

City of Flint
Receivership Transition Advisory Board
Special Meeting
Thursday March 31, 2016
2:00 P.M.

Flint City Hall
City Council Chambers – 3rd Floor
1101 S. Saginaw St.
Flint, Michigan 48502

Agenda

- I. CALL TO ORDER**
 - A. Roll Call
 - B. Approval of Agenda
 - C. Approval of March 16, 2016 Meeting Minutes (attachment #1)

- II. UNFINISHED BUSINESS**
 - NONE

- III. NEW BUSINESS**
 - A. Approval of Resolutions and Ordinances from City Council Meetings
 - 1. Ordinances from the Regular City Council Meeting of March 14, 2016 (Ordinances 150008, 160026, 160027, 160028, and 160029) (attachment #2)
 - B. Consideration of Resolution 2016-3 (Settlement Authority) (attachment #3)

- IV. PUBLIC COMMENT**

- V. ADJOURNMENT**

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CITY OF FLINT
RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
WEDNESDAY, MARCH 16, 2016
2:00 P.M.

A meeting before the RTAB Board at
1101 S. Saginaw (Dome), Flint, Michigan, on
Wednesday, March 16, 2016.

BOARD MEMBERS:

- Frederick Headen, Chairperson
- Michael Finney, Member
- Michael Townsend, Member
- Joel Ferguson, Member

ALSO PRESENT:

- R. Eric Cline (Department of Treasury)
- Mayor Karen Weaver (City of Flint)
- Jody Lundquist (Finance Director)
- Anthony Chubb (City Attorney)
- Kerry Nelson (Council President)

MEMBERS OF THE PUBLIC ADDRESSING THE BOARD:

- Chris Delmaroney (Flint resident)
- Eric Mays (Councilman)

REPORTED BY:

- Quentina R. Snowden, (CSR-5519)
- Certified Shorthand Reporter,
- Notary Public

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1 Wednesday, March 16, 2016

2 Flint, Michigan

3 2:04 p.m.

4 CHAIRPERSON HEADEN: We'll start the
5 meeting, please.

6 MEMBER FERGUSON: Excuse me, I didn't
7 mean to hold the meeting up.

8 CHAIRPERSON HEADEN: The meeting will
9 please be in order. The first item of business
10 is roll call. Let the record reflect that we do
11 have four members present.

12 Next item is the approval of the
13 agenda. I have several amendments to the agenda.
14 One is to add to the agenda RTAB Resolution
15 2016-2 under New Business, Item D.

16 The second change would be under New
17 Business, B2, Resolutions from the regular City
18 Council meeting of February 22nd, 2016.

19 FROM THE AUDIENCE: Hello, we can't
20 hear you. They're saying they can't hear you.

21 CHAIRPERSON HEADEN: Please, under the
22 Resolutions listed there strike Resolution 16 and
23 17. Those were already approved by the RTAB at
24 our special meeting on the 26th of February. And
25 if you would please add Resolution Number 28 to

1 the ones listed there. Are there other revisions
2 to the agenda?

3 FROM THE AUDIENCE: I'm sorry, sir,
4 but we still can't hear you.

5 CHAIRPERSON HEADEN: If not, is there
6 a motion that the agenda, as amended, be
7 approved?

8 MEMBER FERGUSON: So moved.

9 CHAIRPERSON HEADEN: Is there support?

10 MEMBER FINNEY: Support.

11 CHAIRPERSON HEADEN: Without
12 objection, the agenda, as amended, is approved.

13 The next item of business is the
14 approval of the RTAB meeting minutes from the
15 special meeting of February 26th. They are
16 Attachment 1. Are there corrections or additions
17 to those minutes?

18 MEMBER TOWNSEND: Motion to approve.

19 CHAIRPERSON HEADEN: Is there support?

20 MEMBER FINNEY: Support.

21 CHAIRPERSON HEADEN: Those in favor of
22 approving the minutes please say "Aye."

23 (All ayes.)

24 CHAIRPERSON HEADEN: Opposed? Motion
25 is adopted, the minutes from February 26th are

1 approved.

2 Unfinished Business, there is none.

3 New Business, Mayor and City Council

4 President. Madam Mayor.

5 MAYOR WEAVER: Good afternoon. Really

6 I just had a couple of things that I wanted to

7 talk about this morning, and one is to say that

8 on Monday evening, City Council and I -- I just

9 had a couple things that I wanted to say and one

10 was that on Monday evening, City Council and I

11 worked together and we came to an agreement as

12 far as the contract, to end the contract for

13 Natasha Henderson.

14 And one of the things, I do want to

15 commend City Council because we have all been

16 trying to be fiscally responsible here, and so we

17 were able to take the time out going into

18 executive session and have that and make that

19 happen. So I just wanted you to be aware that

20 that took place Monday evening.

21 The other thing, I wanted to introduce

22 Mr. Steve Branch. He's the new Chief of Staff.

23 And I know you had the opportunity to meet

24 Sylvester Jones before, but he is here again. So

25 I did want to acknowledge them so you all could

1 see who they are. I didn't know if you had that
2 opportunity. But everybody was here the last
3 time except Mr. Branch, and he came in, he's been
4 volunteering his time and that's what he's been
5 doing, is volunteering his time until we were
6 able to make this happen officially. So that's
7 taken place as well, so -- and I should also
8 acknowledge one other person that's here, Admiral
9 Dunwoody. She has been sent by the President and
10 she is helping as far as getting things together
11 with what's going on health-wise in the City of
12 Flint. We've been trying to put together some
13 kind of health infrastructure, and have a common
14 ground to see what's missing and what do we have
15 and how do we now communicate different kinds of
16 services. And so she is going to be here with us
17 for a month just to meet with different community
18 groups and help us with that issue as well. So I
19 wanted you to know who she was as well. And that
20 was it.

