There's money going in  
25 that's, "Poof, poof", it's gone. And then they want

1 more.

2 But I'm paying my water bill. My water bill  
3 is current and it's not good for nothing but to flush  
4 the toilet into the sewer. Please.

5 THE CHAIRPERSON: Thank you.

6 MR. CLINE: Arthur Woodson.

7 MR. WOODSON: Hi, I'm Arthur Woodson. Metro  
8 Community Development is -- they have a fund right now  
9 for shutoff notices -- I mean for shutoffs. I would  
10 like to know if you all know of funds that are in the  
11 community development that, if they are getting funds  
12 for shutoffs, if the \$30 million is coming in for that,  
13 what's going to happen with that money?

14 Also, Detroit is paid already and we can't  
15 seem to get any literature on how much funds is in the  
16 Water Department right now. I believe that, if we are  
17 chose -- if they passed the regulation last night, I  
18 believe that, by people just seeing that all we ever  
19 pay for is sewer, I believe those people that's not  
20 paying will come in and pay until Governor Snyder could  
21 come in and give us more money to where we don't have  
22 to pay at all.

23 Because I met with FTC, Federal Trade  
24 Commission. They do (sic) not supposed to be selling  
25 an injurious product. This is an injurious product

1 that's coming in our house where our houses is not even  
2 valued anymore, they are way as -- we can't refinance,  
3 we can't sell it, we have to have an affidavit saying  
4 this house is lead-infested and they won't refinance it  
5 because it's lead-infested. So we have some serious  
6 issues here. The Fire Department showed today how  
7 their pumps are messed up.

8 We're talking about justifying (sic) the  
9 infrastructure service lines and all that. What about  
10 the people's houses? We broke open a water heater tank  
11 and it was filled with sediments; that's a danger  
12 because that can catch fire. So we're not even talking  
13 about the infrastructure. The people should not have  
14 to pay for something, a mistake or a cause or whatever  
15 happened, where MDEQ and the City or whoever was  
16 neglect in doing their duty. So the people should be  
17 funded money for that also, to fix the infrastructure.

18 Thank you.

19 THE CHAIRPERSON: Mr. Woodson, before you  
20 leave the microphone, you're the second resident this  
21 afternoon who indicated that you don't get -- maybe you  
22 didn't phrase it that way. But you don't receive  
23 financial information about the City so you don't know  
24 the condition of the water and sewer fund; I think the  
25 other gentleman indicated the same thing.

1                   Am I incorrect in presuming that financial  
2 information is presented to or shared with the City  
3 Council at -- at the meeting?

4                   MR. WOODSON: I mean, it was shared with City  
5 Council but we don't get a copy of it. We don't see --  
6 we don't even know what's coming in. I don't get a  
7 copy of it. And I would like to see what the budget  
8 is, what the finances are, what the Water Department --  
9 because Detroit water bills paid by the State in  
10 months. So, if people are paying their water bills,  
11 all that's profits because of the fact they paid since  
12 October. So I want to know, how is it that we just  
13 can't pay sewer bill right now?

14                   Because the water portion of it is already  
15 paid. And, I mean, I'm understanding we're going by  
16 projection but, at the same time, if -- is 48 percent  
17 sewer is higher than -- sewer water services are higher  
18 than water services, it's \$34.10, they would still be  
19 able to buy the chemicals and pay the employees and  
20 everything.

21                   So this shouldn't be a hard task to do  
22 because the water portion is already paid for to  
23 Detroit so this could be something that's done right  
24 now, when the 30 million-dollar come in, they could,  
25 you know, get that money from that.

1                   I don't understand, how do they credit people  
2                   that's already caught up on their bills? How would  
3                   they credit them and, what, they going to credit them  
4                   all the way to 2019 if they already caught up on their  
5                   bills? Why wouldn't there be a refund?

6                   If I'm caught up on my bills, I should get a  
7                   refund, not just continuously pay. I shouldn't have to  
8                   have a credit down the line.

9                   THE CHAIRPERSON: I -- I believe that -- and  
10                  Mr. Cline can correct me if I'm -- if I'm wrong --  
11                  that, all of the RTAB information, at least, is posted  
12                  on the Treasury website. So, for example, minutes,  
13                  Budget to Actual information that we would get would,  
14                  at least, be available through our website. I -- I  
15                  can't speak but perhaps someone from the City here can  
16                  with regards to what information may be posted on the  
17                  City website in terms of financial information.

