

1 CITY OF FLINT  
2 RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING  
3 WEDNESDAY, JANUARY 11, 2017  
4 2:00 P.M.

5  
6 Meeting before the  
7 RTAB Board at Flint City Hall, Flint, Michigan, on  
8 Wednesday, January 11, 2017.

9  
10 BOARD MEMBERS PRESENT:

11 Frederick Headen - The Chairperson  
12 Michael Finney  
13 Joel Ferguson by phone  
14 Michael Townsend

15 FROM THE CITY:  
16 City Administrator, Sylvester Jones  
17 Council President, Kerry Nelson

18 OTHERS PRESENT:

19 R. Eric Cline  
20 R.L. Mitchell

21 REPORTED BY: Mona Storm, CSR# 4460

22  
23  
24  
25

1	MOTION INDEX	
2	MOTION	PAGE
3	Roll Call	3
	Approval of Agenda	4
4	Approval of 12-14-16 minutes	5
5	UNFINISHED BUSINESS	
6	Annual RTAB Evaluation	5
7	NEW BUSINESS: Mayor and Council President	7
8	Approval of Resolutions & Ordinances for City Council	
9	Meetings	
	12-12-16, Resolutions 532, 533, 546, 548, 550	22
10	Resolution 549.2 and 292, no action	22
	Special 12-14-16, Resolutions 550.4, 548.4,	
11	552-546, there was no quorum	24
12	Resolutions from 12-20-16, adopted	27
13	CITY ADMINISTRATOR ITEMS	
14	Budget to Actual - November 2016	27
15	Public Comment	32
16	Board Comment	65
17	Adjournment	33
18		
19		
20		
21		
22		
23		
24		
25		

1 Flint, Michigan

2 Wednesday, January 11, 2017

3 2:04 p.m.

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

6 Let the record reflect we do have a quorum.  
7 We also do expect Mr. Ferguson to be calling in  
8 shortly.

9 Can you hear me?

10 MR. CLINE: Not real well.

11 THE CHAIRPERSON: I'll try to talk loud.

12 The next item of business is the approval of  
13 the agenda. Are there any additions to the agenda?

14 MR. FINNEY: Mr. Chair.

15 THE CHAIRPERSON: Yes?

16 MR. FINNEY: Mr. Jones, the City  
17 Administrator, had indicated he was submitting one  
18 additional item. Did that actually come through?

19 MR. CLINE: Not that I've seen.

20 THE CHAIRPERSON: I'm not aware of anything  
21 else that has been submitted --

22 MR. FINNEY: Okay.

23 THE CHAIRPERSON: -- as of at least 12:30  
24 when I left this afternoon.

25 MR. FINNEY: Okay. He had sent me a message

1           that there was an emergency item related to the  
2           firefighters and he wanted to try and get it on the  
3           agenda today.  So --

4                       THE CHAIRPERSON:  I'm not aware of that.  We  
5           can certainly, during the report, necessarily, have  
6           that added.

7                       MR. FINNEY:  Okay.  He's here so he can  
8           respond to that.

9                       THE CHAIRPERSON:  If there are no additions  
10          to the agenda, at this point, we'll consider the agenda  
11          to be approved.

12                      Next item of business is the approval of the  
13          RTAB meeting minutes from December 14th.  Those are  
14          Attachment 1 in your packet.  Are there any corrections  
15          or additions to those minutes?

16                      If not, I'll entertain a motion that the  
17          minutes be approved as submitted.  There was a  
18          correction with regards to the location of the meeting  
19          but I'm not aware of any other corrections or additions  
20          to the minutes.

21                      MR. FINNEY:  Move to approve.

22                      THE CHAIRPERSON:  Is there support?

23                      MR. TOWNSEND:  Support.

24                      THE CHAIRPERSON:  Those in favor, please say  
25          "aye".

1 BOARD MEMBERS: Aye.

2 THE CHAIRPERSON: Opposed?

3 Meeting minutes are adopted for  
4 December 14th.

5 Next item is Unfinished Business.

6 There was a question that, I believe,  
7 Mr. Finney raised on our last meeting regarding the  
8 annual RTAB evaluation. So I'm going to call on  
9 Mr. Cline at this point to provide us with an update.

10 MR. CLINE: Yes, good.

11 Can you hear me?

12 MR. TOWNSEND: Yeah.

13 MR. CLINE: All right. Good afternoon. I  
14 know it's been a little while since we have discussed  
15 this but we -- my office has been putting together an  
16 evaluation. Typically, what happens, given that the  
17 condition in a community that has RTAB appointed for it  
18 are somewhat different, we have to go through and  
19 customize sort of our general kind of evaluation  
20 approach. We put it together for the conditions  
21 specific to the community. We've been working on that.  
22 We have been delayed a bit in wrapping up a couple of  
23 evaluations from a couple of other communities, which  
24 are pretty much nearing a completion. So we will be  
25 progressing with this.

