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CITY OF FLINT
RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
JULY 13, 2016 2:00 p.m.

Meeting before the RTAB Board at
1101 S. Saginaw, Flint, Michigan, on Monday, June 13,
2016.

BOARD MEMBERS PRESENT:

- Frederick Headen - The Chairperson
- Michael Townsend
- Michael Finney
- Joel Ferguson

FROM THE CITY:

- Sylvester Jones, Jr.
- Kerry Nelson, Council President
- Scott Kincaid, Councilmember
- Stacy Oakes, City Attorney
- David Sabuda, Finance Director

OTHERS PRESENT:

- R.L. Mitchell
- Arthur Woodson
- Eric Cline, Michigan Department of Treasury

REPORTED BY:

Mona Storm, CSR# 4460

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1 Flint, Michigan
2 Wednesday, July 13, 2016
3 2:14 p.m.

4 THE CHAIRPERSON: The meeting will be in
5 order, please. Sorry about the delay. First item of
6 business is roll call. Let the record reflect that we
7 do have a quorum, three members are present.

8 The next item is the approval of the agenda.
9 I have, at this point, at least one addition to the
10 agenda. Under a new Item C, the approval of the RTAB
11 meeting minutes for June 29th, 2016. Are there other
12 additions to the agenda?

13 MR. FINNEY: Mr. Chair, I would move for
14 approval of minutes.

15 THE CHAIRPERSON: Is there support?

16 MR. FINNEY: I'm sorry. The agenda?

17 MR. TOWNSEND: Support.

18 THE CHAIRPERSON: Without objection, the
19 agenda is approved. Going back for a second to roll
20 call. If there's no objection, I'll ask that RTAB
21 Member Joel Ferguson can have an excused absence
22 without objection.

23 The next item is Item C, the approval of the
24 RTAB meeting minutes for June 29th, 2016. If you've
25 had a chance to review those, I'll entertain a motion

1 that those minutes be approved, unless there are
2 corrections or additions.

3 MR. TOWNSEND: Motion to approve.

4 MR. FINNEY: Support.

5 THE CHAIRPERSON: Motion's been made and
6 seconded. Any discussion?

7 MR. TOWNSEND: Yes. Mr. Chairman, I would
8 like to add, due to the fact that at the last meeting,
9 I participated by phone, there was one item that was on
10 the agenda that the minutes reflect that I voted
11 against and I believe it had to be an issue of
12 transition over the phone.

13 So, again, it did pass, so it wasn't
14 necessary but I did want it to go on record that that
15 was not my intent to vote against that item. I believe
16 it was one of the millage issues. So I just wanted to
17 go on record, at this point in time, that that was --
18 again, I would have to say it was some sort of --
19 because of phones.

20 THE CHAIRPERSON: Very good. Thank you.

21 I believe a motion was made and seconded that
22 the minutes be approved. Any further discussion?

23 Those in favor, please say "aye".

24 BOARD MEMBERS: Aye.

25 THE CHAIRPERSON: Opposed?

1 The minutes are approved as corrected.

2 Unfinished Business, we have none.

3 Under New Business, Madam Mayor?

4 Mr. Jones?

5 MR. JONES: Good afternoon, everyone. I just
6 wanted to say that, since our last meeting, we've had a
7 number of productive conversations with the Council,
8 that the dialogue is certainly very open. And, you
9 know, there's nothing else to report at this time.

10 Certainly, I'll answer any questions, if you
11 have any. But, at this time, we have nothing further
12 to report. Thank you.

13 THE CHAIRPERSON: Any questions?

14 MR. FINNEY: No.

15 MR. JONES: All right. Thank you.

16 THE CHAIRPERSON: Thank you, Mr. Jones.
17 Council President Nelson?

18 MR. NELSON: Good evening. Certainly, at
19 this time, there has been talks with the Mayor and
20 communication. We had a meeting on yesterday and we
21 had one we wanted to set up for Mr. Jones biweekly,
22 also. So we started a meeting with the City
23 Administrator, also; we're getting that together.
24 There is something I --

25 Mr. Kincaid, do you -- are you okay with --

1 MR. KINCAID: Well --

2 MR. NELSON: -- the -- because of my
3 lateness, you have something that you want to share,
4 right?

5 MR. KINCAID: I just want to share something
6 with the RTAB.

7 MR. NELSON: And, on my behalf, I got a phone
8 call, I was running late because I was in another
9 meeting. So I have something Mr. Kincaid will share.
10 Other than that, we are communicating and setting up
11 meetings with the City Administrator on a biweekly
12 setting, also, as long as the Mayor and I have already
13 had a conversation.

14 THE CHAIRPERSON: Thank you. Council, before
15 you proceed, I'd like to have the record reflect that
16 Member Ferguson has joined us. We now have four.

