

City of Hamtramck

Receivership Transition Advisory Board Meeting Minutes

Tuesday, April 26th, 2016

Hamtramck City Hall

Council Chambers - 2nd Floor

3401 Evaline

Hamtramck, Michigan 48212

RTAB MEMBERS PRESENT: **Members Absent: Al Bogdan**

KAREN YOUNG

PETER McINERNEY

MARK STEMA

DEB ROBERTS

ALSO PRESENT:

KATRINA POWELL

City Administrator

DREW VAN de GRIFT

Michigan Dept of Treasury

Office of Fiscal Responsibility

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Called to order at 1:04 p.m.

MS. ROBERTS: It is 1:00 on Tuesday April 26th, 2016, and I will call the City of Hamtramck Receivership Transition Advisory Board to order. First on the -- well, first I would like to remind everyone that if they would, anyone from the public would like to speak, that they could sign up at the podium.

First on the agenda is roll call. Mr. Van de Grift, could you do roll call, please?

MR. VAN de GRIFT: Yes. Albert Bogdan?

(No response)

MR. VAN DE GRIFT: Absent and excused; Peter McInerney?

MR. McINERNEY: Here.

MR. VAN de GRIFT: Deborah Roberts?

MS. ROBERTS: Here.

MR. VAN de GRIFT: Mark Stema?

MR. STEMA: I'm here.

MR. VAN de GRIFT: Karen Young?

MS. YOUNG: Here.

MR. VAN DE GRIFT: Quorum is present.

MS. ROBERTS: Thank you. Next on the agenda, I would entertain a motion to approve the agenda as presented.

MR. McINERNEY: So moved.

1 MS. YOUNG: Second.

2 MS. ROBERTS: Any discussion? Oh wait -- oh,
3 yeah, yeah. I'm so sorry, I'm thinking about shoes. Any
4 discussion?

5 (No response)

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

8 MS. YOUNG: Aye.

9 MR. STEMA: Aye.

10 MR. McINERNEY: Aye.

11 MS. ROBERTS: Opposed, the same.

12 (No response)

13 MS. ROBERTS: Motion carries. Next on the
14 agenda would be the approval of the RTAB minutes from the
15 March 22nd, 2016 meeting. I would like to make two
16 corrections to the minutes. On page 13 of the minutes,
17 there is a question, what is the hardest part that is
18 attributable right now to Mr. Stema, and that was Mr.
19 McInerney.

20 And then on page 28, on line eight, it asked if
21 management has filed and I believe that should have been
22 followed. And with those two changes, I would entertain a
23 motion to approve the March 22nd, 2016, RTAB meeting
24 minutes.

25 MR. McINERNEY: So moved.

1 MR. STEMA: Seconded.

2 MS. ROBERTS: Any discussion?

3 (No response)

4 MS. ROBERTS: Seeing none, all those in favor
5 say aye. Aye.

6 MS. YOUNG: Aye.

7 MR. STEMA: Aye.

8 MR. McINERNEY: Aye.

9 MS. ROBERTS: Opposed, the same.

10 (No response)

11 MS. ROBERTS: Motion carried.

12 MS. ROBERTS: Next on the agenda is public
13 comment. Mr. Van de Grift, is there anyone signed up for
14 public comment?

15 MR. VAN de GRIFT: Would anyone else like to
16 sign up? Yes. Ms. Carrie Beth Lasley.

17 MS. LASLEY: It's actually Dr. Lasley. I am a
18 resident of Hamtramck; I have lived here three years. I'm
19 pretty involved in my community; I pay attention to what's
20 going on. Among that includes not only attending council
21 meetings, but attending work sessions prior.

22 I just wanted to bring your attention to some of
23 the performance of some of our council members. We have
24 two council members who have made it to all work sessions.
25 We have -- the mayor has missed two, both known in

1 advance. Councilman Alasmari, who's here today, has
2 missed one and a half.

3 We also have three members of our council who
4 have not taken their job very seriously, and that's what I
5 want to bring to your attention to today. Anam Miah has
6 attended three meetings; Abu Musa has attended two and a
7 half. And Mohammed Hassan has attended two. These three
8 particular councilmen have also not attended required
9 training sessions that were part of the emergency
10 management mandate, was that they get training.

11 They have often signed up and not shown up,
12 waiting until it's too late to get a refund on the room,
13 to not show up. So my concern is that they're not taking
14 their jobs seriously. I will say I had this exact
15 conversation, standing in the same exact position, to
16 them.

17 I did that two meetings ago; they all did attend
18 after being publicly called out on their attendance. But
19 my concern is that is a temporary thing, it will -- if I
20 miss a meeting, and don't know where they're going to be,
21 I don't know that they're going to continue to show up.

22 So I just wanted to make the state aware of,
23 that we have several people who are taking their jobs
24 seriously, and some who may be not ready to actually
25 govern themselves. That's all I wanted to say, thank you.

