

1 CITY OF FLINT
2 RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
3 SEPTEMBER 14, 2016
4 2:00 p.m.

5
6 Meeting before the
7 RTAB Board at Flint City Hall, Flint, Michigan, on
8 Wednesday, August 10, 2016.

9
10 BOARD MEMBERS PRESENT:

11 Frederick Headen - The Chairperson
12 Michael Finney
13 Joel Ferguson
14 Michael Townsend (By phone)

15 FROM THE CITY:

16 Chief of Staff, Steven Branch
17 Council President, Kerry Nelson
18 City Administrator, Sylvester Jones, Jr.
19 Chief Legal Officer, Stacy Oaks
20 Deputy Finance Director, Dawn Steele

21 OTHERS PRESENT:

22 R. Eric Cline
23 R.L. Mitchell

24 REPORTED BY: Mona Storm, CSR# 4460
25

APPROVED - 10/19/16

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1 Flint, Michigan

2 Wednesday, September 14, 2016

3 2:04 p.m.

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

6 First item is roll call. Let the record
7 reflect that three of the four members are here in
8 person, a fourth member, Mr. Finney, is participating
9 by phone this afternoon.

10 Mike, are you there?

11 MR. FINNEY: Yeah, I'm here. But I can
12 barely hear you.

13 MS. OAKS: We can hear you.

14 THE CHAIRPERSON: Well, we certainly can hear
15 you.

16 MR. TOWNSEND: Pull that mic back a little
17 bit.

18 MR. FERGUSON: We're going to do something
19 here and hope that you're not as loud after we get you
20 straightened out. Okay?

21 Mike, how are you doing?

22 THE CHAIRPERSON: Is this better for you?

23 MR. FERGUSON: Mike?

24 MR. FINNEY: That's a lot better.

25 MR. FERGUSON: And, really, they're going to

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1 just wanted to say to the RTAB, thank you so much for
2 considering the Master Fee Schedule that we did give to
3 Mr. Cline with, actually, the resolution with the
4 number on it. There were some things on there that
5 Administration worked on and got to us and we had a
6 Special City Council meeting today at 12 noon. And so
7 we do appreciate that. We're trying to work with the
8 administration and make sure things get in place. So
9 we did have a special Council meeting today to take
10 care of the Master Fee Schedule. And for you
11 considering to get this approved, we really do
12 appreciate it on such a short notice.

13 That's all I have. Thank you.

14 THE CHAIRPERSON: Thank you, Council
15 President.

16 We will move on to Item B, the approval of
17 Resolutions and Ordinances from City Council meetings.
18 We'll begin with the Special City Council meeting of
19 August 1st, Attachment 7.

20 Mr. Cline, could you provide a synopsis of
21 those resolutions?

22 MR. CLINE: Certainly. Actually, for
23 those -- for this particular meeting, there were three
24 action items originated from that.

25 Resolution 347 and 348 dealt with the waste

1 contract matter and those were addressed last month by
2 the RTAB.

3 Resolution 346 dealt with an amendment to the
4 City's Purchasing Ordinance. And I know that, in
5 remittance, that this matter was referred to an
6 internal committee, so they took no action. So,
7 actually, there is no action the RTAB needs to take at
8 this time for that --

9 THE CHAIRPERSON: Okay.

10 MR. CLINE: -- for that meeting.

11 THE CHAIRPERSON: We'll keep you on the same
12 spot and proceed to the Regular City Council meeting of
13 August 9th.

14 MR. CLINE: All right.

15 THE CHAIRPERSON: Begin with Resolution 312.

16 MR. CLINE: Yes. We have Resolution 312,
17 which is the reappointment of James Richardson to the
18 Library Board.

19 We have Resolution 314, which is the second
20 reading and an adoption of an ordinance amendment to
21 the City's Wastewater Ordinance.

22 314.2 was a public hearing held on the matter
23 of the wastewater ordinance amendment.

24 Resolution 340 was an amendment to an
25 ordinance for a creation of a City-wide committee.

1 This was an internal amendment only to some of the
2 language in that ordinances.

3 Resolution 340.2 was the second reading and
4 adoption of said ordinance for the City-wide committee.

5 Resolution 341 -- I'm sorry, 342 -- 340.2 --
6 let me back up -- was a public hearing held on the
7 City-wide advisory committee.