1                   I finished my latest draft of everything that  
2                   I would like to review this week. I am hoping that  
3                   within, say, by the end of the month or the very first  
4                   part of next month, to actually get this process  
5                   underway.

6                   It will -- as I indicated in my last report,  
7                   there will be a component where we talk to City  
8                   officials. There is a component where we will be  
9                   speaking to you, as RTAB members, with some just sort  
10                  of general questions and reflections on your time in  
11                  this position.

12                  We're also looking at having a discussion  
13                  with some of the elected officials here in the City as  
14                  well. And then all that input will be compiled into a  
15                  report back to this body for you to evaluate and act  
16                  upon and then make any subsequent recommendation that  
17                  you'd like to make at that point.

18                  So there will be more of an update  
19                  forthcoming but we're working on doing a custom letter.  
20                  And we'll be in contact with the City when we're  
21                  getting this thing off the ground. So any questions?

22                  All right.

23                  MR. TOWNSEND: Just final timetable. Maybe  
24                  two months, three months?

25                  MR. CLINE: I hope. My experience has been

1           that whatever timetable gets set usually ends up taking  
2           longer for one reason or another. So I don't like to  
3           put too hard and fast of a timetable but we're going to  
4           put effort into this to try and make it go as quickly  
5           and smoothly as possible. So I'm hoping that's in the  
6           ballpark, pending a meeting unforeseen.

7                     Okay. Thank you.

8                     MR. FINNEY: Thank you.

9                     THE CHAIRPERSON: Next item is New Business,  
10           Mayor and Council President.

11                    Mr. Jones, do you have any report on behalf  
12           of the Mayor's office?

13                    MR. JONES: Well, good afternoon and happy  
14           New Year. I do want to say that it's been -- December,  
15           has been a very busy month for us. While there were  
16           holidays there, there still was lots of activity here  
17           on behalf of the City. And --

18                    And so I -- the only thing that I have to  
19           report -- and it really comes across as a request. And  
20           we were fortunate to be awarded two grants from the  
21           Charles Stewart Mott Foundation, one of which is for  
22           public safety and the other one of which is for  
23           capacity building in the Mayor's Office. And those  
24           were approved by the Flint City Council on Monday.

25                    And so, while you do not have those as a part

1 of your packet today and we did not get those approved  
2 in December, I do want to go on record and request a  
3 telephone RTAB meeting, hopefully, next week. That  
4 will allow us to not only approve or have you consider  
5 those two but then there's a SAFER grant that will  
6 allow the -- the City of Flint to hire 33 firefighters.

7 And we have our Fire Chief and  
8 Ms. Carrie Clemons-Edwards here today.

9 But I do want to go on record and request  
10 that there be a telephone RTAB meeting, hopefully, next  
11 week to review those three funding requests. I believe  
12 that the Council would be in support of such a meeting.  
13 And it will allow us to actually hire those  
14 firefighters sooner than later.

15 The thought is that many of those  
16 firefighters, they've already gone through the hiring  
17 process. They have identified them. And what we want  
18 to do is get them on board as quickly as possible so  
19 that we can reopen Fire Station Number 8 that's on  
20 Atherton Road as quickly as possible.

21 And so, while I do realize that that -- this  
22 is not something -- a request that you would like to  
23 have, I believe that this is something that could be  
24 satisfied with a telephone meeting, to get those grants  
25 considered so that we can move forward with the work in



1           those areas.

2                         THE CHAIRPERSON: Mr. Finney?

3                         MR. FINNEY: Mr. Chair, this is the item that  
4 I was curious about that he just brought up.

5                         So when would you have appropriate documents  
6 to the RTAB for review?

7                         MR. JONES: We can -- we actually -- there is  
8 one document that it was a revision that was made at  
9 the Council meeting. We need to get the Council  
10 President's signature on one of those resolutions and  
11 then we'll have the other ones ready.

12                         So, to answer your question, we can have both  
13 of those items to you no later than tomorrow.

14                         MR. FINNEY: And could you explain the  
15 urgency again.

16                         MR. JONES: Yeah. The urgency for the SAFER  
17 grant is to get these firefighters hired. Again, there  
18 are 33 individuals that have been identified who will  
19 come on and be trained as firefighters. That will  
20 allow the City of Flint to reopen Fire Station  
21 Number 8.

