

City of Hamtramck

Receivership Transition Advisory Board Meeting Minutes

Tuesday, October 25th, 2016

Hamtramck City Hall

Council Chambers - 2nd Floor

3401 Evaline

Hamtramck, Michigan 48212

RTAB MEMBERS PRESENT:

PETER McINERNEY

DEB ROBERTS

KAREN YOUNG

MARK STEMA

AL BOGDAN

ALSO PRESENT:

KATRINA POWELL

City Administrator

PATRICK DOSTINE

Michigan Department of Treasury

Office of Fiscal Responsibility

Reported by:

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Called to order at 1:00 p.m.

Tuesday, October 25, 2016

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MS. ROBERTS: It is 1:00, on October 25th, 2016, and I will call the City of Hamtramck Receivership Transition Advisory Board to order.

Mr. Dostine, could you do a roll call?

MR. DOSTINE: Sure. Mark Stema.

MR. STEMA: Here.

MR. DOSTINE: Karen Young.

MS. YOUNG: Here.

MR. DOSTINE: Al Bogdan has been asked to be excused; Peter McInerney?

MR. McINERNEY: Here.

MR. DOSTINE: Deb Roberts.

MS. ROBERTS: Here.

MR. DOSTINE: You have quorum, Madam Chair.

MS. ROBERTS: Thank you. Just as a reminder, if anybody would like to speak from the public, we need you to sign up at the podium. First item on the agenda is approval of the agenda. I would entertain a motion to approve the agenda as presented.

MS. YOUNG: Motion to approve.

MR. STEMA: Seconded.

MS. ROBERTS: Any discussion?

1 (No response)

2 MS. ROBERTS: Seeing none, all those in favor
3 say aye. Aye.

4 MR. McINERNEY: Aye.

5 MS. YOUNG: Aye.

6 MR. STEMA: Aye.

7 MS. ROBERTS: Opposed, the same.

8 (No response)

9 MS. ROBERTS: Motion carries.

10 Next on the agenda is approval of the RTAB
11 minutes from the September 27, 2016 regular meeting. I
12 would entertain a motion to approve the RTAB minutes as
13 presented.

14 MR. McINERNEY: Move to approve.

15 MR. STEMA: Second it.

16 MS. ROBERTS: Any discussion?

17 (No response)

18 MS. ROBERTS: Seeing none, all those in favor
19 say aye. Aye.

20 MR. BOGDAN: Aye.

21 MS. ROBERTS: Opposed, the same.

22 (No response)

23 MS. ROBERTS: Next on the agenda is public
24 comment. Has anyone signed up for comment?

25 MR. DOSTINE: Madam Chair we do, Mr. Bob Zwolek.

1 MR. ZWOLEK: Good afternoon.

2 THE BOARD: Good afternoon.

3 MR. ZWOLEK: I have two points that I would to
4 raise today. One is, sometime back, I believe earlier in
5 the year, I had suggested to the TAB board to have a state
6 legal department review many of our lawsuits that we have
7 here in Hamtramck.

8 I am requesting that the TAB board kind of
9 consider that recommendation, to have the state look at a
10 number of our lawsuits and legal expenses, and contracts,
11 and things of that nature.

12 I initially brought to you that first lawsuit,
13 John Doe versus the City of Hamtramck. Consequently, from
14 that, many of the parties within that complaint are also
15 filing complaints against the City of Hamtramck. So
16 there's a lot more to the problems we're having legally.

17 And also, I understand that you're considering,
18 the review is kind of overdue for our city manager. In
19 light of that, we do have a deputy city manager. I'd like
20 to consider that you'd consider also reviewing the deputy
21 city manager, also.

22 And also, along with that, if you would also
23 incorporate the last review that the city council had,
24 from last year, and also, maybe incorporate in your
25 considerations, the current review by the city council, in

1 your deliberations and considerations of the review.

2 Thank you.

3 MS. ROBERTS: Thank you. Any other, for public
4 comment? Seeing none, we'll move on the agenda. There is
5 no old business; move on to new business.

6 MR. DOSTINE: Madam Chair, maybe just, to
7 correct the record, Al Bogdan is here.

8 MS. ROBERTS: Yep, thank you. First on the
9 agenda under new business, is approval of resolutions and
10 ordinances for city council meeting. I would entertain a
11 motion to approve all ordinances and resolutions from the
12 September 6th, 2016, regular city council meeting.