21 CHAIRPERSON HEADEN: Council President
22 Nelson?

23 Next item is the approval of
24 resolutions and ordinances from City Council
25 meetings. We'll begin with the regular City

1 Council meeting February 8th, 2016. It is
2 Attachment 2 of Resolutions 997, 998 and 04 and
3 05.

4 Any questions about those Resolutions?
5 If not, is there a motion that those Resolutions
6 be approved?

7 MEMBER FERGUSON: I so move.

8 CHAIRPERSON HEADEN: Motion has been
9 made. Is there a second?

10 MEMBER TOWNSEND: Support.

11 CHAIRPERSON HEADEN: Any discussion?
12 Those in favor of the motion, please say "Aye."

13 (All ayes.)

14 CHAIRPERSON HEADEN: Opposed? Motion
15 is adopted.

16 Next item is Resolution 006, it's
17 Attachment 3, concerns water billing. Questions
18 about that particular Resolution? This
19 Resolution would ask the administration to
20 discontinue billing customers for water.

21 I do have several questions about this
22 to direct either to the Council President or the
23 Finance Director.

24 First question would be, what impact,
25 if any, would this have on cash flow of the water

1 supply fund if this Resolution were, in fact,
2 approved?

3 MS. LUNDQUIST: I'm sorry, I was
4 speaking with Counsel. Could you please restate
5 the question?

6 CHAIRPERSON HEADEN: Yes, this is with
7 regards to Resolution 006 to discontinue water
8 billings. The initial question I had was what
9 impact, if any, would this have on the cash flow
10 of the water supply fund if it were adopted?

11 MS. LUNDQUIST: So regardless -- can
12 you hear me?

13 CHAIRPERSON HEADEN: Yes.

14 MEMBER FINNEY: We can hear you.

15 MS. LUNDQUIST: Well, regardless of
16 the impact on the cash flow I'd first like to
17 address that the Resolution in itself would
18 violate State Law and the Revenue Bond Act. So,
19 should the law not have applied to the
20 Resolution, and without respect to the \$30
21 million relief program that the City is actively
22 working to administer and the complications that
23 would ensue from the Resolution in trying to do
24 both, administer the relief program and
25 discontinue billing, we would be out of money

1 within two to three months.

2 MEMBER TOWNSEND: Can you, while
3 you're there, can you elaborate on the law that
4 you -- tell us a little bit about the law that
5 you said it violates?

6 MS. LUNDQUIST: In layman's terms, the
7 Revenue Bond Act requires that when the City has
8 an outstanding debt in the form of revenue bonds
9 for a fund, in this case the Water Fund, it is
10 obligated to set rates and administer billing
11 such that it is covering the cost of not only
12 operating and maintenance, but the payment of the
13 principal and interest on those bonds such that
14 then the -- the bond covenants are satisfied.

15 CHAIRPERSON HEADEN: And again, can
16 someone from the Council speak to this issue?
17 This Resolution was adopted 6 to 1 with two
18 abstentions, and I'd like to understand sort of
19 what the thinking was of the City Council behind
20 this resolution.

21 COUNCIL PRESIDENT NELSON: Thank
22 you to the RTAB. I guess what the Council was
23 saying, because of the numerous phone calls
24 that we were receiving saying that the water
25 was no good to do anything but to flush, which

1 I do agree, that paying for a water bill was
2 just unheard for. And we know some relief was
3 coming, but because of the numerous calls that
4 we receiving from the people that we represent,
5 we felt like we had to do something.

6 At that time Attorney Chubb said he
7 would check and see if it was in violation or
8 not.

9 And at the time of -- when this
10 resolution was brought forth, it was so many
11 calls coming in from every direction. Talking to
12 other colleagues, they were receiving calls; you
13 go to block clubs, it dominated the conversation,
14 that the water was just no good and we're
15 receiving all of these high water bills.

16 And so the Council said we wanted to
17 do something. And at that time Attorney Chubb
18 did, like I said before, said he would have to
19 look into it and see if he could, you know, do
20 that.

21 But as representing the people of the
22 City of Flint from various Wards 1 through 9, we
23 felt we had to step up and do something, whether
24 it was a violation or not, we didn't know at that
25 time, but we still feel, and I do, that we still

1 need more relief. And, yes, the Governor has
2 sent some and he's trying to send some more that
3 I'm aware of, but the people need some help right
4 away, and they wanted somebody to take a stand
5 for them and say something for them. And so that
6 way the Council put something together in saying
7 that we feel that the people that we represent
8 should not have to pay for their water services
9 at this time. All right?

10 Any questions for me?

11 CHAIRPERSON HEADEN: The only other
12 question I would have with regards to the
13 resolution is that it has no end date. So was
14 there any consideration given to how long the
15 discontinuation would occur; would it be six
16 months, would it be a year, would it be --

17 COUNCIL PRESIDENT NELSON: We have --
18 some colleagues had said 6 months, some had said
19 12. We did not come to a number term. We're not
20 going no longer than 12 months. Some had said 6
21 months, some had said 12.

22 Personally I would rather -- you know,
23 my opinion was 12. 12 months, one year. Some
24 said let's do 6 months. But it all depended upon
25 -- Attorney Chubb had said he had to do his

1 research whether we could -- you know, at this
2 point because there's a law that says we cannot,
3 we can't even do three days, but we wanted to do
4 something to stand up for the people that we
5 represent and say something.

6 CHAIRPERSON HEADEN: Other questions?
7 Mr. Ferguson?

8 MEMBER FERGUSON: I think --

9 CHAIRPERSON HEADEN: It's on.

10 MEMBER FERGUSON: Okay. I think if
11 it's ever possible to do this, it should be for
12 whatever the duration -- whatever the length of
13 time the people weren't able to use their water.

14 COUNCIL PRESIDENT NELSON: Right.

15 MEMBER FERGUSON: It should be a
16 corresponding time. So if it's been a year, or a
17 year and a half, or six months --

18 COUNCIL PRESIDENT NELSON: That would
19 be two and a half years.

20 MEMBER FERGUSON: Whatever that is
21 where people weren't getting their value for what
22 they were writing the checks for, then anything
23 that we could figure out should be for -- they
24 get the relief for what -- when they paid for
25 nothing --

1 COUNCIL PRESIDENT NELSON: Right.

2 MEMBER FERGUSON: -- it should -- they
3 should get a refund for all of the time they paid
4 for nothing. If we could figure out how to do
5 this, that should be the length of time. Okay?