17 MR. KINCAID: Members of the RTAB meeting,
18 the job description for the Public Works Director, I
19 just -- I just had an opportunity to look at it today.
20 Don't have, really, a whole lot of concerns, other than
21 the last bullet on the first page where it says the
22 Department of Public Works performed duties as directed
23 by the City Administrator. That may be in conflict
24 with the Charter.

25 The Charter is pretty clear that the

1 appointment of the Department of Public Works Director
2 is appointed by the Mayor and confirmed by the Council
3 and then that person would then be responsible to the
4 Mayor, not the City Administrator.

5 Other than that, you know, I just don't want
6 this job description to be in conflict with our
7 Charter. Thank you.

8 THE CHAIRPERSON: Thank you. We'll take up
9 that issue in more detail when we address that
10 particular meeting.

11 We'll proceed under New Business, the Item B,
12 resolutions and Regular Meeting of the City Council
13 meeting. We'll begin with the Regular City Council
14 meeting of June 13th. We have three resolutions from
15 that meeting; Resolutions 211, -12 and -13. They are
16 Attachment 1 in your packets.

17 Is there a motion that Resolutions 211 and --
18 through 213 from the Regular City Council meeting of
19 June 13th be approved?

20 MR. FERGUSON: So move.

21 MR. FINNEY: Second.

22 THE CHAIRPERSON: Is there support?

23 A motion's been made and seconded. Are there
24 any discussions?

25 Hearing none, those in favor of the motion

1 please say "aye".

2 BOARD MEMBERS: Aye.

3 THE CHAIRPERSON: Opposed?

4 Motion is adopted.

5 Next would be Resolutions from the regular
6 City Council meeting of June 27th. We will begin with
7 Resolution 210.1 and Resolutions 239 through 241. Is
8 there a motion that those resolutions be approved?

9 MR. FERGUSON: So move.

10 MR. FINNEY: Support.

11 THE CHAIRPERSON: Is there support?

12 There is support. Is there any discussion?

13 If not, those in favor of the motion please
14 say "aye".

15 BOARD MEMBERS: Aye.

16 THE CHAIRPERSON: Opposed?

17 Resolutions 210.1, and 239 through 241 are
18 approved.

19 We'll go next to Resolutions 245 through 256.
20 Is there a motion that those resolutions be approved?

21 MR. FERGUSON: So move.

22 MR. TOWNSEND: Support.

23 THE CHAIRPERSON: Motion's been made and
24 supported. Any discussion regarding those resolutions?

25 If not, those in favor please say "aye".

1 BOARD MEMBERS: Aye.

2 THE CHAIRPERSON: Opposed?

3 Resolutions 245 through 256 are approved.

4 Next would be Resolutions 258 and 265 and

5 266, still under Attachment 2. Is there a motion that

6 those resolutions be approved?

7 MR. FERGUSON: So move.

8 MR. FINNEY: Support.

9 THE CHAIRPERSON: A motion's made and

10 seconded. Any discussion?

11 If not, those in favor of the motion please

12 say "aye".

13 BOARD MEMBERS: Aye.

14 THE CHAIRPERSON: Opposed?

15 Motion is adopted.

16 Next is Resolution 236, which is a

17 settlement. It's under tab 2 a. I'm going to ask

18 someone from the City, perhaps Mr. Jones, to walk us

19 through this and the -- and the next two settlement

20 resolutions.

21 MR. JONES: I'd like to defer to our Chief

22 Legal Officer on those settlements.

23 THE CHAIRPERSON: Certainly.

24 MS. OAKES: Mr. Headen, if you could go back

25 to that agenda item after dealing with D, E and F, I'll

1 have that information for you.

2 THE CHAIRPERSON: No objection. Move to
3 defer those for a moment.

4 Next is D, a grant resolution involving the
5 Police Foundation. It's Resolution 244. I asked that
6 this resolution be separated out to indicate that I'm
7 not voting on that resolution. I typically don't vote
8 on resolutions, anyway. But, in reading the background
9 information on that resolution and the grant received
10 by the Police Foundation, I discovered the Executive
11 Director of the Foundation is Max Chiddister. I
12 believe he's the same individual by the same name with
13 whom I have served on two financial review teams for
14 other communities.

15 And, given the fact I know him in that
16 capacity, I wanted to state on the record that I would
17 not be voting on this particular resolution, to avoid
18 any appearance of any possible conflict that would
19 otherwise be thought to exist.

20 So, with respect to Resolution 244, is there
21 a motion that that resolution be approved?

22 MR. FERGUSON: So move.

23 MR. FINNEY: Support.

24 THE CHAIRPERSON: Motion's been made and
25 seconded. Is there any discussion?

1 Hearing none, those in favor of approving
2 Resolution 244, please say "aye".

3 BOARD MEMBERS: Aye.

4 THE CHAIRPERSON: Opposed?

5 Resolution 244 is adopted.

6 We'll proceed next to Item E, Resolution 257,
7 which is a contract for street paving. Mr. Jones, can
8 you elaborate upon this particular resolution and
9 proposed --

10 MR. JONES: I was talking to the Mayor. Can
11 you --

12 THE CHAIRPERSON: I'm sorry?

13 MR. JONES: You were looking at?

14 THE CHAIRPERSON: It's Resolution 257, the
15 contract for Ace-Saginaw Paving.

16 MR. JONES: This is -- it was actually put
17 forth by our Department of Public Works here. And,
18 essentially, what they're saying is that multiple
19 departments will use this organization in order to
20 complete paving projects. And this -- these dollars
21 have been -- they're on current budget. And so we're
22 hoping that you will -- in fact, the group is so that
23 we can continue to work as proposed here.