22                         And then the other one is a grant that was  
23 awarded by the Charles Stewart Mott Foundation --  
24 actually two grants. One was for public safety and the  
25 second is for capacity building. And so the

1 Charles Stewart Mott Foundation grant will allow the  
2 City to supplement the salary for a DPW Director.

3 That has been the major hold-up in hiring a  
4 DPW Director. We've had a number of interviews. And,  
5 the candidates that were selected, neither came because  
6 the salary was too low. And so that grant will allow  
7 us to supplement the salary for the DPW Director, allow  
8 us to hire a grant writer and then, also, do an  
9 executive search. And so -- but all those items, we  
10 believe, are critical to the operations of the City of  
11 Flint.

12 MR. FINNEY: Just one last question. So,  
13 irrespective of whether the meeting happens next week  
14 by phone or at the normal monthly meeting, you'll have  
15 for the -- the capacity building position as well as --  
16 or the capacity building positions that you described,  
17 you'll have updated job description and salaries and  
18 things like that for us as a part of the package that  
19 we'll receive?

20 MR. JONES: We can have that as a part of  
21 your packet.

22 MR. FINNEY: Thank you.

23 MR. JONES: Absolutely.

24 THE CHAIRPERSON: Is there anything in any of  
25 the grants that will require approval prior to, let's

1 say, our meeting in February?

2 MR. JONES: Well, it's my understanding that  
3 we need to have your approval before we can move  
4 forward with the hiring.

5 The hiring -- again, the DPW Director, very  
6 critical and extremely important. And the hiring of  
7 those firefighters is also important. So, while I  
8 believe that -- that you would be -- you would look  
9 favorably upon all three of them, it's my understanding  
10 that your approval is necessary before the hiring can  
11 take place.

12 THE CHAIRPERSON: And were we, hypothetically  
13 speaking, to approve these grants, let's say, next  
14 week, would the City be then prepared to actually hire  
15 the individuals prior to the date in February anyway  
16 when we would meet next?

17 MR. JONES: The firefighters have already  
18 been identified. So the answer to that question is  
19 absolutely for the firefighters. The grant writer and  
20 for the DPW Director, there is still some additional  
21 work needed because the grant was just awarded and we  
22 didn't want to extend or begin the recruitment, not  
23 being certain that those grants would be awarded.

24 But the firefighters have already been  
25 identified. So, if there's one that is extremely

1           urgent and critical, it's the SAFER grant for the  
2           firefighters. Because those individuals have already  
3           been identified and they can begin work as soon as next  
4           week.

5                       THE CHAIRPERSON: So, with respect to at  
6           least the SAFER grant for the firefighters, all  
7           selection steps have already been completed and the  
8           only item remaining would be approval by the RTAB?

9                       MR. JONES: That is correct.

10                      THE CHAIRPERSON: So you have indicated that  
11           the Board would have all the necessary relevant  
12           materials by close of business tomorrow?

13                      MR. JONES: We could do that, yes.

14                      THE CHAIRPERSON: We will disseminate those  
15           to the -- to the Board, if you can send those to the  
16           Department of Treasury --

17                      MR. JONES: Okay.

18                      THE CHAIRPERSON: -- to Mr. Cline's  
19           attention.

20                      MR. JONES: To Mr. Cline?

21                      THE CHAIRPERSON: And we will transmit those  
22           out to the other Board members promptly. And I think,  
23           once we've had a chance to review those items, we'll  
24           decide upon a special meeting date or not.

25                      MR. JONES: Okay. So --

1                   THE CHAIRPERSON: I believe Mr. Ferguson has  
2 just joined us.

3                   MR. FERGUSON: Yeah. How's everyone?

4                   Hello.

5                   THE CHAIRPERSON: We're fine. How are you?

6                   MR. FERGUSON: I'm just still trying to do  
7 too many things in the same day. We had a Board  
8 meeting today also at the university but okay. But I'm  
9 here.

10                  THE CHAIRPERSON: We are just in the midst of  
11 the Mayor's Office report from Mr. Jones, the City  
12 Administrator. We're referring to -- he had indicated  
13 that the City had recently received three grants that  
14 he would like the RTAB to consider. He's going to send  
15 the information out to us at the close of business  
16 tomorrow and we can then decide whether or not to have  
17 a special meeting.

18                  MR. FERGUSON: These are grants?

19                  THE CHAIRPERSON: That's my understanding.

20                  Mr. Jones.

21                  MR. JONES: Yes?

22                  MR. FERGUSON: With no strings attached?

23                  That would be great.

24                  MR. JONES: Well, hiring staff is the big --  
25 is the string, definitely.

1                   MR. FERGUSON: Okay. But no adverse strings.  
2                   How's that?

3                   MR. JONES: Right, no adverse strings.  
4                   That's a really good characterization of that, yes.