6 COUNCIL PRESIDENT NELSON: So that
7 would make it two and a half years.

8 MEMBER FERGUSON: Whatever it is. If
9 we're looking for another source, because the
10 City of Flint can't afford do that, so if we
11 could bring some outside monies in if we could do
12 this, because you couldn't -- you couldn't, as a
13 City Council, pay for it, because then you'd have
14 to get the money from the citizens in some other
15 pot. So we have to work to try to bring in an
16 outside source to make this happen, okay? But I
17 understand where you're coming from, it made
18 sense, what you're requesting and calling
19 attention to, okay?

20 MEMBER FINNEY: So, looking at the
21 City Attorney here, I assume you concur with the
22 comments that were offered by the Finance
23 Director?

24 ATTORNEY CHUBB: Yes, everything that
25 Jody and everybody else spoke to as to what I

1 said is correct.

2 The Revenue Bond Act in both, I
3 believe it's Section 17 and Section 21, in
4 different places both require you to charge
5 more -- or what it costs at the very minimum to
6 produce the water when you sell the water, and
7 then additionally has a separate provision that
8 prohibits giving away water for free to anyone.

9 So either of those -- you know, I just
10 said -- everybody feels the same, and I'm a Flint
11 water customer and I don't like paying for the
12 water either, obviously, but it's just a chicken
13 before the egg thing. And so as Jody and I work
14 virtually daily with the State in implementing
15 the \$30 million credit, you know, that's when
16 people will get that allowance and that's when we
17 will be able to legally draw back the billings.

18 MEMBER FINNEY: So, Mr. Chair, given
19 the input that we've now received from the
20 Finance Director, the Attorney and from the
21 Council President, I would move to table this
22 item and refer it back to the Administration for
23 their final review before it comes back to us for
24 consideration.

25 CHAIRPERSON HEADEN: Motion has been

1 made. Is there support?

2 MEMBER FERGUSON: Support.

3 CHAIRPERSON HEADEN: Discussion?

4 Those in favor of tabling this particular item,
5 please say "Aye."

6 (All ayes.)

7 CHAIRPERSON HEADEN: Opposed? Motion
8 is adopted and the item is tabled to refer back
9 to the Administration and City Council.

10 Mr. Ferguson?

11 MEMBER FERGUSON: I -- listening to
12 what's being said, it was really a symbolic -- it
13 was a communication by the City Council to tell
14 the people of Flint that they hear them.

15 I think what they've done is they've
16 made an announcement and some kind of way we've
17 got to kick the can and find a way for
18 legislature or someone else to where we can bring
19 a source in to bring relief for this action that
20 they requested have done. Because they can pass
21 all of the resolutions they want going forward,
22 but if we can't find the money, it's really -- it
23 doesn't mean anything. So it's kind of kick the
24 can where we can communicate to the legislature
25 or someone else if we can get a fund or someone

1 to help relieve this pain that we have on this
2 matter.

3 MEMBER FINNEY: Mr. Chairman, I would
4 just suggest that there -- what my fellow Board
5 member just suggested is outside of our purview.
6 I honestly think that the Administration should
7 continue working with the State on funding
8 opportunities, and I think that is an active
9 effort that's underway. We all know that \$30
10 million has already been committed to begin
11 solving the water problem and I know that the
12 Finance Director and the Attorney just indicated
13 they're working on it.

14 So I would rather us not try to get in
15 the middle of whether the State or any other
16 source should provide additional funding. I
17 think that the City Administration should take
18 the lead in doing that, and then bring back to
19 us, as an RTAB, whatever resolutions are
20 appropriate and legal for our consideration at
21 some future date.

22 CHAIRPERSON HEADEN: Thank you both
23 gentlemen.

24 Next item is Resolutions from the
25 regular City Council meeting of February 22nd.

1 The Resolution numbers are listed there again, 16
2 and 17 was struck having been approved previously
3 and Resolution 28 was added to the list.

4 Are there questions about any of the
5 Resolutions listed there; and if not, I'll
6 entertain a motion that those resolutions be
7 approved.

8 MEMBER FERGUSON: So approved.

9 MEMBER FINNEY: Support.

10 CHAIRPERSON HEADEN: Any discussion?
11 Those in favor, please say "Aye."

12 (All ayes.)

13 CHAIRPERSON HEADEN: Opposed? Motion
14 is adopted, Resolutions from February 22nd are
15 approved.

16 Next item, City Administrator items,
17 Budget to Actual. Ms. Lundquist?

18 MS. LUNDQUIST: I apologize that what
19 I'm about to ask is outside of the agenda that I
20 know that has been adopted. There were two
21 resolutions that were passed by Council at their
22 meeting this past Monday, March 14th, that are of
23 some urgency. The one regarding the termination
24 of City Administrator Natasha Henderson, I would
25 ask that the City Council speak on should you

1 have any questions.

2 And the second is a budget amendment
3 that is predicated on the termination of the City
4 Administrator. It is a budget amendment that
5 then authorizes the transfer from the City
6 Administrator's department to the Mayor's
7 department in order to create the chief of staff
8 position and the appointment that has been made
9 to Steven Branch.

10 Again, I did not realize that these
11 were not requested to be added to the agenda
12 sooner, so there aren't copies for everyone.
13 I'll pass them to you now for your consideration.

14 CHAIRPERSON HEADEN: I'm reluctant to
15 have us consider these now because in fact we've
16 not seen these previously. And so I think we
17 need an opportunity, at least as a Board, to
18 review these content. We were in contact with
19 the City beginning, I believe, yesterday morning
20 to try to ascertain what business, if any, was
21 conducted by the City Council Monday night, and
22 as of at least 11:00 this morning, we had
23 received no information.