13 MR. McINERNEY: Move to approve.

14 MS. YOUNG: Second.

15 MS. ROBERTS: Any discussion?

16 (No response)

17 MS. ROBERTS: Seeing none, all those in favor
18 say aye. Aye.

19 MR. BOGDAN: Aye.

20 MR. McINERNEY: Aye.

21 MS. YOUNG: Aye.

22 MR. STEMA: Aye.

23 MS. ROBERTS: Opposed, the same.

24 (No response)

25 MS. ROBERTS: Motion carries.

1 Next on the agenda is resolutions from the
2 regular city council meeting of September 20th, 2016. I
3 would entertain a motion to approve all ordinances and
4 resolutions from the September 20th, 2016 regular city
5 council meeting.

6 MS. YOUNG: Motion to approve.

7 MR. STEMA: Second it.

8 MS. ROBERTS: Any discussion?

9 MR. STEMA: I actually just have another general
10 question. What's the approval of ordinance, amending a
11 non-owner occupied ordinance? It was deemed public -- it
12 was just a public hearing, so, that, was it approved?

13 MS. POWELL: It was approved.

14 MR. STEMA: Oh, okay.

15 MS. POWELL: It's the non-owner occupied
16 ordinances; those buildings that the owner's not living
17 in, it's our rental ordinance.

18 MR. STEMA: Oh okay, it's the one that was at,
19 then, at the work sessions?

20 MS. POWELL: Yeah.

21 MR. STEMA: Okay.

22 MS. ROBERTS: Thank you.

23 MR. McINERNEY: Can I just make a side comment,
24 that I -- in looking at those minutes of city council
25 meetings, just the way they're prepared, some of the

1 department heads are a first name and a last name, and
2 some just get a last name. If there's a rationale for
3 that, it's okay with me. I just --

4 MS. POWELL: There isn't.

5 MR. McINERNEY: It kind of jumps out at me, so.

6 MS. POWELL: Me too, sir.

7 MR. McINERNEY: On behalf of the chiefs and the
8 community development director, I don't know why you don't
9 get their first names. But it's not germane to the board,
10 so.

11 MS. ROBERTS: Any further discussion?

12 (No response)

13 MS. ROBERTS: Seeing none, all those in favor
14 say aye. Aye.

15 MR. BOGDAN: Aye.

16 MR. McINERNEY: Aye.

17 MS. YOUNG: Aye.

18 MR. STEMA: Aye.

19 MS. ROBERTS: Opposed, the same.

20 (No response)

21 MS. ROBERTS: Motion carries.

22 Next on the agenda are the claims and accounts
23 from the regular city council meeting draft minutes of
24 October 11th, 2016. I would entertain a motion to
25 approve, deny, or postpone claims and accounts from

1 October 11th, 2016.

2 MR. BOGDAN: Motion to approve.

3 MR. STEMA: Support.

4 MS. ROBERTS: Any discussion?

5 (No response)

6 MS. ROBERTS: Seeing none, all those in favor
7 say aye. Aye.

8 MR. BOGDAN: Aye.

9 MR. McINERNEY: Aye.

10 MS. YOUNG: Aye.

11 MR. STEMA: Aye.

12 MS. ROBERTS: Opposed, the same.

13 (No response)

14 MS. ROBERTS: Motion carries.

15 Next on the agenda is the city administrator
16 items. We've already approved the city council meetings.

17 Next is the approval of budget to actual or cash
18 flow reports. I would entertain a motion to approve,
19 deny, or postpone the budget to actual and cash flow
20 reports.

21 MR. BOGDAN: Motion to approve.

22 MR. STEMA: Support.

23 MS. ROBERTS: Any discussion?

24 MR. McINERNEY: Just a notation; this is the
25 communication of October the 10th, on the audited budget

1 to financial?

2 MS. ROBERTS: Yes.

3 MR. McINERNEY: Usually, there's a -- my, from
4 reading the documents, looks like it's a positive
5 \$791,520. Usually that's on the cover, though. Usually
6 you make some sort of conclusion that there's either a
7 surplus or a deficit.

8 MS. CAIRNS: Right, usually we do, but I decided
9 not to do that, because sometimes all the bills are not
10 in. And so the revenue sometimes, like for example, we
11 collected 63 percent of the property taxes.

12 MR. McINERNEY: You're making me work harder,
13 though. Is 791 the figure you would have used ordinarily?

14 MS. CAIRNS: I would have yes, used it
15 ordinarily. But now I'm comfortable because --

16 MR. McINERNEY: Okay.

17 MS. POWELL: Well, and based on our documents
18 from last year, I mean, you see how they fluctuate each
19 month by hundreds of thousands of dollars.