8 Ordinance 34 -- 341 was the acceptance of the
9 donation of furniture in the amount of \$3,500.

10 Resolution 342 was the approval of a purchase
11 order with Kennedy Industries in the amount of \$82,000
12 for lift station components.

13 343 -- I'm sorry. Some of my notes are out
14 of order -- was an annual contract for the purchase of
15 sodium hydroxide chemicals in the amount of \$200,000.

16 Resolution 374 was a memorandum of
17 understanding for the free City Festival.

18 And Resolution 376 was the -- was a technical
19 amendment to the Annual Action Plan that goes to the
20 Department of Housing and Urban Development.

21 So those are the -- the major resolutions
22 there and then in each group.

23 THE CHAIRPERSON: Is there a motion the
24 foregoing Resolutions be approved?

25 MR. FERGUSON: So move.

1 THE CHAIRPERSON: Is there support?

2 MR. TOWNSEND: I have a question. I am
3 sorry.

4 THE CHAIRPERSON: Certainly.

5 MR. TOWNSEND: One of those resolutions, the
6 16-0376, the Action Plan one, is it also an adjustment
7 to that .1 that's coming later?

8 MR. CLINE: Yes.

9 MR. TOWNSEND: I noticed several of those;
10 that's why I'm trying to understand. I know that --

11 MR. CLINE: Yes. What we did was, that
12 resolution, the final approval of that, we separated
13 out for independent discussion because we initially had
14 a copy of that resolution without signatures. And then
15 we received the complete approval of that as we were
16 routeing out the packet.

17 The Resolution 376, itself, was just a minor
18 technical amendment to some of the language but the
19 final adoption we'll be getting into momentarily.

20 MR. TOWNSEND: Okay.

21 THE CHAIRPERSON: Is there support?

22 MR. TOWNSEND: Support.

23 THE CHAIRPERSON: Any discussion?

24 Those in favor of the motion, please say
25 "aye".

1 BOARD MEMBERS: Aye.

2 THE CHAIRPERSON: Opposed?

3 Those resolutions are adopted.

4 Proceed on to Resolution 340.1, which is an
5 ordinance amendment.

6 MR. CLINE: That is an ordinance amendment to
7 Chapter 46 of the City's Code of Ordinances regarding
8 the creation of a City-wide committee. If anyone
9 wishes more information, I would --

10 MR. FINNEY: Mr. Chair, I'm sorry. What
11 resolution?

12 THE CHAIRPERSON: Resolution 340.1.

13 MR. CLINE: Correct. That is the -- the
14 adoption of a City-wide Committee Ordinance. That has
15 been before the Board several months ago and was
16 postponed due to some further discussion within the
17 City. We separated it out for, you know, separate
18 consideration, simply because you had already
19 previously addressed it and if you wanted to have any
20 further discussion with the City on that.

21 THE CHAIRPERSON: Is there a motion that
22 Resolution 340.1 be approved?

23 MR. TOWNSEND: Motion to approve.

24 THE CHAIRPERSON: Is there support?

25 MR. FERGUSON: Support.

1 THE CHAIRPERSON: Any discussion?

2 Those in favor of the motion, please say

3 "aye".

4 BOARD MEMBERS: Aye.

5 THE CHAIRPERSON: Opposed?

6 Motion is adopted.

7 Next is Resolution 375. It's an amendment to
8 the fiscal '16/'17 budget.

9 MR. CLINE: Yes. And that budget amendment
10 is in the amount of \$318,000.

11 THE CHAIRPERSON: Is there a motion that
12 Resolution 375 be approved?

13 MR. TOWNSEND: Motion to approve.

14 MR. FERGUSON: Support.

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

17 MR. TOWNSEND: Yeah, some discussion. I have
18 a question, if there's someone here that can address
19 that in this resolution to -- to do that, I don't know
20 who would be the appropriate -- Mr. Jones?

21 MS. STEELE: Hello. I'm Dawn Steele and I'm
22 here on behalf of the Interim Chief Financial Officer.

23 MR. TOWNSEND: Hello.

24 MS. STEELE: Hello.

25 MR. TOWNSEND: Question: I noticed that

1 there's some adjustments in there, particularly in the
2 Finance Department in reference to the benefit package
3 that were adjusted that went into salaries.