24 MR. FINNEY: Mr. Chair, a follow-up.

25 THE CHAIRPERSON: Yes?

1 MR. FINNEY: I was curious what departments
2 it is, other than Public Works; are there other
3 departments that use paving services?

4 MR. JONES: So other departments include --
5 there's been some -- well, under DPW, there is Streets
6 and then there's also Transportation. But other
7 departments that have also used -- had to use paving in
8 the past have also included Planning and Development as
9 well.

10 MR. FINNEY: Okay.

11 MR. JONES: But this one is -- I'm certain
12 that it's really just our Streets and our
13 Transportation Department that will use this venue.

14 MR. FINNEY: Okay. Thank you.

15 THE CHAIRPERSON: Is there a motion that
16 Resolution 257 be approved?

17 MR. FERGUSON: So move.

18 THE CHAIRPERSON: Is there support?

19 MR. TOWNSEND: Support.

20 THE CHAIRPERSON: Motion's been made and
21 seconded. Is there any discussion?

22 If not, those in favor of approving
23 Resolution 257, please say "aye".

24 BOARD MEMBERS: Aye.

25 THE CHAIRPERSON: Opposed?

1 Motion is adopted.

2 Next is Resolution 263, which is a year-end
3 budget amendment to the 2016 City budget, it's Item 2f
4 in your packet. Can either Council President Nelson or
5 Councilman Kincaid elaborate upon this amendment?

6 MR. KINCAID: Yeah, I can.

7 THE CHAIRPERSON: We do have a -- we have a
8 copy of a memorandum that the former Finance Director
9 sent to the Mayor but I'd like to put on the record a
10 summary of the content of this proposed budget
11 amendment.

12 MR. KINCAID: These are the end of the year
13 fiscal 2016 budget amendments and transfers?

14 THE CHAIRPERSON: Yes.

15 MR. KINCAID: These are transfers of funds
16 within various departments to balance those line items.
17 And, in one instance, in the water fund, we used about
18 \$306,000 for the current fiscal year to be transferred
19 from an un -- unexpended projects and fund balances
20 within that fiscal year of 2016 that were not going to
21 be expected.

22 So this is just basically us cleaning up the
23 various departments, to balance, to make sure those
24 year-end balances were equal and balanced to zero.

25 THE CHAIRPERSON: And am I correct that these

1 changes, then, were incorporated into the 2017 budget?

2 MR. KINCAID: Yes. And any transfers into
3 the 2017 budget were incorporated and I indicated the
4 one of about 306,000 in the water fund.

5 THE CHAIRPERSON: Questions for Councilman
6 Kincaid?

7 MR. FINNEY: I just have one quick one. And
8 I'm not sure if it's for the Councilman or someone
9 else.

10 Under the building inspection fund, about
11 1.3 million with about 950,000 of it being related to
12 the General Motors plant, are there any other major
13 projects like that that might be favorable items to
14 delve into, we hope, for folks?

15 MR. KINCAID: You know, right now, I can't
16 tell you all of the projects that are in place within
17 that department but I do know that General Motors
18 Corporation is making a number of substantial
19 investments in our community. They're building a new
20 body shop, which is going to probably take in 2017 and
21 maybe even into 2018 fiscal year. Those building
22 inspection permits and fees will be being applied for
23 during that timeframe.

24 As far as any other major projects that are
25 out there, there would be substantial funding to the

1 City and I'm not aware of those.

2 MR. FINNEY: Thank you.

3 MR. KINCAID: But I do know that the General
4 Motors facility is investing a substantial amount of
5 money in our community.

6 MR. FINNEY: Thank you.

7 MR. KINCAID: Okay?

8 THE CHAIRPERSON: Okay.

9 MR. KINCAID: Thank you.

10 THE CHAIRPERSON: Is there a motion, then,
11 that Resolution 263, the 2016 budget amendment be
12 approved?

13 MR. FERGUSON: So move.

14 MR. FINNEY: Support.

15 THE CHAIRPERSON: Motion's made and seconded.
16 Any discussion?

17 If not, those in favor of the motion please
18 say "aye".

19 BOARD MEMBERS: Aye.

20 THE CHAIRPERSON: Opposed?

21 Motion's adopted.

22 We'll return, then, to Resolutions 236, 237
23 and 240 -- I'm sorry, 236, 237 and 238.

24 MS. OAKES: Resolution 236 is a settlement in
25 the Stratman v City of Flint; that was an employment

1 case involving a demotion. The City of Flint lost case
2 evaluation and, ultimately, instead of proceeding to
3 trial, after losing that case evaluation, the case was
4 settled for roughly \$6,000.