24 So, we would have been prepared had we
25 gotten the information sooner to add it to the

1 agenda, if necessary, but I think all things
2 considered it would be unfair to ask us to review
3 and vote upon this now. We certainly are willing
4 to consider this once we've had a chance to
5 review it.

6 MS. LUNDQUIST: I thank you for your
7 consideration, and again, I would -- those
8 communications are normally directed through the
9 Mayor's office, so I did not -- I was not aware
10 that they had any correspondence or that those
11 had not been added, but for the sake of the City
12 business and moving these items forward in
13 addition to bringing them to your attention
14 today.

15 CHAIRPERSON HEADEN: I appreciate
16 that.

17 ATTORNEY CHUBB: And gentlemen, if I
18 may, if we need to take a recess or if I could
19 perhaps explain to you the resolutions in
20 question. We haven't asked for the entire agenda
21 to be approved, but these are two that are
22 extremely time-sensitive. And if you did attempt
23 to call my office, I'm very sorry if I was not
24 able to get with you.

25 CHAIRPERSON HEADEN: No, we did not

1 contact --

2 ATTORNEY CHUBB: Okay. Just to make
3 sure.

4 CHAIRPERSON HEADEN: -- your office.
5 We contacted the Mayor's office.

6 ATTORNEY CHUBB: And just generally,
7 the first item that we're looking to be approved,
8 as there's been a lot of discussion about in RTAB
9 Resolution -- or Order 2016-1 that provided
10 amended powers to the Mayor and gave her
11 appointment authority consistent with the City
12 Charter, what's also been discussed is that
13 the -- an employment contract that Ms. Henderson
14 had required termination by three parties, that
15 being the Mayor, the Council and the RTAB.

16 And so until I have approval of each
17 of those bodies, that contract remains in full
18 force and the City is inuring costs associated
19 with it.

20 And so, the first resolution is simply
21 to terminate that contract so that we can divert
22 those resources to the payment of the Chief of
23 Staff and the new City Administrator. And
24 consistent with that, the second thing that we're
25 asking you to approve is a resolution that makes

1 that budget amendment so that we may pay the
2 salaries of the Chief of Staff and the City
3 Administrator, because it's really imperative
4 right now that we get staff on the ground and
5 working as quickly as possible.

6 And so I really apologize for this
7 imposition, but these are extremely time-critical
8 and that's the only reason why I'm asking you to
9 consider them immediately.

10 CHAIRPERSON HEADEN: And again, if we
11 had received these sooner -- and again to make it
12 clear, we did not contact your office.

13 ATTORNEY CHUBB: I understand.

14 CHAIRPERSON HEADEN: So there was no
15 misunderstanding there. And I appreciate the
16 explanations to the content of these, but again,
17 I think as far as our due diligence goes, we need
18 an opportunity to review these. If necessary,
19 from a timing standpoint, we can certainly call a
20 special meeting, but I think we need to have an
21 opportunity to review these.

22 There is also a related issue of
23 whether or not the employment contract provision
24 could legally impose an obligation upon the RTAB
25 to be involved in this that we need to have

1 worked out at the state level. So I think to act
2 upon this, this afternoon, would be premature.

3 ATTORNEY CHUBB: I appreciate it.

4 CHAIRPERSON HEADEN: Mr. Ferguson?

5 MEMBER FERGUSON: What happens since
6 we're not doing -- if we don't do this, what kind
7 of burden does it put on the City if we don't?

8 ATTORNEY CHUBB: Just that Natasha's
9 contract will be in place and the City will be
10 obligated to pay on that contract. And without
11 the budget adjustments, we will not be able to
12 hire the Chief of Staff or the replacement City
13 Administrator until such time as you take action
14 on these resolutions.

15 MEMBER FERGUSON: I mean, this --
16 this -- in other words, you don't have the funds
17 here at the City to still hire those people
18 without this happening?

19 ATTORNEY CHUBB: The necessity of the
20 budget adjustment would really need to be
21 explained by Jody.

22 MS. LUNDQUIST: The budget adjustment
23 is necessary in order to create the chief of
24 staff position. It is a new position, therefore,
25 it had not been budgeted and adopted fiscal year

1 '16 budget. There was not adequate funding in
2 the Mayor's budget for a position, again, as it
3 had not been in existence at the time the budget
4 was created. So this would transfer monies from
5 the City Administrator's budget to the Mayor's
6 office so that both the new City Administrator
7 and the Chief of Staff wages and pensions could
8 be funded.

9 MEMBER FERGUSON: You've kind of
10 explained this. If we recess and read this, I
11 mean, that's the only problem we have on this?
12 I -- I just --

13 CHAIRPERSON HEADEN: No, I think the
14 problem is that -- the problem would be the same
15 as if we were presenting something to the City
16 Council at a meeting expecting them to pass upon
17 it without having had any opportunity to review
18 the contents of it. I think they would be quite
19 right in their position of saying that they would
20 take the opportunity to review it, through their
21 normal process, and then dispose of it once they
22 had a chance to do so.

23 We were originally supposed to meet
24 last Wednesday, as I recall, and we delayed the
25 meeting until today, because we were advised that

1 the City Council might take an action on the
2 14th.

3 And so rather than meet for
4 consecutive weeks, we decided to accommodate the
5 City and the City Council by delaying our meeting
6 until today. And once we were aware of the fact
7 that City Council did meet on Monday night,
8 rather than simply wait to see what
9 communications came through, staff at the
10 Department of Treasury reached out to the
11 Administration to find out what, if anything, was
12 done that could be brought before this particular
13 body. As I indicated, as late as 11:00 this
14 morning we got no indication at all as to what
15 business was conducted.

16 In fact, I think I went to the City's
17 website Tuesday morning to find a copy of the
18 agenda. So I at least had some idea of what
19 business was before the City Council, but no idea
20 as to what business was actually conducted.