4 MS. STEELE: Yes.

5 MR. TOWNSEND: Is that correct? I know that
6 was for the salary that was there. Are those
7 adjustments, are those for the entire year or are those
8 for a period of time?

9 MS. STEELE: The adjustment is for the
10 contract, which I think the contract is through
11 February.

12 MR. TOWNSEND: Through February, okay. So
13 you didn't take the full amount of those benefits out?

14 MS. STEELE: We did take the full amount of
15 the benefits. We did take the full amount. The
16 benefits were originally for --

17 MR. TOWNSEND: The entire year?

18 MS. STEELE: Right. And the benefits were
19 for healthcare and the pension and we -- I believe the
20 full amount was taken out.

21 MR. TOWNSEND: So we didn't retro through
22 February; we took the full amount?

23 MS. STEELE: Right.

24 MR. TOWNSEND: So, come February, we have an
25 issue, then?

1 MS. STEELE: Only if --

2 MR. TOWNSEND: If there's a --

3 MS. STEELE: -- the position -- the person
4 taking the position, yes.

5 MR. TOWNSEND: Okay. That was my question.
6 Thank you.

7 THE CHAIRPERSON: Other questions?

8 Mr. Finney, any questions?

9 MR. FINNEY: No.

10 THE CHAIRPERSON: Questions on the adoption
11 of the motion?

12 Those in favor please, say "aye".

13 BOARD MEMBERS: Aye.

14 THE CHAIRPERSON: Opposed?

15 Motion is adopted.

16 Next is Resolution 376.1; it's from 2016/'17
17 Annual Action Plan.

18 MR. CLINE: Again, this is a matter that I
19 believe was received by the Board. This is -- simply
20 may go to the Department of Housing and Urban
21 Development and needs to be -- is a required
22 submission. We initially did not receive the completed
23 resolution with all the signatures on it, as the Board
24 has requested; that's why we separated this out, not
25 knowing if we had to recommend postponement on that

1 issue. That came in.

2 This is pretty much a pro forma document.
3 There are a number of communities submit this on an
4 annual basis that receive Community Development Block
5 Grant funds and things of that nature. So, in my
6 review of it, I didn't note anything that would give me
7 pause on this particular item. So --

8 THE CHAIRPERSON: Is there a motion that
9 Resolution 376.1 be adopted?

10 MR. FERGUSON: So move.

11 THE CHAIRPERSON: I will support that.

12 Mr. Townsend?

13 MR. TOWNSEND: In this situation, I am the
14 acting CEO at Flint PAL, which is a recipient of
15 this -- on this grant, so I will abstain from voting on
16 this issue.

17 THE CHAIRPERSON: Thank you. Motion is made
18 and seconded. Is there any discussion?

19 If not, those in favor of approving
20 Resolution 376.1, please say "aye".

21 BOARD MEMBERS: Aye.

22 THE CHAIRPERSON: Opposed?

23 Motion is adopted.

24 Next is Resolution 378, the settlement of a
25 litigation matter.

1 MR. CLINE: Yes. And I do not have any
2 specifics, given the nature of the litigation or the
3 details of the matter, other than that it is being
4 settled for the amount of \$10,000.

5 THE CHAIRPERSON: And I'll ask, just in case,
6 if the Chief Legal Officer has any comment upon this
7 resolution?

8 MS. OAKS: No.

9 THE CHAIRPERSON: Is there a motion that
10 Resolution 378 be approved?

11 MR. FINNEY: So move approval.

12 THE CHAIRPERSON: Is there support?

13 MR. FERGUSON: Support.

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

16 Those in favor of approving Resolution 378,
17 please say "aye".

18 BOARD MEMBERS: Aye.

19 THE CHAIRPERSON: Opposed?

20 Resolution is adopted.

21 Next we have resolutions from the Regular
22 City Council meeting of August 22nd. Those are
23 Resolutions 384, 385, 390 and 391 and we pulled that
24 one Resolution 392 for further discussion.