5 Similar circumstances in Resolution 237 and
6 238, Dawan Simpkins versus the City of Flint, was an
7 all negligence case but both, as well as the settlement
8 for Brenda Shivers versus the City of Flint, is also
9 all negligence, both of which had adverse effects to
10 the City of Flint and were settled for 15,000 apiece.
11 As you know, litigation far exceeded \$15,000.

12 MR. FINNEY: So, to follow up on 236, I
13 thought you said it was settled in the amount of 6,000
14 but it reflects 20,600 and some change.

15 MS. OAKES: The difference -- I'm sorry.
16 You're correct. The difference between where we were
17 was \$6,000 and that's what we settled for.

18 MR. FINNEY: Okay. Thank you.

19 MS. OAKES: Any questions?

20 THE CHAIRPERSON: No.

21 MS. OAKES: Thank you.

22 THE CHAIRPERSON: With regard to these three
23 settlements, I pose this question to Mr. Jones.

24 The EM Order Number 3 was amended March 31st,
25 2016 with regards to settlement of litigation to

1 indicate, to the extent relevant here, that any
2 settlement or initiation of litigation, it said would
3 contain a detailed statement by the Chief Financial
4 Officer, indicating the estimated financial impact upon
5 the City for each fiscal year affected by the proposed
6 settlement.

7 And I believe it's the case that these
8 particular resolutions were signed by, among others,
9 the former Chief Financial Officer. But I didn't see
10 in here any detailed statement from the Finance
11 Department as to what the finance impact would be upon
12 the City. Is that something that the Administration
13 intends to provide with regards to these three?

14 MR. JONES: We can ask our current CFO to
15 consult with Legal so that we can provide you with that
16 information.

17 THE CHAIRPERSON: Okay. Thank you very much.

18 MR. JONES: And we'll do that for the three
19 cases there.

20 THE CHAIRPERSON: Thank you.

21 MS. OAKES: Just one clarification. That is
22 something that Jody Lundquist provided prior to us
23 agreeing to the settlement. So, if you would like, I
24 can provide that to you. She did provide a statement.

25 THE CHAIRPERSON: That would be accepted,

1 yes. Thank you.

2 Let's take these individually. With, again,
3 Resolution 236, is there a motion that that Resolution
4 be approved?

5 MR. FERGUSON: So move.

6 THE CHAIRPERSON: Is there support?

7 MR. TOWNSEND: Support.

8 THE CHAIRPERSON: Is there any discussion?

9 If not, those in favor of approving
10 Resolution 236 please say "aye".

11 BOARD MEMBERS: Aye.

12 THE CHAIRPERSON: Opposed? Resolution is
13 adopted.

14 Next, Resolution 237. Is there motion that
15 resolution be approved?

16 MR. FERGUSON: So move.

17 THE CHAIRPERSON: Support?

18 MR. FINNEY: Support.

19 THE CHAIRPERSON: Motion's been made and
20 seconded. Any discussion?

21 If not, those in favor of approving
22 Resolution 237, please say "aye".

23 BOARD MEMBERS: Aye.

24 THE CHAIRPERSON: Opposed?

25 Motion is adopted. And finally, Resolution

1 238. Is there a motion that that be approved?

2 MR. FERGUSON: So move.

3 MR. FINNEY: Support.

4 THE CHAIRPERSON: Is there support?

5 Motion's been made and seconded. Those in
6 favor of approving Resolution 238 please say "aye".

7 BOARD MEMBERS: Aye.

8 THE CHAIRPERSON: Opposed?

9 Motion is adopted.

10 We are now at Item C under New Business, City
11 Engineer position description and salary range; that is
12 Attachment 3 in your packet.

13 For discussion purposes, is there a motion
14 that the proposed position description be approved?

15 MR. FINNEY: So move.

16 THE CHAIRPERSON: Is there support?

17 MR. FERGUSON: Support.

18 THE CHAIRPERSON: Now, any discussion
19 regarding the position description?

20 And is the position currently vacant?

21 MR. JONES: This position has been vacant for
22 the last 12 years. And so the City has actually used a
23 local firm as its City Engineer. And so what we have
24 decided to do, certainly based on the infrastructure
25 needs of the City, we decided not to continue with the

1 current contract with the current vendor but, in fact,
2 to bring on a City Engineer so that we can have that
3 expertise in-house.

4 We anticipated a number of infrastructure
5 improvements going forward and it's important that we
6 get guidance, even if we decide to contract with a
7 third party on those projects.