21 So I'm not unsympathetic, but on
22 the other hand, I don't think it's fair to the
23 RTAB to be placed in a position of saying we
24 have to act immediately, otherwise the City is
25 going to incur certain expenses, when I've

1 heard no clear explanation as to why these
2 resolutions could not have been provided to us
3 sometime yesterday, for example, within the
4 last 24 hours to give us an adequate
5 opportunity to review them.

6 Frankly, had they come in this morning
7 even before I left for this meeting, I would have
8 been more than happy to add them to the agenda
9 and try to examine them prior to the meeting.
10 But, this is not really short notification, this
11 is no notification.

12 ATTORNEY CHUBB: And unfortunately,
13 ironically enough, the communication from the
14 Mayor's office would have come through the very
15 people which we're trying to get approval to
16 hire. So it likely would have come through the
17 Chief of Staff or the City Administrator. So if
18 that provides some explanation as to why.

19 CHAIRPERSON HEADEN: It might, but I
20 mean we got the other resolutions and related
21 information for this particular meeting in due
22 course.

23 ATTORNEY CHUBB: I understand your
24 concerns, yes.

25 CHAIRPERSON HEADEN: Typically we have

1 a deadline, that the staff knows, of the -- I
2 believe it's the Friday before the meeting,
3 because we have to have an opportunity to get the
4 information vetted internally and out to the RTAB
5 members for their review. And I'm always
6 sensitive to making sure I get information out to
7 my colleagues so they have an opportunity, as I
8 do, to review it before we come into a meeting.

9 ATTORNEY CHUBB: I understand your
10 concern.

11 CHAIRPERSON HEADEN: So I'm reluctant
12 to take precipitative action about this, this
13 afternoon.

14 MEMBER TOWNSEND: I feel in terms of
15 the budget adjustment, I understand those quite
16 clearly in terms of that, but I think the legal
17 issue is more important, and the timing of
18 getting it here and having the State's legal
19 staff look at it because of the fact that this
20 Board can be sued for actions that we take, and
21 so from that standpoint, I think -- and the
22 nature of not necessarily the budget adjustment,
23 but the nature of the termination is something,
24 and our mention in that contract is something
25 that I would not feel comfortable without at

1 least getting some sort of legal response from
2 the State saying basically, you know, our action
3 could cause this or that.

4 So as far as that's concerned, I think
5 from my standpoint, again, the budget adjustment
6 I'm not really concerned with that. Most of you
7 know I can look at it and say "Yeah, it's good"
8 real quick. But as far as the termination and
9 the legal ramifications, I have a great concern.

10 MEMBER FERGUSON: Well, my question on
11 that one is, we could pass something subject to
12 the Attorney General's -- the legal approving it.
13 We could pass this, but I just hate to have legal
14 be a basis when we can pass something that
15 doesn't take effect until it's been vetted
16 legally, we send this up to whoever this legal
17 party is that's going to say it's all right what
18 we did, and if they don't approve it, then it
19 doesn't happen.

20 But, as far as we're here today, if we
21 believe that they have an emergency action that
22 they hold up hiring people they need, that it
23 will -- we can pass a resolution, in my mind,
24 subject to legal approval, you know. And I'm
25 just saying that that's another way of being

1 proactive, and, you know -- because I just -- I
2 know they're late, but I just don't want to, you
3 know, punish the City if we can find a way not
4 to. That's where I'm coming from.

5 MEMBER FINNEY: Mr. Chairman, I
6 certainly respect your decision not to address
7 these items as a part of today's agenda, and I do
8 have similar concerns to Mr. Townsend with
9 respect to ensuring that there's been a
10 reasonable level of due diligence on these items
11 before we take them up for consideration.

12 But I also want to respect the urgency
13 that the City has of addressing this budget
14 situation. And so as an alternative to us taking
15 an action prior to an appropriate review by State
16 legal staff, I would be prepared to meet either
17 tomorrow or Friday of this week so that this
18 doesn't go on any longer than it should, than it
19 can, so we can actually have an opportunity to
20 take action on this.

21 And I trust -- we were expecting that
22 we would have about 24 hours to have a review.
23 Unfortunately that didn't happen and so, with
24 that spirit in mind, I would offer to make myself
25 available, and I don't know about others, but I'd

1 be available tomorrow or either Friday or
2 Saturday, for that matter, if it works out that
3 we can -- still need to address this right away.

4 CHAIRPERSON HEADEN: Mr. Cline?

5 MR. CLINE: Well, Mr. Finney has
6 indicated what I was going to suggest, is if the
7 Board was interested in a special meeting, my
8 office certainly can step forward and organize
9 that immediately, and we can get copies of the
10 information that the City has to you right away.

11 Just as to add a little bit of
12 additional clarity, my office was in coordination
13 with the Mayor's office on any additional
14 information. It is our understanding that they
15 were internally trying to gather that
16 information, and for whatever reason, it was
17 unavailable to send to us, which is why we were
18 unaware that this would be on the agenda today.

19 But certainly if the Board elects a
20 special meeting, we will organize one as soon as
21 possible for you.

22 CHAIRPERSON HEADEN: Let's do that.
23 There's no need for a motion because these
24 resolutions are not properly before us, but we
25 will certainly have this information distributed

1 by this afternoon, and we can then have staff
2 canvas four of us to see the availability to meet
3 later this week if necessary.

4 MEMBER FERGUSON: Do you want to -- do
5 we need a motion on this?

6 CHAIRPERSON HEADEN: We do not need a
7 motion because the resolutions were never
8 properly --

9 MEMBER FERGUSON: I thought a motion
10 on the suggestion of Mike, however he said how we
11 do this, do we need a motion?

12 CHAIRPERSON HEADEN: No, we can simply
13 have staff, when we return to Lansing, canvas the
14 members about their availability for a meeting on
15 either tomorrow or Friday.

16 Item D under New Business, RTAB
17 Resolution 2016-2. I believe Mr. Cline has my
18 copy, but that resolution was previously
19 distributed to the RTAB members, as was a letter,
20 I believe, from the 11th of March from the Mayor
21 requesting that EM Ambrose Resolution Order
22 Number 2 dealing with bonds issued by the City's
23 Water Fund being restructured a second time, to
24 have savings.