18                  MR. WOODSON: I haven't heard anything  
19                  about --

20                  THE CHAIRPERSON: I bring this -- I bring  
21                  this point up because of the fact that the -- the RTAB  
22                  has a -- a fairly limited role, which is primarily to  
23                  assist the City in approving its finances to the point  
24                  where it leaves receivership. We don't have a very  
25                  broad portfolio but, to the extent that we are involved

1 in the City's finances, we try to make all the  
2 information that we receive transparent and available  
3 to everybody who wants to see it.

4 Now, people may have questions about the  
5 information or may disagree with aspects of it. But,  
6 certainly, all the information that we receive for our  
7 monthly meetings we'll try to make available to anybody  
8 who wants to view it.

9 MR. WOODSON: Well, I have a question for  
10 you. A resolution was passed Monday at City Council  
11 where they put it to where we only pay sewer. Sewer  
12 service and sewer -- non-metered sewer. Is there any  
13 way that you all could call an emergency meeting, read  
14 up on it, look at the figures and call an emergency  
15 meeting without having to wait a whole month before you  
16 meet again so that you could meet on it and vote on it  
17 so that we can get some type of a relief immediately?

18 Instead of -- because we have a feeling that  
19 everyone's waiting it out to see if the water  
20 phosphates will build another bile film on these pipes  
21 so that they will not change the pipes again. We don't  
22 have that long. We need these changed out now and the  
23 residents will need relief right now. So is there any  
24 way that you all could read over the finances to where  
25 you could call an emergency meeting, like, next week

1 and vote on it and let the people -- the citizens of  
2 Flint get some type of relief?

3 Because we been doing this for two years and  
4 we want some type of relief or some type of happiness  
5 in our life, letting us know that, you know, you all  
6 are working with us and not against us.

7 Thank you.

8 THE CHAIRPERSON: Thank you.

9 MS. WILLIAMSON: Thank you, Art.

10 MR. CLINE: All right. Eric Mays.

11 MR. MAYS: Councilman Eric Mays, First Ward,  
12 City of Flint. You know, I attend a lot of meetings,  
13 including Council meetings and I noticed that the -- I  
14 think, if I'm accurate, the last RTAB meeting was  
15 canceled. I stood in almost every RTAB meeting prior  
16 to that and I spoke of emergency meetings. I've rushed  
17 dealing with the clock for two minutes. I've seen what  
18 the President said somewhat today, Mr. Headen, and I  
19 seen you dialogue with the citizens. I represent  
20 11,000 or so and I beg for this type of dialogue with  
21 the Councilmen.

22 I've lobbied and I've asked that the Mayor  
23 and the President of the Council or somebody be able to  
24 dialogue. We got that on the agenda. I sat in the  
25 Mayor's office, under Walling, when they said the RTAB

1 was coming in. They said the RTAB would just kind of  
2 be here and, if we don't cross the yellow line, we  
3 won't really do nothing, and so we're not going to  
4 really interfere.

5 But, as I look at the RTAB and I'm familiar  
6 with Mr. Finney, me and his brother used to be  
7 roommates, I'm familiar with Mike Townsend and I met  
8 you back over the years. So the three people here I  
9 know the best. The college president, the others, they  
10 running colleges. I'm running a City -- or elected to  
11 run a City. This is what I focus on and do.

12 I understand but we get arrested speaking  
13 over two, three, five minutes. In our Council meeting,  
14 there's not such a rule. It's a stigma created by the  
15 emergency manager. And so what I'm saying now is this:

16 People making intentional -- unintentional  
17 mistakes interfering in the operation of the Governor.  
18 I don't want you all to be a casualty of war here  
19 because the whole nation is looking. It's emergency  
20 stuff that we need to pass in Council and it kind of  
21 sits in limbo until the RTAB meets. It's meetings.  
22 It's stuff that we do. If we transitioning out, we  
23 don't even have subpoena power under Emergency Manager  
24 Orders in order to do our due diligence and  
25 investigate.

1                   We looking at congressional hearings, doing  
2                   their due diligence. I already know what and who  
3                   didn't do what as it relates to the water crisis. But  
4                   we can't have a court stenographer and do our due  
5                   diligence and then turn it over. It's been a lot of  
6                   time wasted and a lot of things -- hands tied.