5                   MR. FERGUSON: Okay. I'll just be listening  
6                   now. Thanks.

7                   MR. JONES: Okay. Thank you. So, as it  
8                   relates to the SAFER grant, are you -- would you like  
9                   to have a job description for the firefighters sent  
10                  along with that as well?

11                  THE CHAIRPERSON: I think that would  
12                  certainly be helpful.

13                  MR. JONES: Okay. Okay. Just -- I just  
14                  wanted to clarify that.

15                  THE CHAIRPERSON: We don't want to delay the  
16                  process so we don't want you inventing documents that  
17                  don't already exist but whatever you can provide us. I  
18                  think the more information by close of business  
19                  tomorrow the better.

20                  MR. JONES: Okay. The Fire Chief is here and  
21                  he can shine a little bit more light on this, if it's  
22                  okay. If I can ask him to come up.

23                  THE CHAIRPERSON: That's fine.

24                  CHIEF BARTON: Good afternoon.

25                  Raymond Barton, the Fire Chief. With that SAFER grant,

1           what happened with the urgency -- like I say, it's a  
2           need. Without firefighters, we're constantly on  
3           overtime. Bringing additional people will allow us to  
4           open up Station 8. But I addressed City Administrator  
5           Jones yesterday. I see him walking up to you.  
6           Because, not through me but we have been doing the  
7           hiring process, selecting the candidates that we would  
8           be hiring. But, in HR's selections, they have to  
9           notify them -- and we have these guys, most of them  
10          have taken their physicals and went through their drug  
11          screenings and a pulmonary function test.

12                       Well, HR was telling these guys they'll  
13          probably start on the 17th. And my concern, when I  
14          found that out, the candidates were coming over --  
15          because, as the capacity -- we'll have them coming over  
16          and get fit for uniforms whenever we were allowed to  
17          bring them in. So we would have a uniform so they can  
18          be proper.

19                      Well, when they told me that HR informed them  
20          they would probably start on the 17th, my concern was  
21          to try to get these done because I don't want people to  
22          submit resignation letters to their jobs and then they  
23          got to go a month without pay because they was given  
24          some information.

25                      We have a lot of young guys coming in, a lot

1 of them got families and just starting families and I  
2 don't want to put that burden them to have to try to  
3 wait a month after they done gave their job a letter of  
4 resignation.

5 So, like I say, the information was handed  
6 down through HR and I got it at the last minute and we  
7 wanted to get this done prior to. But, then they came  
8 in and started telling us, "HR said we're going to  
9 start on the 17th", I called them immediately.

10 And I said, "My concern is we got these young  
11 families and they're going to give up their jobs and  
12 now they're going to be waiting a month to get their  
13 check." I said, "Can we possibly bring it to RTAB?"

14 This is a SAFER grant and this will be our  
15 third time receiving. We apply quarterly. And this is  
16 reimbursement for paid salaries and benefits for all  
17 the firefighters.

18 Like, I said, we went through the process of  
19 where they passed the physical agility test to the  
20 capacity that people being hired. They give you a  
21 six-month recruitment period. And we did reach out to  
22 FEMA and they gave us permission to start on the 17th,  
23 if everything was in order. Because they give you a  
24 six-month recruitment period but you don't have to take  
25 six months to get them.



1                   And so we have had a list and would have to  
2                   hire people by March 1st. But, because we was able to  
3                   get through the whole process and get the candidates  
4                   selected and we just submitted the letter to FEMA, we  
5                   received that on Tuesday morning, that they confirmed  
6                   that we could hire at that point.

7                   And so, from that point on, we know, as long  
8                   as we start on the 17th or any time after that.  
9                   Because FEMA gave us permission to start. They will be  
10                  reimbursed up until that day so it's no burden on the  
11                  City. Like I said, my -- like I said, my biggest  
12                  concern, because I wanted to get the people through and  
13                  then give a date.

14                  But, when HR started telling people there  
15                  that, and we got 33 people, I don't know, already left  
16                  their job or gave a letter of resignation, like I said,  
17                  I don't want these guys going a month without a  
18                  paycheck. And that's why I brought it at the last  
19                  minute. Sorry for that but it wasn't of our doings.