1 MR. VAN de GRIFT: Thank you. Mr. Bob Zwolek.

2 MR. ZWOLEK: Good afternoon. And again, I
3 appreciate the public comment before the meeting, it
4 always helps --

5 MR. STEMA: Anything for you.

6 MR. ZWOLEK: Pardon?

7 MR. STEMA: Anything for you, Bob.

8 MR. ~~ZECH~~ Zwolek: Well, anyway, my previous speaker,
9 Carrie, she certainly kind of reconfirmed the fact that
10 the council cannot govern, our city officials cannot
11 govern. But it doesn't reflect upon when I was there on
12 the council, so I want to, you know, defend my actions
13 when I was there, not the current council. That's up to
14 them to defend their particular actions.

15 But one of, one of the items on the agenda is
16 the report or comments that will be made on the police
17 study update. And I think it's important -- I haven't
18 seen the real scope of the study and what areas it'll
19 cover, in terms of studying the police department. We've
20 had some in the past.

21 We're currently in a contract negotiation with
22 the police, which expires June 30th. So I'm wondering how
23 this report, though it won't be concluded, how it's going
24 to affect the contract negotiations. If anything out of
25 this report would contribute to the negotiations or

1 changes within the management or procedures that are
2 currently in Hamtramck Police Department.

3 I'm concerned with some of the activities that
4 affect the police department the contracts have had in the
5 past. I've witnessed that for somewhat 45 years, some of
6 the problems we have financially are because of the
7 excessive overtimes in the past, which have compounded our
8 pension, unfunded pension liabilities, so to speak. So
9 has the fire department, so I'm not just going to blame
10 the policemen.

11 So it's incumbent that we see what the whole
12 scope is going to be, and how it's going to affect the
13 contract also, so I would hope that that's explained to
14 you also, today.

15 Also just want to touch base briefly, on some of
16 the comments from the last meeting. And that was how that
17 council doesn't govern. Well, you say that you're here
18 because the council didn't govern in the past. I still
19 take exception to that, because five years ago, you wanted
20 to --

21 MR. VAN de GRIFF: Time.

22 MS. ROBERTS: Thank you, sir.

23 MR. ZWOLEK: Okay. In any event, I take
24 exception to that.

25 MR. VAN de GRIFF: Mr. Almasari.

1 MR. ALMASMARI: Good afternoon.

2 MS. ROBERTS: Good afternoon.

3 MR. ALMASMARI: Councilman Alasmari, just got
4 elected last year. First of all, I would like to thank
5 you for being here and taking care of the city. And as a
6 new councilmember, you know, we've been in the news
7 lately, Hamtramck. We want to do a good decision and good
8 work in Hamtramck.

9 We want people to know us in a positive way, and
10 we would like to work with you guys hard. And we really
11 need to make the councilmembers very active, more active,
12 more hard workers. Because people are waiting for good
13 resolutions from us. Thank you.

14 MR. VAN de GRIFF: Ms. Kathy Gordon.

15 MS. GORDON: Thank you. Good afternoon.

16 MS. ROBERTS: Good afternoon.

17 MS. YOUNG: Good afternoon.

18 MS. GORDON: Kathy Gordon, Norwalk Street in
19 Hamtramck, thank you for allowing me to speak, appreciate
20 it.

21 I read the newspaper last week, and I've taken
22 some personal offense, Mr. Stema, to your comments. And
23 I'm going to say to you, I was on council for six years.
24 And I remember meeting, when we were running out of money,
25 sometimes twice a week to try and balance the budget.

1 So for the record, I'm going to say to you, the
2 only reason we brought in the state is because they could
3 do things that we couldn't do. And I take a lot of
4 personal offense to what you said, that we didn't know how
5 to govern.

6 I see contracts up the wazoo on the back of
7 this, that you're about to approve. These haven't even
8 gone to council. So how you can hold council accountable
9 for the mistakes in this city is very sad. Very sad. I
10 never saw you as a political activist. All those budget
11 sessions we had, we had no residents there, we had no
12 input. And then you're going to sit back and criticize?

13 I take personal offense to that. I donated -- I
14 gave up six years of my life to this city. Please don't
15 ostracize and criticize the council. A lot of stuff goes
16 on here that you don't know anything about. So please.
17 Thank you.

18 MR. VAN de GRIFF: That concludes public
19 comment.

20 MS. ROBERTS: Thank you. First on the agenda,
21 under new business, is police study update. Ms. Powell,
22 can you please provide an update for the board, as to
23 where we are with the study? I know that we had some RFPs
24 that we received, and just I don't know where we are in
25 the process.

1 MS. POWELL: Yes ma'am, thank you. Actually
2 yes, we did put this out to bid. We received feedback.
3 As you all are aware, the state was looking for one more
4 bid; we were able to get that. We sent them all of the
5 documentation, and the state has agreed to pay \$30,000 of
6 this update of the study, for the \$39,500 bid, plus
7 travel.

8 So the state will be covering \$30,000 of that.
9 The contract is on the agenda tonight for the council, and
10 so it will be up to them to approve the contract, and
11 then, of course it will come to you next month.