8 MR. FINNEY: Had you been provided a cost
9 differential between the outsourcing versus with the
10 staff?

11 MR. JONES: We have actually had that looked
12 at and I can provide you that information. One of the
13 things that has led to this decision is the number of
14 change orders that we were receiving from the current
15 contractor. And, two years ago, our expenditures to
16 the local contractor exceeded \$1 million and so we're
17 certain that will not -- hiring a person will not
18 exceed that amount. But we can provide you with the
19 comparison on the third party performing this versus
20 the having a person on staff to provide these services.

21 MR. FINNEY: Is it -- does the City have all
22 the other necessary tools, equipment, resources that it
23 would take to support this position or will you need to
24 also secure those other resources?

25 I'm assuming that the engineering firm that

1 was doing this, it was more than just an individual.

2 MR. JONES: Right. We will need to purchase
3 those things. And so what we're -- we're actually --
4 we brought on -- we're looking at an individual who
5 will serve in this capacity on a temporary basis and
6 then, after which, we'll do an assessment to understand
7 what the City will need in order to -- to provide him
8 with the resources that he needs to do that.

9 MR. FINNEY: So just one last thought for the
10 Chair. I'm fine with the job description but would
11 like to see that kind of a comparison of cost
12 historically versus what you anticipate with this
13 in-house position so we can get an understanding of
14 what it is -- what the net difference is --

15 MR. JONES: Right.

16 MR. FINNEY: -- before the position is
17 actually filled.

18 MR. JONES: Right. One of the things that we
19 have -- one of the challenges that we face is that
20 the -- the third party that is providing these
21 services, many of those have gone into one account is
22 what I'm told and so we'll need to break those things
23 out by project and then look at what was paid to that
24 firm, specifically in the area to be the City Engineer.

25 And so separating those out by project versus

1 City engineering has been -- has been a little time
2 consuming and so we'll need to actually to do that
3 exercise.

4 MR. FINNEY: I'm assuming you don't have a
5 candidate yet. You are -- will begin that search
6 process?

7 MR. JONES: We've actually have had some
8 interviews and we have an individual who's prepared to
9 come on, on a temporary basis, to do that. And so --
10 and we'll, in fact, be doing a search for that
11 position.

12 MR. FINNEY: Thank you.

13 MR. JONES: Thank you.

14 THE CHAIRPERSON: Other questions?

15 If there's no objection, other than a request
16 for a side-by-side comparison as a friendly amendment
17 to the amendment on -- before us to approve this
18 position description?

19 MR. FINNEY: The description's fine.

20 THE CHAIRPERSON: Without objection, any
21 further discussion regarding the position description?

22 If not, is -- those in favor of the motion to
23 approve the position description, please say "aye".

24 BOARD MEMBERS: Aye.

25 THE CHAIRPERSON: Opposed?

1 Motion is adopted.

2 The next item will be the salary range. It's
3 my understanding that the proposed salary for this
4 position is \$85,000.

5 Is there a motion that the salary amount be
6 approved?

7 MR. FERGUSON: So move.

8 MR. FINNEY: Support.

9 THE CHAIRPERSON: Motion's made and seconded.
10 Any discussion?

11 MR. FINNEY: Just one question.

12 THE CHAIRPERSON: Yes?

13 MR. FINNEY: Are you certain you don't want
14 to have a range? This is a firm number, so --

15 MR. JONES: Yeah. So we did ask Michigan
16 Municipal League to provide us with a range for City
17 Engineers in various communities here in Michigan and
18 so it looks like that this has been the -- the high end
19 for communities of this size. And so it might be -- I
20 would agree it would be more appropriate to say a range
21 of 80- to 85- or 75- to 85- would be even better.

22 MR. FINNEY: Yeah, no, I was just curious.

23 MR. JONES: Yeah, having a range would be
24 helpful and it would help us with the negotiations.

25 THE CHAIRPERSON: So are you proposing an

1 actual range, then, of 75,000 to \$85,000?

2 MR. JONES: I would actually propose a range
3 of 75- to 90,000 and then we can look at the budget and
4 see how that fit into the budget.

5 THE CHAIRPERSON: Is there a motion, then, to
6 amend --

7 MR. FERGUSON: I move.

8 THE CHAIRPERSON: -- the salary --

9 MR. FERGUSON: I move that we --

10 THE CHAIRPERSON: -- from 75,000 to 90,000?

11 MR. FERGUSON: I move that.

12 MR. FINNEY: Support.

13 THE CHAIRPERSON: Any discussion regarding
14 the pending motion, which is the salary range of 75,000
15 to \$90,000?

16 If not, those in favor please say "aye".

17 BOARD MEMBERS: Aye.

18 THE CHAIRPERSON: Opposed?

19 Motion is adopted.

20 We have next Item D, the position description
21 for the Director of Public Works and salary range.

22 Mr. Jones?

23 And if you could, in your comments, also
24 speak to the issue raised by Councilman Kincaid
25 regarding the reporting pathway for the particular

1 position.

2 MR. JONES: Sure. We -- I did hear that --
3 and we'll actually ask HR to make that change on the
4 job description to -- to state to perform other duties
5 that are determined by the Mayor.