20                  THE CHAIRPERSON: Thank you.

21                  MR. JONES: Thank you.

22                  CHIEF BARTON: Yeah.

23                  MR. JONES: So that's it for us and we'll  
24                  make sure that we get you that information by close of  
25                  business tomorrow so that we can --

1                   THE CHAIRPERSON: Just to avoid any  
2                   confusion, because you made reference earlier to -- to  
3                   a meeting by telephone, certain members may be able to  
4                   participate by phone, as Mr. Ferguson is, for example,  
5                   now. But the meeting itself will have to be convened  
6                   at a physical location --

7                   THE WITNESS: Okay.

8                   THE CHAIRPERSON: -- to accommodate the Open  
9                   Meetings Act and to allow public comment.

10                  THE WITNESS: Okay.

11                  THE CHAIRPERSON: So that will either be, if  
12                  we decide to convene a special meeting will either be  
13                  here or in Lansing but we'll certainly provide an  
14                  appropriate notice in advance.

15                  THE WITNESS: Okay.

16                  THE CHAIRPERSON: The other item, if you're  
17                  done --

18                  THE WITNESS: I am, yes.

19                  THE CHAIRPERSON: -- while I have you at the  
20                  microphone, is just a reminder of, I believe, the  
21                  e-mail that I sent last Friday regarding a vacancy now  
22                  in the Chief Legal Officer position, that the City will  
23                  have to submit to the RTAB, within 30 days of when the  
24                  vacancy occurred, the position description and salary  
25                  ranges for that position. So we look forward to

1 receiving that information.

2 MR. JONES: Okay. We can do. Thank you,  
3 sir.

4 THE CHAIRPERSON: Thank you.  
5 Council President Nelson.

6 MR. NELSON: Good afternoon and happy New  
7 Year to all. Very briefly, I am in support of you  
8 considering a special meeting for the SAFER grants and  
9 those grants that we received from the Mott Foundation.  
10 The Council did the approval of accepting the funds and  
11 then on doing the budget amendment also.

12 And so I'm in full support of you considering  
13 this special meeting, surely, for the SAFER grants to  
14 get on the streets and to serve and protect our  
15 citizens. So I support that 100 percent for your  
16 consideration. And that is about all I have. But I do  
17 support that 100 percent. If you could, it would be  
18 greatly, greatly appreciated. Thank you.

19 Any questions for me?

20 THE CHAIRPERSON: Gentlemen?

21 MR. FINNEY: No.

22 THE CHAIRPERSON: Next item of business is  
23 the approval of Resolutions and Ordinances from City  
24 Council meetings. We'll begin with the regular City  
25 Council meeting of December 12th.

1                   Mr. Cline, if you can summarize for us  
2 Resolutions 532, 533, 545 and 546.

3                   Resolutions 548 and 550, we'll take up under  
4 December 20th.

5                   MR. CLINE: All right. So 532 was an  
6 agreement with William Walter for HVAC improvements, I  
7 believe, at the sewer plant, in the amount of \$415,000.

8                   Resolution 533 was a separate agreement with  
9 the same individual, William Walter, for HVAC support,  
10 I believe, for maintenance services for the HVAC system  
11 in the amount of \$58,000.

12                  Resolution 545, the City was exercising its  
13 right to object to the transfer of foreclosed  
14 properties. In fact, the City -- this is being  
15 exercised under Public Act 123 of 1999.

16                  Let's see. Resolution 546 is a litigation  
17 settlement on Hunter V Flint in the amount of \$35,000.

18                  Resolution 548 was the first reading of an  
19 ordinance to amend Chapter 15 of the City's Code of  
20 Ordinances. This deals with telecommunication issues.

21                  Resolution 550 is also the first reading of  
22 an ordinance to amend Chapter 24, which deals with  
23 housing-related issues.

24                  THE CHAIRPERSON: Any questions?

25                  Is there a motion that Resolutions 532, 533,

1 545 and 546 only be approved?

2 MR. FINNEY: So move.

3 THE CHAIRPERSON: Is there support?

4 MR. TOWNSEND: Support.

5 THE CHAIRPERSON: Any discussion?

6 MR. FINNEY: Just one question. One item  
7 just for the City. On Item 545, the one related to the  
8 tax reverted properties, is it the City's position to  
9 routinely request that those properties go to the City  
10 or is it depending on the property?

11 THE CHAIRPERSON: Mr. Jones?

12 MR. SABUDA: Good afternoon. Routinely, the  
13 City will revert those properties back to the Land  
14 Bank; that's where they're going. Okay? And then what  
15 happens is, if there's a special request to bring the  
16 property back or control the property, we do that and  
17 then release the properties back to the Land Bank;  
18 that's what the City's been doing for the last, at  
19 least, three years.