25 I've been informed by staff of

1 Treasury that if the bonds are in fact
2 restructured, it will save the City approximately
3 \$2.2 million in interest over the remaining life
4 of the bonds and will save the Water Supply Fund
5 another \$15.5 million over the next five years in
6 cash flow savings.

7 This proposed resolution of the RTAB
8 would recommend to the State Treasurer that that
9 EM Order Number 2 be modified or amended, to the
10 extent necessary, to allow the City to
11 restructure these bonds a second time.

12 So that's the basic content of the
13 resolution.

14 Are there any questions about RTAB
15 Proposed Resolution 2016-2?

16 MEMBER FINNEY: I'd move to support.

17 MEMBER FERGUSON: Support.

18 CHAIRPERSON HEADEN: Motion is made
19 and seconded. Any further discussion? If none,
20 those in favor of the resolution, please say
21 "Aye."

22 (All ayes.)

23 CHAIRPERSON HEADEN: Opposed? Motion
24 is adopted.

25 Next item is Public Comment. Mr.

1 Cline, any individuals signed up for public
2 comment?

3 MR. CLINE: One moment. I have two
4 individuals. The first name is Chris Delmaroney.

5 MR. DELMARONEY: I will try and speak
6 loud enough for everyone to hear me. My name is
7 Chris Delmaroney. I live in Flint, Michigan.

8 And in regards to the appointments and
9 the discussion you just had, it sounds like the
10 cart was put before the horse; and you will
11 travel down the same road as our Council did if
12 you consider things at the last minute. That's
13 part of the problems we had here in Flint.

14 In regards to new positions, even if
15 the money is transferred from one fund to another
16 to fund those positions, I speak against that.
17 Unless you can tell me that Flint is no longer in
18 a financial -- does not have a financial problem.
19 If we no longer have a financial problem, we
20 should immediately tell the State that and
21 disband and leave our city, or leave the
22 positions.

23 If we have extra money available
24 because we're no longer paying someone \$140,000
25 and someone else less than that, then we could

1 use that money to hire police and fire, fix our
2 parks, our roads, sweep our streets, pay debt,
3 lower our water and sewer rates. But to simply
4 create a new position which we do not have now,
5 and the financial stress that this city is in,
6 makes no sense to me.

7 I would go so far as to say you're not
8 being responsible in your positions. This city
9 does not have the money, and if you think it
10 does, drive through -- drive on our streets, go
11 to our parks. We can't even get the trees
12 trimmed on our streets. I called three weeks
13 ago, two, three weeks ago about tree limbs that
14 were down on our street because last year and the
15 year before, the third year before that the City
16 would not trim the trees, whether they had the
17 money or not. They wait until the limbs fall in
18 the street and then we call and then they don't
19 come out.

20 So we have problems in this city more
21 than just lead in the water. Lead in the water
22 is a very serious problem, but we just simply do
23 not have the money in this community. Thank you.

24 CHAIRPERSON HEADEN: Thank you.

25 MR. CLINE: Eric Mays.

1 MR. MAYS: Good afternoon.

2 CHAIRPERSON HEADEN: Councilman.

3 MR. MAYS: As I listen to the
4 discussion, and I'll probably listen some more,
5 so far, maybe, so good. But on the item and the
6 lateness of getting -- as I listen to the
7 discussion, I want to say this to the RTAB and to
8 the staff, to the Mayor's office, and to the
9 Council. You can get what happened in Council
10 meeting not by just relying on the Mayor's
11 office. We got a city clerk. The City Clerk
12 works with the Council and can provide that
13 information. So I want to send a message loud
14 and clear to staff. Don't just check with the
15 Mayor's office as to what happened in the last
16 Council meeting to be timely, also check with the
17 staff in the Clerk's office, because I don't like
18 to see business hold -- held up and I don't like
19 to see a government that's looked at as just one
20 branch of government. I like both branches work,
21 both the Council office as to what happened in a
22 council meeting and the Mayor's office.

23 So I want to correct that as it
24 relates to communications about what happens in a
25 council meeting.

1 I'm glad that here that you would look
2 at a special meeting. I hope some of my
3 colleagues look at that and learn from it,
4 because I've been hollering for special Council
5 meetings for months. And so that needs to
6 happen. The Mayor can call them according to our
7 Charter, and two or more Council people can call
8 them. So I applaud you for just defending what
9 you said, because I was kind of getting nervous.
10 And so, so far, so good.

11 I do agree with what Mr. Ferguson was
12 saying as well, even with subject to a legal
13 opinion. Mr. Headen, you are the legal guy. So
14 believe me, I'm glad you're all taking this
15 responsibility seriously, because when you trying
16 to function and make a transition out, every
17 little help that you come up with, and I like the
18 mix of the four of you all, I don't -- I have to
19 end by saying, I don't like transition advisory
20 boards, I don't like emergency manager law. I
21 believe in democracy and government, and I would
22 say this to you, Mr. Finney and Mr. Headen, when
23 Mr. Ferguson says some of us wear more than one
24 hat, we're on the Transition Advisory Board
25 working within its parameters, but we also got

1 the ear of governors and politicians.

2 I see the road as a transition
3 advisory board member, but I'm going to say it,
4 yeah, we need to lobby for money for the water
5 and sewer fund based upon this debacle and we
6 need to lobby for money for the general fund
7 based on this debacle. Because I put on four
8 different hats and I think if we do it the way
9 that I've heard and stay on the track that I see,
10 Flint will be fine.

11 Thank you and God bless you, if
12 anything I said makes sense. Amen. Amen.

13 MR. CLINE: That's all.

14 CHAIRPERSON HEADEN: Mr. Cline,
15 anybody else?

16 MR. CLINE: No.

17 CHAIRPERSON HEADEN: Is there any
18 further business before this Board? If not, is
19 there a motion that we adjourn?

20 MEMBER FERGUSON: So moved.

21 CHAIRPERSON HEADEN: Support?

22 MEMBER TOWNSEND: Support.

23 CHAIRPERSON HEADEN: Without
24 objection, we are adjourned.

25 (Meeting adjourned at 2:49 p.m.)