7                   Because we are an intelligent group; we can  
8                   count figures, we can stand here and answer your  
9                   questions, just as good as budget directors, we can  
10                  make a plan, and we're elected to do that. So I  
11                  appreciate just a little indulgence.

12                  But one day I want this RTAB or members that  
13                  are up to attend a Council meeting. I want you to see  
14                  who knows what, who don't know what, listen to what we  
15                  can -- they treat you all with more respect than they  
16                  do me. And, when it makes sense to you -- and I'm glad  
17                  to see you, Mike Townsend, because that's how folks  
18                  didn't listen before -- I want a recommendation. I  
19                  want you out of here. I want you out because we  
20                  deserve to have you out because, when you all was  
21                  watching to see if we went across the yellow line from  
22                  the DEQ to Public Act 436 --

23                  THE CHAIRPERSON: We don't want to indulge  
24                  you too much.

25                  MR. MAYS: -- the State --

1 THE CHAIRPERSON: If you could --

2 MR. MAYS: The State done went over the  
3 yellow line. And so, since the State done went over  
4 the yellow line and this is affecting the people I  
5 represent, I want you to indulge me. And I'm easing  
6 out of the way. The State done went over the yellow  
7 line. And, when you talk about nonfeasance,  
8 malfeasance, resignations, it's time to let us do our  
9 job.

10 Thank you.

11 THE CHAIRPERSON: Thank you, Councilman.

12 MR. CLINE: Tony Palladeno.

13 MR. PALLADENO, JR.: Thank you, all.

14 Tony Palladeno, the east side of Flint. I don't even  
15 know where to begin. Seems like I've been in front of  
16 you before. I don't know if you're our mayor. I don't  
17 know if you guys are an administrator or emergency  
18 manager. But, apparently, you're listening to me  
19 because I seen a little -- we don't really get a lot of  
20 that and we are screaming.

21 THE CHAIRPERSON: We are none of those.

22 MR. PALLADENO, JR.: Okay. But I hear a lot  
23 of screaming and I got so mad a lot of times for that.  
24 I guess, when it comes to these sewers and water bills  
25 and seniors out there fighting, I think we've already

1           paid by the loss of our hair and our freedoms of a  
2           shower, man, you know.

3                        If the sewer bill's more than the water bill,  
4           what I'm wondering is, is that sewer bill going to be  
5           locked in or are you going to jack that around where we  
6           pay 200 for that?

7                        I think that needs to be frozen just like you  
8           did the taxes on the two buildings down here. I think  
9           I should be forgiven for my taxes for the last five  
10          years, just like you did that building down there.

11                      I'm a business in the City of Flint. I have  
12          some rentals I cannot keep now because I'm losing them.  
13          I built my life in here. I worked in the newspaper for  
14          a long time. I'm now in the City. I've been here my  
15          whole life. I'm being destroyed. We just got a water  
16          bill -- two water bills; one out of a rental that's not  
17          been used since June, it's \$120, and our place that  
18          we're forced to live in with four of us was \$120. I  
19          asked them downstairs what that is.

20                      "Well, that's an actual bill."

21                      Well, that's crap because we didn't use  
22          anything in that other house. And when the time comes  
23          for credits on these water bills, will we be reimbursed  
24          with cash? What if I want to move? You know, they're  
25          going to cancel my service and take my houses and taxes

1 and all this stuff they're doing. And I also want to  
2 talk about the streetlight tax. I was at the meeting  
3 last night and I asked them, how can you tax us -- real  
4 quick: How can you tax us and not let us know you're  
5 taxing us? But my question to you is, can you find out  
6 how much tax we paid on streetlights? I lost my house  
7 because of it.

8 THE CHAIRPERSON: You lost --

9 MR. PALLADENO, JR.: It was supposed \$400 and  
10 now it's \$600 and, while you're in bankruptcy and  
11 you're not paying your taxes, you can't buy anything or  
12 merge -- I can't merge these properties, even, it's as  
13 far as the way they got this going.

14 And one more thing: I honestly, truly think  
15 you need to freeze the master plan until we get this  
16 infrastructure done. Because I know them guys are  
17 going to be holding this money over us and doing things  
18 that aren't pertaining to the City itself. We need to  
19 get this infrastructure fixed before they start coming  
20 in and taking my properties.