25 Mr. Cline, do you want to summarize

1 Resolutions 384, 385, 390 and 391?

2 MR. CLINE: Yes. Resolution 384 is an
3 agreement with the Genesee County Land Bank Authority
4 in the amount of \$80,000 for the Tool Shed Program.

5 Resolutions 385 is the annual contract with
6 Cintas for the provision of uniforms and floor mats to
7 the City in the amount of \$40,000.

8 Resolution 390 is a personal service
9 agreement with a Mike Daniel, for the Fast Start
10 program in the amount of \$120,000.

11 Resolution 391 is a donation to the City's
12 canine unit in the amount of \$50,000.

13 THE CHAIRPERSON: Is there a motion that
14 Resolutions 384, 385, 390 and 391 be approved?

15 MR. TOWNSEND: Motion to approve.

16 THE CHAIRPERSON: Is there support?

17 MR. FINNEY: Does that include 392, also?

18 THE CHAIRPERSON: That includes -- no. 384,
19 385, 390 and 391 only.

20 MR. CLINE: I should note, for the record,
21 this Resolution 386 was postponed by the City Council
22 as well so that one is not being included in this
23 approval.

24 THE CHAIRPERSON: A motion was made. Is
25 there support?

1 Chair will support the motion. Is there any
2 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 That brings us to Resolution 392.

9 MR. CLINE: Resolution 392 is the settlement
10 of a grievance between Local 1799 and City of Flint.
11 Two individuals were involved in this. And the
12 amounts: One individual received a settlement of
13 \$8,000; the second individual received an amount of
14 \$6,600.

15 THE CHAIRPERSON: Any additional information
16 from the Chief Legal Officer?

17 MR. FINNEY: I recommend approval.

18 THE CHAIRPERSON: Is there support?

19 MR. TOWNSEND: Support.

20 THE CHAIRPERSON: Any discussion?

21 If not, those in favor of approving
22 Resolution 392, please say "aye".

23 BOARD MEMBERS: Aye.

24 THE CHAIRPERSON: Opposed?

25 Motion is adopted.

1 That takes us to the two additions to the
2 agenda and we'll begin with Resolutions 419, which I
3 believe was concerning the relocation of one of the
4 election precincts in the City.

5 MR. CLINE: Yes. I actually spoke with the
6 City Clerk about that yesterday. The property where
7 they had one of their election precincts in, either
8 it's for sale or has been sold and it has certain other
9 inefficiencies and they wish to relocate that to a
10 different facility.

11 City Council has approved this resolution.
12 However, Emergency Manager Order Number 20 requires
13 that the RTAB approve that action as well. The City
14 Clerk was asking that this be expedited because there
15 are public notification requirements and other
16 notifications that have to be made. And, with an
17 election coming up, time is somewhat of the essence.
18 So I believe this is completely justifiable and I
19 completely understand the request, so --

20 THE CHAIRPERSON: Is there a motion that
21 Resolution 419 be approved?

22 MR. TOWNSEND: Motion to approve.

23 THE CHAIRPERSON: Is there support?

24 MR. FERGUSON: Support.

25 THE CHAIRPERSON: Any discussion?

1 MR. TOWNSEND: A question.

2 MR. FINNEY: I have a quick question.

3 THE CHAIRPERSON: Question, Mr. Finney?

4 MR. FINNEY: I'm not sure I understand why
5 the (inaudible).

6 THE CHAIRPERSON: I think Mr. Finney's
7 question was why it requires RTAB approval.

8 Is that correct, Mike?

9 MR. FINNEY: Yes, yes.

10 THE CHAIRPERSON: I believe there would be
11 two answers to that. One is that it was a resolution
12 approved by the Council. And so we approve this in
13 that particular vein, as we do, all resolutions that
14 are approved by the Council have to come to the RTAB
15 first. The second is, I believe there is a specific
16 reference in one of the EM orders, I believe Order
17 Number 20 --

18 MR. CLINE: Yes.

19 THE CHAIRPERSON: -- which also implicates
20 RTAB approval. So there are really two reasons.

21 MR. FINNEY: Thank you.

22 THE CHAIRPERSON: Mr. Townsend, you had a
23 question?

24 MR. TOWNSEND: My other question is that, not
25 seeing this resolution, it has all the appropriate

1 signatures that are necessary for it?