6 THE CHAIRPERSON: And what is the status of
7 this position internally; is it vacant or is it --

8 MR. JONES: This position is vacant. We have
9 held multiple rounds of interviews and we have not been
10 successful in securing a candidate with the skill set
11 necessary to lead this department.

12 We -- we may need to come back to the RTAB as
13 well as the Council to look at raising the salary on
14 this. But, before doing that, we will need to secure
15 the resources from another source to supplement the
16 salary that is presented before you.

17 MR. FINNEY: Has a salary been an issue based
18 on the interviews you've had; that's prevented you from
19 getting someone to consider?

20 MR. JONES: Yes. We actually thought we
21 would have an individual and the individual lived and
22 worked in Tennessee and his current salary was \$150,000
23 a year. And so, while we thought he would be an ideal
24 candidate to lead this department, the City of Flint,
25 at this time, is not able to afford him.

1 I should also mention that we're not on this
2 one right now but the Transportation Director
3 description does not include the salary and so I need
4 to follow up with HR to have the salary for that
5 position posted. And so I would ask you to table this
6 one until the next RTAB meeting, in which case we'll
7 make sure that the salary information is included on
8 the job description.

9 THE CHAIRPERSON: Is there a motion to
10 approve --

11 MR. FERGUSON: So move.

12 THE CHAIRPERSON: -- the position description
13 for --

14 MR. FINNEY: Support.

15 THE CHAIRPERSON: Motion's been made and
16 seconded. Any discussion?

17 Hearing none, those in favor of the motion
18 please say "aye".

19 BOARD MEMBERS: Aye.

20 THE CHAIRPERSON: Opposed?

21 Motion is adopted.

22 The next item we would be the proposed salary
23 range for the position in Public Works. It was 95,000
24 to \$105,000. Is there a motion that the salary range
25 be approved?

1 MR. FERGUSON: If you make a motion, I so
2 move to approve it.

3 THE CHAIRPERSON: Is there support?

4 MR. FINNEY: Support.

5 THE CHAIRPERSON: Any discussion?

6 Those in favor of approving the salary range
7 please say "aye".

8 BOARD MEMBERS: Aye.

9 THE CHAIRPERSON: Opposed?

10 Motion is adopted.

11 The next item is the position description and
12 salary range for the Economic Development Director.

13 Mr. Jones?

14 MR. JONES: Yeah. And this is another case
15 where I was asked if we could approve a range as
16 opposed to just a salary. And I'm going to ask if the
17 range can be between 80- and 95,000. That will allow
18 us to hire this person. This is a position that we
19 would need to seek outside support for but we need to
20 have the position description and the salary approved
21 before we start our recruitment process.

22 THE CHAIRPERSON: And what, please, is the
23 status of this position; is the position vacant?

24 MR. JONES: This position is vacant. This
25 will -- currently, the City of Flint has a Planning and

1 Development Department. And, while there's some
2 economic development activity that takes place there,
3 it is our desire to have a more robust economic
4 development strategy. And we believe that we need to
5 have a qualified individual to lead that department.

6 It is important to note that, while we do
7 desire to have a high-capacity individual, even in this
8 case, we believe that the salary will, in fact, appear
9 to be low to get the caliber of individual that is
10 necessary to lead this department. And so we will
11 likely be -- and, just to be really frank here, hiring
12 maybe a mid-level person versus the kind of economic
13 development -- versus a person with the kind of
14 economic development experience necessary to lead the
15 department, this department.

16 THE CHAIRPERSON: Thank you.

17 MR. JONES: Yes.

18 MR. FINNEY: Is there a -- just one other
19 question. So this will be funded based on your ability
20 to go and get outside funding, it's not in the existing
21 City budget.

22 Do you anticipate getting additional
23 resources beyond the salary cost, salary and benefits
24 cost that will represent the resources it would take to
25 actually implement all the different essential job

1 functions and expectations that are outlined in the job
2 description? Because those things don't come for free.

3 MR. JONES: Correct, correct. So, for the
4 last two-and-a-half months, three months, we've been in
5 conversation with the economic development
6 administration as well as the Michigan -- Michigan
7 Department of Economic Development around -- and we've
8 been talking about funding to support this department
9 as well as the other resources that might be allocated
10 to the City of Flint.

11 And so we believe that the EEA will, in fact,
12 look favorably upon the funding request from the City
13 of Flint. That will provide staff for the department.
14 And so this position will actually serve as the -- the
15 lead staff person for the department.

16 So, once we have more information from the
17 EEA, we plan to bring forth a number of job
18 descriptions for what would be referred to as Economic
19 Recovery Officers.

20 THE CHAIRPERSON: Is there a motion that --

21 MR. FERGUSON: So move.

22 THE CHAIRPERSON: Is there --

23 MR. FINNEY: Support.

24 THE CHAIRPERSON: -- support?

25 Per the record, that the economic development

1 position be approved, is there any discussion?