21 Thank you. I appreciate you guys.

22 MS. WILLIAMSON: Thank you.

23 THE CHAIRPERSON: Thank you.

24 MS. WILLIAMSON: Thanks, Tony.

25 MR. CLINE: R.L. Mitchell.

1 MR. MITCHELL: Good evening.

2 THE CHAIRPERSON: Mr. Mitchell.

3 MR. MITCHELL: The RTAB, I'm Mr. Mitchell,  
4 representing we, the people, the last -- the last of  
5 the citizens in Flint. I'm an -- I'm an assistant of a  
6 Mays ward over on the north side, the biggest ward in  
7 Flint. And we, the people, want you to know that we  
8 familiar with them e-mails and what you -- you  
9 people -- I don't want to call you "you people", I can  
10 just call you Michael.

11 Michael, are we familiar with talking about  
12 e-mails you been messing with the election to keep Mays  
13 from being a candidate in the republican? We ain't  
14 stupid, as the people.

15 And Mike, you know you. It's a pile of that  
16 stuff but I can talk to you but I notice you have my  
17 President of the Council begging through the RTAB. He  
18 don't have to look like that.

19 President, yeah, the big fellow back there, I  
20 can't recall his name right now, you got me so  
21 infested -- and, as I speak right now, my house, they  
22 had put a -- somebody got -- came in my house and put a  
23 filter on my --

24 And the landlord, finally he did it and the  
25 wife told me, even though -- don't drink -- don't use

1 the water. But last night I can't use the water at  
2 all, it was -- the infrastructure falling apart. And  
3 Mays and my Councilman Ward right now I live two miles  
4 from Dort Highway, the water plant. And I was looking  
5 about up there all on the news, even as -- Man, is this  
6 a part of your stuff to keep Mays from dealing with the  
7 infrastructure?

8 Hello. Give me some feedback. I'm trying to  
9 talk to you straight. Because the RTAB, you got more  
10 power than this financial management running from the  
11 government or Darnell Earley, he was running here, too.  
12 And now, Mike, you know -- and -- now, Michael, I know  
13 you don't know. But Mike, this dude right -- I mean  
14 this -- hey, help -- excuse my English but I talk like  
15 this because my own family didn't teach me how to talk  
16 over there on the black streets over there on I was  
17 listening to -- I would -- hey, listen here, fellow. I  
18 would --

19 Hey, I can't talk no more but I want you  
20 to -- I don't know what -- hey, do you know how I feel?  
21 Can't use the -- the toilet got to go somewhere down  
22 and people rushing and now I don't want to talk no  
23 more. You look like you can do something but you  
24 won't, Frederick. That's up.

25 THE CHAIRPERSON: Thank you.

1 Mr. Cline, anybody else?

2 MR. CLINE: No, that's all.

3 MS. WILLIAMSON: Please help us.

4 THE CHAIRPERSON: Is there any further  
5 business before this Board before we adjourn?

6 MS. HENDERSON: Yes.

7 THE CHAIRPERSON: Yes, Ms. Henderson.

8 MS. HENDERSON: I would like to say that --  
9 to just respond on the record that we do have our  
10 audit, of course, is on the website, it's -- it's  
11 available. Anything that we present to the RTAB, which  
12 by order we do present those Budget to Actuals, that's  
13 on the -- the website. We have actually the link to  
14 the State's website on our website.

15 Also, we present quarterly amendments, which  
16 would be included with the incomes of the RTAB or  
17 anything that we do with the Council. Anything outside  
18 of that would be -- that doesn't come to the RTAB,  
19 which would be our committee meetings, those, that  
20 information is public, we have those meetings publicly,  
21 which comprises of the three members of the Council and  
22 all of those committees.

23 So I would like to say that we are very  
24 transparent, also, which our audit will actually show  
25 that we had -- we actually did very well on our audit.



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C E R T I F I C A T E

I, Mona Storm, do hereby certify that I have recorded stenographically the proceedings had and testimony taken in the meeting, at the time and place hereinbefore set forth, and I do further certify that the foregoing transcript, consisting of (38) pages, is a true and correct transcript of my said stenographic notes.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mona Storm  
CSR-4460

APPROVED - 2/26/16