20 MS. CAIRNS: Right, every month.

21 MS. POWELL: Depending on how our funds are
22 coming in, when they're coming in, and so, it's kind of
23 like, you'll see a document this month that says we're the
24 red \$550,000.

25 And then next month, you'll see we're in the

1 positive \$880,000. And so it just kind of -- this early
2 in the year, it's really not a good judge of how we're
3 doing. And plus, we want you to read the documents.

4 MS. CAIRNS: One way to also look at it, of any
5 fee, like budget to actual percentage or budget used, and
6 we have completed three months, out of the 12 months, so
7 it's about 25 percent. But it has to be less than that,
8 like I told you, because some of the bills are not in. So
9 if it's more, then you may want to know why.

10 MR. McINERNEY: I thought we were doing fine
11 before, but, it's okay.

12 MS. ROBERTS: Insurance, in a lot of the lines,
13 is the larger percentage, or it might be 100 percent. Is
14 the insurance only paid once a year?

15 MS. CAIRNS: Yes.

16 MS. ROBERTS: Specifically, the life insurance.

17 MS. CAIRNS: Yes, not life insurance, but the
18 city insurance, the general liability and building
19 insurance, up to \$100,000. That we have already paid up.

20 MS. ROBERTS: Any further discussion?

21 MS. POWELL: It's wonderful to see that you all
22 are reading these.

23 MS. ROBERTS: You'd think we would. I know I
24 never thought we would, but.

25 MS. POWELL: I would never think that, Madam

1 Chair.

2 MS. ROBERTS: If you see any of my documents,
3 they're highlighted.

4 MS. POWELL: We love that.

5 MS. ROBERTS: Okay, the motion before us is to
6 approve the budget to actual cash flow reports. All those
7 in favor say aye. Aye.

8 MR. BOGDAN: Aye.

9 MR. McINERNEY: Aye.

10 MS. YOUNG: Aye.

11 MR. STEMA: Aye.

12 MS. ROBERTS: Opposed, the same.

13 (No response)

14 MS. ROBERTS: The motion carries.

15 Next on the agenda, is approval of the invoice
16 register and preapproved expenditures. I would entertain
17 a motion to approve, deny, or postpone invoice register
18 and preapproved expenditures.

19 MS. YOUNG: Motion to approve.

20 MR. BOGDAN: Second.

21 MS. ROBERTS: Any discussion?

22 MR. McINERNEY: These are for all four of them,
23 right?

24 MS. ROBERTS: Yes.

25 MR. McINERNEY: It's okay.

1 MS. ROBERTS: All those in favor say aye. Aye.

2 MR. BOGDAN: Aye.

3 MR. McINERNEY: Aye.

4 MS. YOUNG: Aye.

5 MR. STEMA: Aye.

6 MS. ROBERTS: Opposed, the same.

7 (No response)

8 MS. ROBERTS: Motion carries.

9 Next on the agenda is approval of Resolution
10 2016-45, approval for acquisition and rehabilitation of
11 Wayne County tax foreclosed properties rights of first
12 refusal.

13 Although this action occurred during a council
14 meeting outside the normal review period for today's board
15 meeting, the city manager is requesting to bring this item
16 forward for early review. Ms. Powell, would you please
17 provide a summary of this item?

18 MS. POWELL: Yes, ma'am. So each year, the City
19 of Hamtramck is presented a list of properties that are
20 going into foreclosure, and this year, we decided to do a
21 pilot program, to take those properties and divvy them out
22 to developers, after we go through a bidding process, to
23 promote the revitalization of our neighborhoods.

24 By taking these homes and completely
25 refurbishing them and making them owner occupied, they

1 will not be able to be rentals, and we want to be able to
2 get these homes back on the tax rolls.

3 Sometimes these houses are sold at auction to
4 people who don't live in this community, or even in this
5 country, and they sit vacant, there's nothing that really
6 happens with them. This time, we want to have control of
7 our destiny with these properties, and so we took these
8 properties on the rights of first refusal, and we'll be
9 going through this program as soon as you all approve
10 this.

11 I do want to make a note, as well, that the very
12 last property on that list, which is on Trowbridge, has
13 been removed from the list; that property owner was able
14 to get a payment arrangement with the county treasurer.
15 And their home is no longer in foreclosure, so we've
16 removed that. Which will bring the dollar amount down to
17 \$44,304.33.