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

4 BOARD MEMBERS: Aye.

5 THE CHAIRPERSON: Opposed?

6 Motion is adopted.

7 We had here the Transportation Director
8 position description. Given Mr. Jones' comments and
9 given the fact we have discussed this rather than table
10 it, I'm going to ask that, without objection, the
11 agenda be amended to strike this item. We'll take it
12 up at a future date.

13 MR. FERGUSON: So move.

14 THE CHAIRPERSON: Without objection.

15 Next item is City Administrator Items, budget
16 to actual.

17 Mr. Jones?

18 MR. JONES: And this particular item I'm
19 going to defer to our new Chief Financial Officer,
20 Mr. David Sabuda, who will present that report.

21 THE CHAIRPERSON: Thank you.

22 MR. SABUDA: Good afternoon. It's good to be
23 here.

24 THE CHAIRPERSON: Good afternoon.

25 MR. SABUDA: What you have before you is the

1 budget to actual report coming to you in accordance
2 with Emergency Manager Order Number 20. This is for
3 the period ending May 31st with the actual activity
4 recorded through June 16th back to May 31st of 2016.
5 And, at the end of May, we're 91 percent through the
6 fiscal year.

7 And so, when you look at and review the
8 report and you look at the expenditures, we wanted to
9 make sure that we're pretty close, either below or at
10 the 91 percent. And, when you look at the report, all
11 the operative funds are there, they're right on target
12 at around 91 or less, which is fairly good.

13 On the revenue side, please know that we
14 continue to collect the revenues. We will hopefully
15 be, as we go through the next 30 -- 30 to 90 days and
16 record those revenues that we receive in '16 and '17
17 that belong to '15 and '16 in the proper fiscal year.
18 And that is something that is done in accordance with
19 the County rules.

20 So what revenues are -- are there that we do
21 this with? The majority of them are future revenues,
22 such as being able to street monitor and taxes.

23 The future revenues and licenses and other
24 asset sales or other revenues come into play. We book
25 those revenues as they come in on the day.

1 Major events fund is the water/sewer fund.
2 Billing activity was suspended in April, as everyone
3 knows, and then was resumed in May of 2016 and that is
4 for water charges only. This was done under Public Act
5 24. The State of Michigan has pledged to provide cash
6 flow stabilization to the tune of \$29 million. I'm
7 pleased to report that we have received the \$29
8 million.

9 We are -- the City -- in Finance and with
10 Treasury, we are currently developing a strategy for
11 resuming collection efforts consistent with those
12 meeting state requirements. And we are in line and I'm
13 pleased to report that we are in line to receive the
14 next installment of \$27.5 million. I'm very close to
15 meeting up with Mr. Baird and the State of Michigan and
16 with his team and I think we're going to be right on
17 target to meet those guidelines.

18 If you want the Board's -- if it please the
19 Board, I will go through the actual operating funds, if
20 you wish me to go through those funds. If not, I'll --
21 I'd be happy to answer any questions that you have.

22 THE CHAIRPERSON: Even though this report is
23 a budget to actual during 2016, as you're looking ahead
24 to the 2017 budget, which was adopted, do you have any
25 thoughts with regards to either the water or sewer fund

1 with respect to whether the existing rates are adequate
2 or need to be increased, either to ensure that those
3 funds stay solvent or to cover any existing obligations
4 that might be outstanding in any one of those funds?

5 MR. SABUDA: That's a great question. As of
6 right now, I have not had the opportunity to take a
7 look at that. I'm -- this is Day 6, Your Honor, and I
8 need a little more time in order to answer that
9 question.

10 So I -- maybe what I can do is I can revisit
11 that with the Board at a later date, maybe the next
12 RTAB meeting or the following RTAB meeting. I'll know
13 better at that time. I'll answer that question for
14 you. But, at this time, I really can't do that.

15 THE CHAIRPERSON: Without having time?

16 MR. SABUDA: That's correct.

17 THE CHAIRPERSON: Other questions?

18 MR. FINNEY: I would say, particularly, on
19 the sewer fund and how that's coming because that's the
20 piece that there's an expectation, how that's being
21 billed and the collection on this now. So I'm curious
22 to understand how that putting in the collection
23 process is going on in the sewer fund.

24 MR. SABUDA: In general, I can tell you this:
25 Looking at the records and talking with staff, the

1 sewer fund -- sewers are better than water, no doubt
2 about that. However, when you look at the delinquency,
3 you know, or people coming to pay, when they don't come
4 to pay -- they don't pay both sides. Okay? And we do
5 get caught on that fact. So I am seeing that
6 happening.

7 So -- and, again, as we progress with life
8 over the next 60 days, I could answer that question
9 directly. But that's a great question.

10 Thank you.

11 THE CHAIRPERSON: Other questions?

12 MR. SABUDA: I'm sorry.

13 THE CHAIRPERSON: Thank you.

14 MR. SABUDA: You're welcome.

15 THE CHAIRPERSON: Without objection, the
16 budget to actual report is received.

17 Ms. Oakes?

18 MS. OAKES: Before you proceed to Public
19 Comment, I'd like to provide the document that you
20 requested as it relates to the settlements.