20 MR. FINNEY: And this is the City's Land  
21 Bank, correct?

22 MR. SABUDA: This is the County's Land Bank.

23 MR. FINNEY: County's Land Bank. Okay.

24 Thank you.

25 MR. SABUDA: Thank you.

1 THE CHAIRPERSON: Questions on adoption of  
2 the motion?

3 Those in favor of the motion, please say  
4 "aye".

5 BOARD MEMBERS: Aye.

6 THE CHAIRPERSON: Opposed?

7 Motion is adopted.

8 With regards to Resolution 547 which was  
9 adopted on December 12th, it's my understanding that  
10 there were certain procedural issues with regards to  
11 that resolution involving budgetary issues that I  
12 understand the Council's going to be resolving  
13 subsequently.

14 So we will defer action upon Resolution 547  
15 until our February meeting, at which time we also  
16 expect to have a resolution involving a budget  
17 amendment from the City Council.

18 And that takes us to Resolution 549. If you  
19 recall, that is a resolution we adopted on a  
20 conditional basis on December 14, at the request of the  
21 Chief Legal Officer at that time.

22 The conditions that were in Mr. Finney and  
23 Mr. Townsend's motion were that we, one, receive a copy  
24 of the resolution approved by the City Council;  
25 secondly, that we receive a copy of a judge's order;

1 and, thirdly, that we receive a written message from  
2 the Mayor regarding her intention of whether or not to  
3 veto the resolution at that time. We did receive all  
4 three items and Mr. Cline provided the RTAB with an  
5 analysis of those documents.

6 There were some additional questions, one of  
7 which were -- and I'll direct this to Council President  
8 Nelson.

9 If I understood correctly, that particular  
10 resolution was for 60 days only and would expire on  
11 Day 61. So one of the questions we had was, what's the  
12 Council's intention with regards to this issue; will  
13 you, at some point, prior to the expiration of that  
14 resolution, adopt a permanent solution for this issue  
15 or will you adopt another resolution of a certain  
16 duration?

17 MR. NELSON: It is our intention to review  
18 that and to adopt a permanent resolution. And I think,  
19 if my memory served me right, we had to do something  
20 temporary then, and then go back and do -- if I'm -- if  
21 my memory serves me right. But we plan to do something  
22 permanent.

23 THE CHAIRPERSON: Gentlemen, any questions  
24 for Council President?

25 If not, I see no reason to rescind the

1 conditional approval that we adopted last month.

2 We will proceed, then, to -- we will simply  
3 make a note of the City Council meeting on  
4 December 14th, just for information purposes. No  
5 action, as I understand, was taken at that meeting  
6 because there was no quorum. So there were no  
7 resolutions that flowed from that meeting.

8 We'll proceed, then, to the resolutions of  
9 the Special City Council meeting of December 20th.

10 Mr. Cline?

11 MR. CLINE: Yes. On the meeting of December  
12 20th, we had Resolution 548, which is the second  
13 reading of the telecom ordinance that was addressed at  
14 the prior meeting.

15 Resolution 548.4, a public hearing was held  
16 on that ordinance, as required. And then, at the  
17 second reading, that ordinance was adopted.

18 Again, with Resolution 550 dealing with  
19 amendments to the housing code, you had a public  
20 hearing that was required, that was conducted. And in  
21 the second reading, an adoption occurred. So that  
22 covers Resolutions 550 and 550.4.

23 Resolution 552 established a hearing date for  
24 another public hearing on another matter.

25 Resolution 553 was a budget amendment for



1 community service funds to account for a grant for  
2 AmeriCorp in the amount of \$450,000.

3 Resolution 554 was a change order with  
4 Environmental Solutions for additional water testing  
5 along Bray Road, which is being required by the  
6 Department of Environmental Quality, in the amount of  
7 \$36,000.

8 Resolution 555 is a change order with  
9 Sorensen Services for the installation of liquid oxygen  
10 tanks, I believe, at the Water Department in the amount  
11 of \$35,000.

12 And Resolution 556 is the appointment of  
13 Loyst Fletcher, Junior to the Airport Board.

14 THE CHAIRPERSON: And may we assume that  
15 Resolution 548.4 was related to 548 and 550.4, also, is  
16 related to Resolution --

17 MR. CLINE: Yes.

18 THE CHAIRPERSON: -- 550?

19 MR. CLINE: And, perhaps, I didn't make that  
20 clear. And those were the required public hearings --

21 MR. FINNEY: Yeah. It's on there.

22 MR. CLINE: -- for those actions. So they  
23 are related.

24 THE CHAIRPERSON: And for further  
25 clarification, we had listed 548 and 550 under -- on

1 the agenda under December 12th. They were first  
2 reading resolutions at that point in time, and we also  
3 did not have signed copies at the time that the Board's  
4 packet went out. And we subsequently received fully  
5 signed versions of Resolutions 548 and 550.