18 And this is not due until June of next year,
19 that's when the city will need to pay for these
20 properties. So we're anticipating by then, hopefully,
21 they'll be back on the tax rolls as a refurbished and
22 updated home, that we will be able to start collecting
23 property taxes on.

24 MS. ROBERTS: Thank you.

25 MS. POWELL: And if it works this year, then

1 we're anticipating we'll do it every year after that. So
2 it'll be a program that we can keep building on, each
3 year.

4 MS. YOUNG: And that's ten homes, now?

5 MS. POWELL: Yes, ma'am.

6 MS. YOUNG: I thought I had read somewhere 16,
7 the number 16 on something.

8 MS. POWELL: There were 16, originally, but
9 after the county went through its process and everything,
10 it was 11, and now it's ten. With the removal of
11 Trowbridge.

12 MS. YOUNG: Okay.

13 MR. McINERNEY: I have a couple of -- I'm in
14 support of this, and I commend you for moving on it. A
15 couple of questions, couple observations. Mostly
16 observations.

17 In terms of, are any of these occupied? You
18 going to be inheriting any tenants? You'll have to be
19 careful about that.

20 MS. POWELL: We will not be dealing with any of
21 the tenants. There are one or two that are occupied and
22 so of course, they will have to go through the process of
23 removing them. The county will have to go through the
24 process of removing them.

25 MR. McINERNEY: And then, so in terms of when

1 you go to sell them, you're going to be negotiating or
2 through some kind of a bidding process, with the
3 developers. I don't know if you're going to set a minimum
4 bid or not. You know that you can't -- just keep in mind,
5 there's two things you -- I've kind of learned over the
6 years.

7 This minimum bid, you know, actually there's two
8 minimum bids. Are you aware of that, now? They say, and
9 that's in the contract. They say the minimum bid covers
10 the non-Hamtramck taxes. But there's nothing -- yes, you
11 know.

12 MS. POWELL: Can I call you offline, to talk
13 over this?

14 MR. McINERNEY: Sure. Sure.

15 MS. POWELL: Okay. To pick your brain?

16 MR. McINERNEY: Yeah. And so, those actually
17 could be negotiated, you know, with the developer. Also,
18 in terms of fees, and again I don't want to -- you can't
19 make a profit on these things.

20 But you can cover your costs. And so some sort
21 of fee, you know, is something that could be negotiated as
22 well. In addition to these so called minimum bids, so.
23 But yeah, please call me.

24 MS. POWELL: I will. Thank you.

25 MS. ROBERTS: Okay. I will entertain a motion

1 to approve, deny, or postpone Resolution 2016-45.

2 MR. BOGDAN: Motion to approve.

3 MR. McINERNEY: Support.

4 MS. ROBERTS: Any further discussion?

5 (No response)

6 MS. ROBERTS: Seeing none, all those in favor

7 say aye. Aye.

8 MR. BOGDAN: Aye.

9 MR. McINERNEY: Aye.

10 MS. YOUNG: Aye.

11 MR. STEMA: Aye.

12 MS. ROBERTS: Opposed, the same.

13 (No response)

14 MS. ROBERTS: Motion carries.

15 Next on the agenda is approval of the citywide
16 overtime reports. Ms. Cairns, would you like to provide a
17 summary of the progress the city is making, in regards to
18 this issue?

19 MS. POWELL: I actually have it, Madame Chair,
20 if you'd like for me to go through it.

21 MS. ROBERTS: Oh, okay, yeah, that's fine.

22 MS. POWELL: Bob has been really busy with the
23 audit, and doing some of the other things that we are
24 doing. So, overall, our overtime is up by \$11,000; the
25 majority of that is in our police department. And that is

1 because we have several officers go to better
2 opportunities in other communities, or supposed better
3 opportunities, in other communities.

4 And so we've had to hire in new officers, and
5 those officers, of course, have to be trained. And so
6 there's been overtime associated with that. Plus, during
7 the transition piece of getting those people hired, we've
8 had to pay people overtime to work those shifts, so that's
9 the biggest increase.

10 You'll see the traffic numbers are down, but the
11 department numbers overall are up. And it's because
12 they're not working traffic, they're actually working
13 working. So, that's why it's up.

14 And then, we had our fire department is up just
15 a little bit. And then our road department is up, because
16 they've been really busy with a lot of repairs and that
17 sort of thing, getting ready for the winter.

18 MR. STEMA: I just have a general question,
19 because odds are the police and even fire, just based on
20 these numbers, from -- to the budget, to what's actually
21 already been booked.