21 THE CHAIRPERSON: Yes. Thank you.

22 The next item is public comment.

23 Mr. Cline?

24 MR. CLINE: Yes. Good afternoon. We have
25 two individuals that have signed up for public comment.

1 We'll begin with A.C. Dumas.

2 MR. DUMAS: Good afternoon. My name is
3 A.C. Dumas and I reside in the City of Flint. I'm a
4 little conflicted on what the job of an RTAB is.

5 Recently, we discovered -- I discovered, at
6 least, by reading an article in the Detroit News and
7 our FOIA information from the City of Flint Legal
8 Department, about these golden parachute payoff or
9 severance packages and, accordingly, I think,
10 Mr. Headen, I heard you reading from the Emergency
11 Manager 3 that the City Administrator heads who would
12 sign off contracts and so on and so forth, the Mayor
13 and the City Administrator.

14 When I look at those contracts, the Mayor's
15 signature was not on the contracts. They were
16 newly-created contracts, January of this year, after
17 the Governor was to give the Mayor her authority back.

18 And, for example, the water -- the
19 Howard Croft received a payout severance contract of
20 \$48,600. He didn't have any TPO time, because I looked
21 at the contract. And this is very troubling to not
22 only me but to the residents of the City of Flint.

23 I mean, I hear you, they've been -- all
24 the -- you see, the City of Flint literally have no
25 police and the City don't have economic development, to

1 go through that. But I'm wondering if the RTAB has to
2 sign off or approve financial decisions of the City of
3 Flint, how could this slip by you all?

4 You are the keeper of the -- I guess I'm out
5 of time. But you're the keeper of the funds and so I
6 would hope that you would give us an answer for that.
7 And the list goes on. And I FOIAed and many of them
8 have gotten paid.

9 THE CHAIRPERSON: With regards to the RTAB
10 role in this, you'll find in the Emergency Manager's
11 Final Order, Order Number 20, there is a provision on
12 Page 6 which spells out, among other things, the
13 authority of the City Administrator. And it says
14 here -- and I'll simply read it.

15 It says be responsible -- "Be the sole
16 authority concerning modifications to compensation,
17 including appointed officers and other City employees.
18 This provision does not apply to elected officers
19 within the City."

20 I will presume that the City Administrator
21 would have made these adjustments with respect to
22 severance packages under this language. And, on that
23 basis, it would not have been presented to the RTAB.

24 In general, the RTAB will approve financial
25 transactions that are brought to it by the Mayor and

1 the Council.

2 So, for example, the budget, any budget
3 resolutions or any resolution by City Council that will
4 spend money, those would all come to the RTAB for
5 approval, not because they involve finances,
6 necessarily, but because of the fact the RTAB approves
7 ordinance and resolutions provided by City Council.

8 I don't know but I don't believe that these
9 expenditures would have been presented to the City
10 Council, in which case there would have been no City
11 Council resolution come before the RTAB in the end.

12 Now, with respect to the sequence as to when
13 these occurred, that information I don't have. And
14 that would probably be best directed either to the
15 Human Resources Department of the City or the Law
16 Department, which I understand would have been aware of
17 these severance amounts.

18 But the RTAB doesn't approve -- does not
19 approve every single financial transaction that occurs
20 within the City.

21 Mr. Cline, who's next?

22 MR. CLINE: Last individual is R.L. Mitchell.

23 MR. MITCHELL: Good evening, RTAB. I'm so
24 afflicted by the last statement you made, talking about
25 you don't answer every statement come before you. Like

1 the other gentleman that left state 60 days to -- and
2 he couldn't give you an answer.

3 And I also want to give you a question and
4 see that you respond, Frederick, to Michael Townsend.

5 Michael Townsend, what's on this occasion,
6 seat always empty; could you answer that?

7 Could he speak, sir, Frederick; could
8 Michael Townsend speak for himself?

9 THE CHAIRPERSON: Certainly.

10 MR. MITCHELL: Michael?

11 MR. TOWNSEND: Mr. Mitchell, I have no idea
12 why the seat is empty.

13 MR. MITCHELL: Do you know that it should be
14 a Caucasian guy up there. It's three -- it was four
15 black guys up there but now I only see three. And the
16 last week you was in the background talking over the
17 microphone. I figured there should have been an
18 Caucasian back there but they said that was you. Could
19 you explain that?

20 MR. TOWNSEND: Mr. Mitchell, I was on
21 vacation and I was offered to participate by phone.

22 MR. MITCHELL: Oh. Thank you very much.

23 And now back to -- I want to congratulate --
24 thank you for settling the statement about the capital
25 C engineer -- the new engineer, you approved that.

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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. I do further certify that the foregoing transcript, consisting of (40) pages, is a true and correct transcript of my said stenographic notes.

Date

Mona Storm
CSR-4460