6 Are there questions for Mr. Cline regarding  
7 any of the resolutions listed under December 20th?

8 MR. TOWNSEND: Yes, I do. Just for  
9 clarification, you say the -- so the 55.4, for example,  
10 is just a hearing; there's no difference between --  
11 that's for the public hearing. So there's no  
12 difference between that and the 550?

13 So 550 has not changed from the original?

14 MR. CLINE: Correct. It's just the way the  
15 City records it. It's a sub action to the main -- main  
16 action. So they put a slightly different number on it  
17 to make it distinct. But it's a public hearing, as  
18 part of the adoption of the ordinance. And then, after  
19 the public hearing, the second reading follows and then  
20 the adoption of the ordinance amendment.

21 THE CHAIRPERSON: Is there a motion that the  
22 resolutions from the Special December 20th City Council  
23 meeting be approved?

24 MR. TOWNSEND: Motion to approve.

25 THE CHAIRPERSON: Is there support?

1 MR. FINNEY: Support.

2 THE CHAIRPERSON: Any further discussion?

3 If not, those in favor of the motion, please  
4 say "aye".

5 BOARD MEMBERS: Aye.

6 THE CHAIRPERSON: Opposed?

7 Motion is adopted.

8 Next item is City Administrator items.

9 Mr. Jones?

10 MR. JONES: Yes. I will defer to our interim  
11 Chief Financial Officer, Mr. David Sabuda, to provide  
12 the Budget to Actual Report.

13 MR. SABUDA: Good afternoon, Chair and Board  
14 members. What you have before you is the  
15 November 30th, 2016 Budget to Actual Report of various  
16 financial issues going on in the City of Flint.

17 I'm pleased to report, right off the bat,  
18 that our audit is complete, the independent audit as  
19 required by Public Act 268. We had a clean opinion,  
20 which is really good, an unqualified, clean opinion.

21 And we have one fund in the deficit, the ADC.  
22 State Treasury has sent us a letter as plans for a  
23 deficit elimination plan, which you will see at your  
24 February meeting.

25 We have the walk -- we've asked for an

1 extension so that we can get through the normal meeting  
2 so that we have proper approvals and then we'll send it  
3 off to Treasury. We were -- initially, we thought that  
4 we already had a deficit elimination plan in place.  
5 But Treasury is asking for a new plan, an updated plan,  
6 so we'll comply. We'll get that information out to  
7 them.

8 The deficit is approximately \$91,000. And  
9 what it is is you have rents coming in and you just  
10 need to collect the rents at the old business center  
11 and those rents there pay up the fund balance deficit.

12 Water collection is always a hot topic here  
13 in Flint. What we have going on is we, just today,  
14 applied for our credits, a waiver of the 70 percent  
15 rule of collection. And, in order to continue to  
16 receive credits through January 31st, 2017, the way the  
17 law is written, which is public -- which was, I'm  
18 sorry, Senate Bill 800 and I don't know the Public Act  
19 number off the top of my head -- is that credits will  
20 be extended through March 31st, as long as there are  
21 water quality issues.

22 So we need to apply each and every month for  
23 a waiver of credit unless we have a 70 percent  
24 collection rate. We have implemented various plans to  
25 collect and meet that 70 percent goal. I'm pleased to

1 report that, in October, for November collection, and  
2 in November, for December collection, we exceeded over  
3 a hundred percent on the commercial side collections.  
4 So what we billed -- we received more than what we  
5 billed.

6 On the residential side, we are seeing a nice  
7 increase. In September, we had a 22 percent  
8 residential water collection rate. In October, we saw  
9 a 33 percent collection rate. And in November through  
10 December, we saw a 50 percent collection rate. So  
11 what's happening here is our program of "Pay plus ten  
12 percent" is working and people are coming out and  
13 meeting our requests, which is really good.

14 Although we had to threaten shut off now on  
15 the commercial side, not on the residential side. And  
16 that has gotten a lot of landlords off the dock and  
17 paying their bill, which is really good. It's  
18 labor-intensive, very intense. But, at the end of the  
19 day, we're collecting.

20 Delinquent tax roll, we had ongoing  
21 discussions with the County Treasurer. It looks like  
22 we're going to have cooperation in collecting -- in  
23 making sure that our delinquent water dollars get on to  
24 the delinquent tax roll, which is very good. We're  
25 working with through that with our interim Treasurer

1 and our Chief Legal Counsel -- acting Chief Legal  
2 Counsel.