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C E R T I F I C A T E

I, Quentina Rochelle Snowden, do hereby certify that I have recorded stenographically the proceedings had and public comment taken in the meeting, at the time and place hereinbefore set forth, and I do further certify that the foregoing transcript, consisting of (37) pages, is a true and correct transcript of my said stenographic notes.

Dated: March 19, 2016



Quentina R. Snowden

Quentina R. Snowden, CSR-5519

Notary Public, Genesee County, Michigan

My commission expires: 1/4/2018

ORDINANCE NO. _____

An ordinance to amend Chapter 50 of the Code of the City of Flint has been requested by Glenn Wilson, Communities First INC. (PC 15-297) for a zoning change for the property 3701 Van Buren Ave., parcel ID # 40-15-435-017.

The Planning Commission recommends APPROVAL of a Zoning Ordinance amendment concerning this property located in WARD 6.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF FLINT:

That the code of the City of Flint is hereby amended to change the District boundaries or regulations established in Chapter 50 thereof, specifically allowing under 50-4 a zoning map amendment, as follows:

3701 Van Buren Ave., parcel # 40-12-456-003 legally described as BEECHER HEIGHTS LOT 57 EXC THAT PART LYING SWLY OF NELY LINE OF BALLENGER HWY from "A-2" Single-Family Residential to "D-5" Metropolitan Commercial-Service District.

This ordinance shall take effect on the _____ day of _____, 2016 A.D.

Approved this _____ day of _____, 2016 A.D.

APPROVED AS TO FORM:



Anthony K. Chubb, Interim Chief Legal Officer

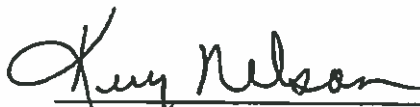


Dr. Karen W. Weaver, Mayor



Natasha D. Henderson, City Administrator

CITY COUNCIL:



Kerry Nelson, City Council President

RECEIVERSHIP TRANSITION ADVISORY BOARD:

ORDINANCE NO. _____

An ordinance to amend the Code of the City of Flint by amending Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.1, Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF FLINT:

Sec. 1. That the provisions of Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.1, Service Charge in Lieu of Taxes for Housing Facilities for Certain Persons, shall be amended by inserting a new subsection (r), which shall read in its entirety as follows:

(R) THE CITY ACKNOWLEDGES THAT COMMUNITIES FIRST, INC., A MICHIGAN NONPROFIT CORPORATION (THE "SPONSOR") HAS OFFERED, SUBJECT TO RECEIPT OF A MORTGAGE LOAN AND/OR ALLOCATION OF LOW INCOME HOUSING TAX CREDITS FROM THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY ("MSHDA"), TO ERECT, REHABILITATE, OWN AND OPERATE A HOUSING PROJECT IDENTIFIED AS "COOLIDGE PARK APARTMENTS" (THE "PROJECT") ON CERTAIN PROPERTY LOCATED IN THE CITY TO SERVE PERSONS AND FAMILIES OF LOW INCOME, AND THAT THE SPONSOR HAS OFFERED TO PAY THE CITY ON ACCOUNT OF THIS HOUSING DEVELOPMENT AN ANNUAL SERVICE CHARGE FOR PUBLIC SERVICES IN LIEU OF ALL TAXES.

THE CITY ACKNOWLEDGES THAT THE PROJECT SHALL BE AFFORDED TAX BENEFITS OF PAYING A SERVICE CHARGE IN LIEU OF TAXES (BUT NOT IN LIEU OF PAYMENT OF SPECIAL ASSESSMENTS INCLUDING, BUT NOT LIMITED TO THE STREET LIGHTING SPECIAL ASSESSMENT). THE CITY

FURTHER ACKNOWLEDGES THAT THE PROJECT FITS WITHIN THE CLASS AS DESCRIBED IN §18-4.3 BELOW. THE ANNUAL SERVICE CHARGE FOR THE CLASS OF PERSONS OF LOW INCOME SHALL BE EQUAL TO FOUR PERCENT (4%) OF THE DIFFERENCE BETWEEN THE CONTRACT RENTS ACTUALLY COLLECTED AND UTILITIES; HOWEVER, THE SERVICE CHARGE SHALL NOT EXCEED TAXES WHICH WOULD BE PAID ABSENT THIS TAX EXEMPTION.

Sec. 2. This ordinance shall become effective immediately following publication.

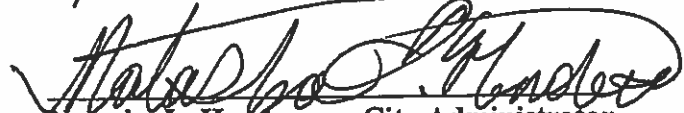
Adopted this _____ day of _____, 2016 A.D.

APPROVED AS TO FORM:


Anthony K. Chubb, Interim City Attorney

FOR THE CITY:


Dr. Karen W. Weaver, Mayor


Natasha L. Henderson, City Administrator

FOR THE CITY COUNCIL:


Kerry Nelson, City Council President

ADOPTED BY THE RECEIVERSHIP TRANSITION ADVISORY BOARD

ORDINANCE NO. _____

An ordinance to amend the Code of the City of Flint by amending Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.7, Same – Duration.

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF FLINT:

Sec. 1. That the provisions of Chapter 18, Taxation; Funds; Purchasing; Article I, In General; Section 18-4.7, Same – Duration, by amending in part and restating Section 18-4.7, which shall read in its entirety as follows:

§18-4.7 SAME – DURATION.