2 MR. CLINE: Let me double check. Yes, it
3 does.

4 MR. TOWNSEND: And then the last question is,
5 if this is a situation of that it was approved today --
6 is that the one that was approved?

7 THE CHAIRPERSON: It was approved Monday.

8 MR. CLINE: My understanding is it was
9 approved Monday night by the City Council.

10 MR. TOWNSEND: City Council. Well, again,
11 this being within the time that the Mayor could veto
12 it, do we have that -- we've done it in the past; we've
13 gotten her approval that she will not move on that. I
14 guess that is something we probably should have, that
15 approval, each time before we do it.

16 THE CHAIRPERSON: Mr. Jones, can you address
17 that, as to whether or not Administration intends to
18 allow the veto period to pass?

19 MR. JONES: The Administration does intend to
20 have the veto period pass on this one.

21 THE CHAIRPERSON: Thank you. Mr. Finney, any
22 further questions from you?

23 MR. FINNEY: No, I'm all set. Thank you.

24 THE CHAIRPERSON: A motion was made and
25 seconded. Any further discussion or questions?

1 If not, those in favor of approving
2 Resolution 419, please say "aye".

3 BOARD MEMBERS: Aye.

4 THE CHAIRPERSON: Opposed?

5 Resolution is adopted.

6 That leaves the resolution, I believe,
7 Mr. Cline, you have the resolution number for the
8 adjustments to the Master Fee Schedule?

9 MR. CLINE: Yes. Mr. Branch handed this to
10 me just a few moments ago and it is Resolution 16-0420.
11 It does have -- I have copies of all -- it does have
12 all the appropriate signatures on this resolution
13 dealing with an amendment to the Master Fee Schedule.

14 THE CHAIRPERSON: And can someone elaborate
15 upon this resolution? I assume this involves the \$140
16 fee in the two pieces, \$70 before and \$70 after.

17 But, Mr. Jones, can you summarize for us --

18 MR. JONES: Sure.

19 THE CHAIRPERSON: -- what this does?

20 MR. JONES: Sure. This -- this amendment to
21 the Master Fee Schedule is being done specifically and
22 only for the purposes of a Fast Start program, the
23 service line replacement. And the first \$70 fee is a
24 utility inspection in which members of the City of
25 Flint Water Service Center will go out. They will

1 inspect the lines to ensure that they are either
2 galvanized or lead prior to the contractor coming in to
3 replace it.

4 And then the second \$70 fee is a right-of-way
5 inspection, which members of the Utility Department
6 will go in, they will ensure that the line has been
7 replaced properly. They will also ensure that
8 nothing -- no damage has been made to the City of
9 Flint's infrastructure underground before the
10 restoration work is completed.

11 And so this is an opportunity for the City of
12 Flint to have safeguards in place, not only to make
13 sure that the pipes that are being replaced are
14 galvanized or lead but also to ensure that before
15 the -- the restoration work is done, that nothing was
16 done improperly to the main or that things were
17 replaced properly.

18 THE CHAIRPERSON: And would this be paid by
19 the homeowner?

20 MR. JONES: This fee will be paid by the
21 contractor.

22 THE CHAIRPERSON: By the contractor.

23 MR. TOWNSEND: Question by Mr. Townsend. Now
24 that this process has already started, are these fees
25 collected now or will they be collected for those that

1 are already -- since the process has already started?

2 MR. JONES: I need to talk to the Building
3 Inspection Department to figure out how we're going to
4 handle that. I do know, going forward, from this point
5 forward, we will begin that. But I need to understand
6 how we will handle that for the previous lines that
7 were replaced. I will tell you that we have had City
8 staff on site doing these inspections, in hopes that
9 this would be approved today.

10 THE CHAIRPERSON: And what will the
11 disposition be of the fees; will they go to the Water
12 Fund?

13 MR. JONES: These fees will go to the
14 respective departments. There is, in fact, a Water
15 Service Center Department, and they actually handle
16 those actual repairs on a nominal basis. And then
17 there's also the Streets Department that handle
18 everything in the way of repairs and inspections and
19 the right-of-way.