22 They're both going to be over, so you'll be
23 ready to do adjustments. Have other areas where you can
24 transfer up the money, to kind of cover and it and all
25 that, this was a continuing issue.

1 MS. POWELL: Yes, sir.

2 MR. STEMA: Okay.

3 MS. POWELL: Well, hopefully, we'll be able to
4 bring those numbers down and we won't exceed the budget,
5 but historically, it's exceeded the budget, so we're ready
6 for that. We're pros at that now, doing budget
7 amendments, so.

8 MS. ROBERTS: I would entertain a motion to
9 approve, deny, or postpone the citywide overtime report.

10 MS. YOUNG: Motion to approve.

11 MR. STEMA: Support.

12 MS. ROBERTS: Any further discussion?

13 (No response)

14 MS. ROBERTS: Seeing none, all those in favor
15 say aye. Aye.

16 MR. BOGDAN: Aye.

17 MR. McINERNEY: Aye.

18 MS. YOUNG: Aye.

19 MR. STEMA: Aye.

20 MS. ROBERTS: Opposed, the same.

21 (No response)

22 MS. ROBERTS: Motion carries.

23 Next on the agenda is the 31st District Court
24 revenue, for information only.

25 Does anybody have any questions regarding that?

1 MS. POWELL: Madam Chair, I would like to make a
2 comment. We, just recently, we have hired a temporary
3 employee who used to be a forensic auditor. And one of
4 her projects that she wants to do, is looking at the
5 police overtime, and making sure that it's in compliance
6 with the contract. And that we should have revenues
7 supporting that overtime.

8 She's going to be working with the courts to try
9 and pull that data. Remember I had told you the court has
10 a hard time pulling that data and breaking it down, so
11 she's going to be working with them, to get that all
12 figured out and make sure that we're in compliance.

13 MS. ROBERTS: Okay, thank you.

14 MR. STEMA: Sounds good.

15 MS. ROBERTS: Next on the agenda is board
16 comment. Does anyone have any comment?

17 MS. POWELL: Madam Chair, I have just one
18 comment. I know I'm not the board, but I just want to
19 refute something that was said during public comment.

20 So, the RTAB reviews the city, not the city
21 manager. You review the overall condition of the city,
22 which includes the city council and the decisions that the
23 city makes. So I just wanted to make sure that that's on
24 the record, that you're not reviewing the city manager.
25 Thank you.

1 MS. ROBERTS: Okay. Thank you.

2 I just have one comment. It has been requested
3 that the RTAB attachments to the agenda be made public.
4 Those are going to be put on the Treasury website, along
5 with the agendas.

6 So going forward, from this meeting, those
7 attachments should be out there. So hopefully everything
8 works, but you should be able to get it through the city
9 website by clicking on the Treasury link.

10 MS. POWELL: All of these documents are sent out
11 with every council meeting. So there's not really any
12 additional information that's put out to you that's not
13 already out there. So you know, you're just kind of
14 recreating what's already been stated, but, got it.

15 MS. ROBERTS: Yep, just, when we get it, it'll
16 be out there.

17 MS. POWELL: Exactly.

18 MR. McINERNEY: So your stuff is going to be
19 linked to the city's website?

20 MS. ROBERTS: Currently it is. Right now, the
21 city has a link to Treasury, that has the agendas and the
22 minutes. It will also have the attachments. So it'll
23 have the agenda, attachments, and the minutes.

24 MR. McINERNEY: Thank you.

25 MS. ROBERTS: Anything further?

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(No response)

MS. ROBERTS: I would entertain a motion to
adjourn.

MR. McINERNEY: So moved.

MR. STEMA: Support.

MS. ROBERTS: Those in favor say aye. Aye.

MR. BOGDAN: Aye.

MR. McINERNEY: Aye.

MS. YOUNG: Aye.

MR. STEMA: Aye.

MS. ROBERTS: Opposed, the same.

(No response)

MS. ROBERTS: Meeting adjourned, thank you.

(Proceedings adjourned at 1:19 p.m.)

1 STATE OF MICHIGAN
2 COUNTY OF WASHTENAW) .ss

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5 I certify that this transcript is a complete, true, and
6 correct transcript to the best of my ability of the RTAB
7 meeting held on October 25th, 2016, City of Hamtramck. I also
8 certify that I am not a relative or employee of the parties
9 involved and have no financial interest in this case.

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19 RESPECTFULLY SUBMITTED: October 29, 2016

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s/ Amy Shankleton-Novess

23 _____
Amy Shankleton-Novess (CER 0838)
24 Certified Electronic Reporter