3 As far as the Budget to Actual Report goes,  
4 what we have is we're right on target. Expenses are  
5 where they should be, revenues are a little ahead of  
6 the game. This is a little low on the battle because,  
7 usually, when we have capital expenses, you're doing  
8 that in the summertime, springtime, fall time. Now  
9 that we're heading into the winter season, we will see.  
10 As you know, we won't have as many big expenses. And  
11 we're getting ready to send out W-2s.

12 That concludes the presentation -- oh, one  
13 other -- one last item. We are on the verge of having  
14 a solution for our pension issues. Our employer  
15 pension contribution, as you know, in October, I  
16 reported to the Board, we had a -- MERS was asking for  
17 a \$42 million pension contribution next year, July 1,  
18 which is up from approximately \$19 million.

19 We're working with MERS. We're working with  
20 the actuaries. We hope to have a solution by the end  
21 of this month. And, either in February or March, that  
22 will be presented to the Board here. We do plan to  
23 bring whatever solution we have through the  
24 Administration, through Council and then through RTAB.

25 And that concludes the presentation. I'll be

1 happy to answer any questions.

2 THE CHAIRPERSON: You noted in your report  
3 that, as of November 30th of last year, the 52 percent  
4 collection rate overall is composed of two separate  
5 pieces, there's the residential and there's the  
6 commercial.

7 MR. SABUDA: Right.

8 THE CHAIRPERSON: But the commercial, I  
9 assume, as of the same date, was 82 percent as a class  
10 and residential was 31 percent. Is there some  
11 explanation as to why the differential would be so  
12 wide?

13 MR. SABUDA: Yes. So what we did is we  
14 phased in our collection procedure. So we started with  
15 commercial first. So, with commercial, we're dealing  
16 with -- with landlords and commercial businesses. And  
17 so we wanted to test our -- all our fliers, all our --  
18 all our information, all our systems. So we had to  
19 change over software. We had to update water bills.  
20 We had to update fliers that would go to the customers.

21 So we started with the commercial side first.  
22 And then that starts us on a path of posting notices,  
23 taking away state credits, if you don't pay,  
24 instituting interest and penalty charges and then  
25 eventually shut off.

1                   So we started there first, learned from the  
2                   commercial side. And now we have -- in late October,  
3                   we started to do the residential side, took a step  
4                   back. And then, in November, we started again. And  
5                   now we're starting to see our program is moving in the  
6                   right direction.

7                   And because of the notices, because now that  
8                   we've got the -- the interest and penalties and the  
9                   removal of credits out there, people are responding.  
10                  They're looking at this and they are now -- are making  
11                  payments. So it was a phased -- to answer your  
12                  question, it was a phased operation.

13                  THE CHAIRPERSON: Thank you.

14                  MR. SABUDA: You're welcome.

15                  THE CHAIRPERSON: Gentlemen have any  
16                  questions?

17                  Without objection, then the November Budget  
18                  to Actual Report will be received.

19                  Next item of business is Public Comment.

20                  Mr. Cline, did anyone sign in for public  
21                  comment?

22                  MR. CLINE: Yes, one individual signed in for  
23                  public comment, R.L. Mitchell.

24                  MR. MITCHELL: Thank you, sir. Good evening,  
25                  RTAB. Happy New Year, again. And welcome you back



1 Michael and Michael.

2 About the coming -- the mister made about the  
3 Republic -- I mean the people don't have no  
4 retelevised -- I mean, the Finance Manager ordered it  
5 to be -- be not -- be televised -- be -- I can't hardly  
6 put it in, actually, words -- retelevised.

7 We, the people -- in case the people -- we,  
8 the people, going to be there because he wanted to  
9 include the public out of it. But I appreciate SAFER  
10 grants. We the people want SAFER grants. But, in case  
11 we the people don't be here, I want this for the  
12 record:

13 You, Mr. Townsend, a Republican, is announced  
14 a so-called Christian. I'll put it in a biblical form.  
15 Read the scripture of Isaiah. And that's to the public  
16 and to the new administration of the President. Now --

17 And that's it. Happy New Year.

18 THE CHAIRPERSON: Thank you. No further  
19 public comment?

20 Is there a motion we adjourn?

21 MR. FINNEY: Move to adjourn.

22 THE CHAIRPERSON: Is there support?

23 MR. TOWNSEND: Support.

24 THE CHAIRPERSON: Without objection, we are  
25 adjourned. Thank you.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

(Meeting was concluded at 2:46 p.m.)

\* \* \* \*

## 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 (35) pages, is a true and correct transcript of my said stenographic notes.

\_\_\_\_\_  
Date

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