20 THE CHAIRPERSON: Thank you. Is there a
21 motion that Resolution 420 be approved?

22 MR. TOWNSEND: Motion to approve.

23 THE CHAIRPERSON: Support.

24 Motion is made and seconded. Is there any
25 discussion?

1 If not, those in favor of approving
2 Resolution 420, please say "aye".

3 BOARD MEMBERS: Aye.

4 THE CHAIRPERSON: Opposed?

5 Resolution is adopted.

6 Next item, City Administrator Items.

7 Mr. Jones?

8 MR. JONES: Good evening -- good afternoon, I
9 should say. I know that a part of the -- the update is
10 to discuss the Budget to Actual. So, at this time, I'm
11 going to ask the Deputy Finance Director,
12 Mrs. Dawn Steele, to come forward and offer that Budget
13 to Actual report.

14 MS. STEELE: Hello again. You should have,
15 in your packet, a copy of the Budget to Actual as of
16 July 31st. We are in the process of closing out FY '16
17 that ended on June 30th. So there will be a few
18 adjustments to the June 30th revenue and expenditures
19 that are included in this report, along with the first
20 month's revenue and expenditures for FY '17, which is
21 due July 31, 2016.

22 Do you have any questions in regards to the
23 report that I would be able to answer?

24 THE CHAIRPERSON: I realize it's early in the
25 fiscal year. But are we on target yet, are there

1 any --

2 MS. STEELE: Concerns or --

3 THE CHAIRPERSON: -- issues on the Horizon
4 that you have any concern about?

5 MS. STEELE: No, just the ongoing water
6 situation. Mr. Sabuda actually is in a court hearing
7 today. But, other than that, we haven't noticed any
8 major changes or reductions. And FY '16 looks like it
9 should close out fairly well. I don't see any major
10 things regarding that.

11 THE CHAIRPERSON: And are we on target to
12 have the 2016 -- '15/'16 audit completed on time?

13 MS. STEELE: Yes, the auditors will be coming
14 in on October 16. We usually have the three weeks.
15 And we do not anticipate any delay. It will be
16 finalized December 31st, so we're hoping in the first
17 or second week in December.

18 THE CHAIRPERSON: Are there any questions?

19 Mr. Finney, any questions?

20 MR. FINNEY: No. I'm all set.

21 THE CHAIRPERSON: If there is no objection,
22 we will receive the July 31, 2016 Budget to Actual
23 Report.

24 MR. JONES: So the next couple things that
25 you have asked us for was the salary for the

1 transportation director. That salary is 75- to 85-.

2 And then the second item that you asked us to
3 bring back information on is the comparison between an
4 internal engineer for the City of Flint and outsourcing
5 that to another contractor.

6 And so what the -- the Finance Director has
7 done is provided me with a breakdown of all of the
8 costs associated with the City Engineer,
9 Mr. Mark Davis, and that total cost is \$120,947.50, and
10 that includes his wages, his Social Security and
11 unemployment insurance, healthcare contribution, his
12 pension contribution as well as the employer pension
13 healthcare contribution. That makes up that
14 120,947.50. And then, based on the work that has
15 been --

16 MR. FINNEY: Chair?

17 MR. JONES: -- contracted out for the
18 engineering firm, Rowe, the total of that is
19 289,642.22. And so we do realize a savings by having
20 an engineer in-house.

21 MR. FINNEY: Mr. Chair?

22 THE CHAIRPERSON: Yes.

23 MR. FINNEY: I'm only hearing bits and pieces
24 and so I think I'm going to sign off without any
25 problems, correct?

1 THE CHAIRPERSON: Unless you have any
2 questions regarding this cost comparison. As I recall,
3 you were the one who originally asked for a comparison
4 of in-house versus an engineering contract. So do you
5 have any questions regarding this item?

6 MR. FINNEY: No, I don't.

7 THE CHAIRPERSON: Okay. Thank you, then.

8 MR. FINNEY: Okay. Thanks a lot, everyone.
9 Bye.

10 MR. JONES: So I guess it's also important to
11 note that, because of the work associated with
12 replacing service lines and preparing to bring in,
13 hopefully, additional dollars from the Federal
14 Government, this is important that the City of Flint
15 had engineering services in-house that can help to
16 provide some guidance as we replace not only the
17 service lines but, very soon, we hope that it will also
18 be replacing parts of our main water line. And so
19 having an engineer in-house is really critical as we
20 move forward with that work.