This ordinance, Sections §§ 18-4.1 through 18-4.7, shall remain in effect and shall not terminate so long as the Authority-aided or federally-aided mortgage loan remains outstanding and the unpaid HUD mortgage insurance is still operative or the Authority or HUD have any interest in the property; provided, that construction or renovation of a housing development commences within one year from the effective date of this ordinance. The tax incentive provided in §§ 18-4.1 through 18-4.7 shall remain in effect and shall not terminate with respect to any particular housing development so long as the Authority-aided or federally-aided mortgage loan remains outstanding and unpaid for that particular housing development or for so long as HUD or the Authority shall have any interest in the property of a particular housing development. Provided, with respect to the River Village Project. Provided further, that construction or renovation of the housing project commences on or before February 28, 2012. Provided further, that with respect to Court Street Village, construction of the housing project commences on or before October 30, 1990; and that, with respect to Avon Park, that construction of the housing project commences on or before October 30, 1994. Provided further, that

with respect to Frontier Development Group, LLC/Phoenix Apartments, construction of the housing project commences on or before July 1, 2014. PROVIDED FURTHER, THAT WITH RESPECT TO THE PROJECT “COOLIDGE PARK APARTMENTS,” CONSTRUCTION OF THE HOUSING PROJECT COMMENCES ON OR BEFORE AUGUST 1, 2019.

Sec. 2. This ordinance shall become effective immediately following publication.

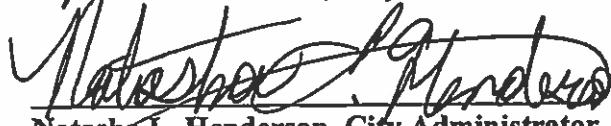
Adopted this _____ day of _____, 2016 A.D.

APPROVED AS TO FORM:


Anthony K. Chubb, Interim City Attorney

FOR THE CITY:


Dr. Karen W. Weaver, Mayor


Natasha L. Henderson, City Administrator

FOR THE CITY COUNCIL:


Kerry Nelson, City Council President

ADOPTED BY THE RECEIVERSHIP
TRANSITION ADVISORY BOARD



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

**RECEIVERSHIP TRANSITION ADVISORY BOARD
FOR
THE CITY OF FLINT**

RESOLUTION 2016-3

AMENDING EMERGENCY MANAGER AMBROSE ORDER No. 3

WHEREAS, Section 23(1) of Public Act 436 of 2012, the Local Financial Stability and Choice Act (the "Act"), provides that "[b]efore removing a local government from receivership, the governor may appoint a receivership transition advisory board to monitor the affairs of the local government until the receivership is terminated"; And

WHEREAS, Section 23(2) of the Act provides that "[a] receivership transition advisory board shall consist of the state treasurer or his or her designee, the director of the department of technology, management, and budget or his or her designee, and, if the local government is a school district, the superintendent of public instruction or his or her designee. The governor also may appoint to a receivership transition advisory board 1 or more other individuals with relevant professional experience, including 1 or more residents of the local government"; And

WHEREAS, Section 23(5)(h) of the Act authorizes a receivership transition advisory board to perform, in addition to duties specified in the Act, "any other duties assigned by the governor at the time the receivership transition advisory board is appointed"; And

WHEREAS, on April 29, 2015, the Governor appointed a Receivership Transition Advisory Board for the City of Flint (the "Board"). The Governor's appointment letter authorized the Board to, among other things, "[r]ecommend amendments, modifications, repeal, or termination

of Emergency Manager Order No. 20, or any other Flint Emergency Manager orders, to the State Treasurer.”

NOW THEREFORE, be it resolved by the Board as follows:

1. That it be recommended to the State Treasurer that Paragraph 21 of Flint Emergency Manager Ambrose Order No. 3 be amended to read as follows:

~~Review current and potential litigation and labor disputes with the City Attorney and Mayor, and as needed the Board, and have complete decision-making authority on behalf of the City, on all matters of litigation and labor disputes, including the ability to settle or initiate lawsuits and resolve labor disputes. The Mayor and City Council shall be consulted on such matters prior to implementation.~~ CHIEF LEGAL OFFICER, CHIEF FINANCIAL OFFICER, MAYOR, AND CITY COUNCIL, AND WITH THE CONCURRENCE OF THE CHIEF LEGAL OFFICER, PROPOSE TO THE MAYOR, AND CITY COUNCIL CONSISTENT WITH SECTION 4-604 OF THE CITY CHARTER, THE SETTLEMENT OR INITIATION OF LITIGATION OR RESOLUTION OF A LABOR DISPUTE. A PROPOSED SETTLEMENT OR INITIATION OF LITIGATION OR RESOLUTION OF A LABOR DISPUTE SHALL CONTAIN A DETAILED STATEMENT BY THE CHIEF FINANCIAL OFFICER INDICATING THE ESTIMATED FINANCIAL IMPACT UPON THE CITY FOR EACH FISCAL YEAR AFFECTED BY THE PROPOSED SETTLEMENT OR INITIATION OF LITIGATION OR RESOLUTION OF A LABOR DISPUTE. A PROPOSED SETTLEMENT OR INITIATION OF LITIGATION OR RESOLUTION OF A LABOR DISPUTE SHALL NOT BE EFFECTIVE UNLESS APPROVED BY THE BOARD.

2. That the minutes of the Board meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. The State Treasurer may approve this Resolution by executing a counterpart copy separate from that approved by the Board, each of which copies when executed shall be deemed an original, but all of which when taken together shall constitute one and the same Resolution.
4. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Receivership Transition Advisory Board for the City of Flint, or their designees, have signed and adopted this Resolution.

FLINT RECEIVERSHIP TRANSITION ADVISORY BOARD

By _____
Frederick Headen, Chairperson

By _____
Joel Ferguson, Board Member

By _____
Michael A. Finney, Board Member

By _____
Michael A. Townsend, Board Member

Date: _____
Flint, Michigan

Approved pursuant to the Governor's April 29, 2015, letter appointing the Receivership Transition Advisory Board for the City of Flint.

By _____
N.A. Khouri, State Treasurer

Date: _____
Lansing, Michigan