21 THE CHAIRPERSON: The only question that I
22 had -- and I don't have the numbers in front of me now.
23 But, when I looked at them earlier this morning, there
24 was a -- as I recall, substantial differential on the
25 contractor side in the line, involving, I believe,

1 unemployment insurance. I don't recall the exact cap
2 but it was, I believe, over a hundred thousand dollars.

3 MR. JONES: In savings?

4 THE CHAIRPERSON: It was much lower on what
5 I'll call the in-house side. And I was trying to
6 understand as to why there would be such a variance
7 between those two numbers.

8 MR. JONES: Yeah. And I'm not sure these --
9 this information was provided to me directly from
10 David Sabuda but I can double check on those, the
11 unemployment, in other words.

12 THE CHAIRPERSON: Okay. Ms. Steele, do
13 you -- would you have an answer for that?

14 MS. STEELE: What's the question in regards
15 to?

16 THE CHAIRPERSON: Eric, do you have the
17 particular page?

18 MR. CLINE: Yes.

19 THE CHAIRPERSON: I just recall a
20 differential of --

21 MR. TOWNSEND: A hundred thousand dollars.

22 MS. STEELE: Oh, this is -- oh, the 162,000,
23 that's construction services. Is that what you're
24 asking? The Social Security unemployment insurance, is
25 that --

1 THE CHAIRPERSON: I believe that's the line
2 and it was only \$8,000 or so --

3 MS. STEELE: Yeah, 8,9-

4 THE CHAIRPERSON: -- for in-house.

5 MS. STEELE: \$8,900, right.

6 THE CHAIRPERSON: Why would they be so
7 different?

8 MS. STEELE: Go ahead -- well, there's -- if
9 you're comparing 8,900 with the number next to it for
10 Rowe Engineering, which is 162,000, that's what I'm
11 saying, the 162,000 is not Social Security and
12 Unemployment insurance, it looks like it's construction
13 services. So they had -- he has engineering services
14 of 126,916 for Rowe and then there was 162,725 for
15 construction services. So there was two different...

16 THE CHAIRPERSON: So they're not the same?

17 MS. STEELE: No, it's not going across, like
18 wage is, no. It's, like, the total Rowe's total
19 engineering services cost is 126,000 and then the
20 construction services was 162,725 where a staff
21 person -- we broke it out into the fringe benefits plus
22 wages.

23 THE CHAIRPERSON: Okay. I see.

24 MS. STEELE: Okay?

25 THE CHAIRPERSON: Thank you.

1 MR. JONES: And, unless you have other
2 questions, I have nothing else to report at this time.

3 MR. TOWNSEND: The only thing I had a
4 question in that process, as I looked at that, too, the
5 difference is so glaring in terms of the cost. Are we
6 saying though, by this document, that the in-house
7 engineer will be able to perform all of the
8 responsibilities that were previously paid to Rowe?

9 MR. JONES: So we're not saying that they
10 will be able to perform all of the duties. What we
11 will do -- and we'll continue to think about what
12 projects will be done by the in-house engineer and what
13 things will be contracted out to various engineering
14 firms. We do know that, in addition to the City of
15 Flint's engineering needs -- and that's for the
16 Administration -- various departments also have
17 engineering needs.

18 For example, only the last couple years there
19 has been times where Planning and Development have
20 engaged an engineering firm of Rowe. In cases where he
21 can't actually handle those things and grant funds can
22 support those, we'll use grant funds to go out to an
23 outside vendor, to bring in the engineering support to
24 do that.

25 MR. TOWNSEND: So what we're saying in that

1 is, as we look at that, they're not actually having
2 apples to apples in terms of comparison of costs
3 because there are some costs that are associated in the
4 Rowe total that we still may incur --

5 MR. JONES: Right.

6 MR. TOWNSEND: -- outside of that?

7 MR. JONES: Yeah. The other thing that's
8 important to note is because we have an engineer on
9 staff now, when we're developing specs for an RFP that
10 requires an engineer, we'll be able to put more precise
11 specs into that RFP to prevent change orders on the
12 back end.

13 Any other questions?

14 THE CHAIRPERSON: The final item that we had
15 listed here, heading was the Water Rate Analysis. We
16 had asked Chief Financial Officer, I believe, probably
17 two meetings ago, to compare an analysis. I think what
18 we're really looking for -- at least what I am looking
19 for, is to try to understand, with respect to water and
20 sewer funds and, in particular, I think the water fund,
21 where it is financial -- is it going to be able to --
22 is it bringing in sufficient revenue, given the
23 expenditures, to be able to operate throughout the
24 remainder of the calendar year and then throughout the
25 remainder of fiscal year 2017.

1 If not, when would it likely be out of cash?

2 Do rate increases need to be considered?

3 I think of all the funds that the City has,
4 that particular fund is probably of the greatest
5 concern, at least, based upon the influx of resources
6 from the State or otherwise. That's gray and we'd
7 particularly like to know that. But, if there are
8 issues on the horizon -- because there had been
9 discussions, I think, earlier in the year about the
10 possibility that the fund might not attach at some
11 point. Is that still a concern or has that been
12 addressed?

13 MR. JONES: That is still an ongoing concern.
14 The Finance Officer has said that he will need
15 additional time to conduct an analyses of that fund. I
16 will say that the City is ramping up its collection
17 efforts and the mailing is going out to businesses as
18 well as residents, encouraging them to not only pay
19 their current bill but, also, to make arrangements on
20 their past due bills.

21 That correspondence will also say that, if
22 we -- if you don't want your credits to end from the
23 State of Michigan, you must be current on your water
24 bill. And so we are ramping up those efforts to bring
25 in revenue for that fund because it is an ongoing

1 concern.

2 And so that's something we hope to bring you
3 more information on but it will take additional time in
4 order to do that analysis.

5 THE CHAIRPERSON: Thank you.

6 MR. JONES: Certainly.

7 THE CHAIRPERSON: Public comment?

8 MR. CLINE: One question before we move to
9 public comment. Since Mr. Jones provided the salary
10 range for the Transportation Director, do you want to
11 back up and address that particular point?

12 THE CHAIRPERSON: This was on the \$75,000,
13 85,000?

14 MR. CLINE: Yes. We had deferred that
15 earlier temporarily.

16 THE CHAIRPERSON: Is there a motion that the
17 salary range for the Transportation Director position
18 we previously approved in the amount of 75,000, \$85,000
19 be approved?

20 MR. FERGUSON: So -- so move.

21 THE CHAIRPERSON: Is there support?

22 MR. TOWNSEND: Support.

23 THE CHAIRPERSON: Any discussion?

24 MR. TOWNSEND: The only discussion I'd like
25 to add, at this point in time, is that, when we do a

1 salary range -- this may be directed toward Mr. Jones.

2 When we do a salary range of that, if there
3 is deviation outside of that, is that something that
4 should be going back -- or that will be brought back to
5 the RTAB?

6 MR. JONES: Yes. Yes, it will.

7 MR. TOWNSEND: Okay. No other questions.

8 THE CHAIRPERSON: Any further questions?

9 Questions on the adoption of the motion, then
10 those in favor, please say "aye".

11 BOARD MEMBERS: Aye.

12 THE CHAIRPERSON: Opposed?

13 Motion is adopted.

14 MR. CLINE: All right. With public comment,
15 we only had one individual that signed up for public
16 comment, R.L. Mitchell.

17 MR. MITCHELL: Good evening, Chair.

18 THE CHAIRPERSON: Mr. Mitchell.

19 MR. MITCHELL: In regards to the Mayor, we
20 thank you for being lenient with we, the peoples of
21 Flint, for Mr. Sabuda, for allowing us some time to get
22 the money situation in range.

23 And, Michael Townsend and the other Michael,
24 we appreciate -- in regards to the Mayor's absence --
25 and we appreciate you doing business with Flint. Thank

1 you.

2 THE CHAIRPERSON: Thank you.

3 MR. CLINE: That's all.

4 MR. TOWNSEND: Motion to adjourn.

5 THE CHAIRPERSON: Is there support?

6 MR. FERGUSON: Support.

7 THE CHAIRPERSON: Without objection, we are
8 adjourned.

9 (Meeting was concluded at 2:51 p.m.)

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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 - 10/19/16