12 MS. ROBERTS: Thank you.

13 MR. McINERNEY: What did you say the amount of
14 the contract is?

15 MS. POWELL: It's 39,500 plus travel.

16 MR. McINERNEY: Thank you.

17 MS. POWELL: And we are contracting with CPSM,
18 which is an ICMA recognized company, and they have done
19 extensive work in the State of Michigan. Just why the
20 state was in agreement, it was a good contract for us to
21 deal with them.

22 MR. McINERNEY: What's the name of the company?

23 MS. POWELL: CPSM, which --

24 MR. STEMA: What's the exact scope?

25 MR. McINERNEY: C-P-S-M?

1 MS. ROBERTS: Yes.

2 MS. POWELL: It's -- the exact scope is --

3 MR. STEMA: Well, you know, like is the, they're
4 looking at overtime studies, police, bodies --

5 MS. POWELL: They're going to study the entire
6 department. Overtime, staffing, the day-to-day
7 operations. Because they've been extensively involved in
8 Michigan, they're able to go in to CLEMIS and pull out
9 pertinent information that other vendors didn't have
10 expertise in doing that.

11 They've done studies for Auburn Hills, for Novi,
12 for almost every city that had a study done in Michigan,
13 they've been able to do. So they're going to come in and
14 pull all the data, meet with staff, all of that. And
15 they're hoping to have it done within like 120 days, so,
16 we're excited about having them here to address all of
17 those things.

18 MS. ROBERTS: Thank you. Any other questions?

19 (No response)

20 MS. ROBERTS: Next on the agenda is a Board
21 directive that we made some time ago, directing or
22 requesting councilmembers to complete core courses for
23 municipal government, from EM final order 2014-20. Ms.
24 Powell, would you please provide us an update for this
25 board, as to how councilmembers are doing, completing the

1 courses?

2 MS. POWELL: Yes, ma'am. Okay, so, the mayor's
3 already completed all the core courses years ago; she's
4 probably the most educated on the council, but she's been
5 on the council the longest, so she's been able to attend a
6 lot of classes and get certified. So she's completely
7 certified, not just in the core classes, but in just about
8 every class that MML offers.

9 Council -- Madam Councilmember Andrea Karpinski
10 is also level one certified, so she's completed all of her
11 core courses. At the conference that MML just had, she
12 received a plaque for that.

13 Councilmen Perotta and Almasmari have attended
14 two MML trainings, and those are the only two trainings
15 that have been scheduled thus far that the MML has
16 provided. Councilman Miah has attended one; Councilmen
17 Hassan and Musa have not attended any trainings as of yet.

18 So they are all signed up to attend the
19 conference in September, with MML. That's their big
20 conference. So they have all signed up to attend, and
21 hopefully we're going to start doing, also, some webinars
22 during our work sessions. It's something that we've
23 talked about doing, so we're going to start putting that
24 into play, as well.

25 I think that's it, Madam Chair.

1 MS. ROBERTS: Thank you. Anyone have any
2 questions?

3 MR. STEMA: Thank you. No.

4 MS. POWELL: Well, and I think that one of our
5 residents actually gave you an update on the number of
6 sessions.

7 MS. ROBERTS: Yes, a report. Thank you. Next
8 on the agenda is resolutions from the regular city council
9 meeting of March 15th, 2016. I would entertain a motion
10 to approve all ordinances and resolutions from the March
11 15th, 2016, regular city council meetings.

12 MR. STEMA: Motion to approve.

13 MS. YOUNG: Second.

14 MS. ROBERTS: Any discussion?

15 (No response)

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

18 MS. YOUNG: Aye.

19 MR. STEMA: Aye.

20 MR. McINERNEY: Aye.

21 MS. ROBERTS: Opposed, the same.

22 (No response)

23 MS. ROBERTS: Motion carried.

24 Next on the agenda is resolutions from the
25 regular city council meeting of March 29th, 2016. I would

1 entertain a motion to approve all ordinances and
2 resolutions from the March 29th, 2016 regular city council
3 meeting.

4 MS. YOUNG: Motion to approve.

5 MR. STEMA: Support.

6 MS. ROBERTS: Any discussion?

7 (No response)

8 MS. ROBERTS: Seeing none, all those in favor
9 say aye. Aye.

10 MS. YOUNG: Aye.

11 MR. STEMA: Aye.

12 MR. McINERNEY: Aye.

13 MS. ROBERTS: Opposed, the same.

14 (No response)

15 MS. ROBERTS: The motion carries. Next on the
16 agenda are the claims and accounts from the regular city
17 council meeting draft minutes of April 12th, 2016. I
18 would entertain a motion to approve, deny or postpone the
19 claims and accounts from the regular city council meeting
20 draft minutes of April 12th, 2016.

21 MR. McINERNEY: Motion to approve.

22 MS. YOUNG: Second.

23 MS. ROBERTS: Any discussion?

24 (No response)

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

1 say aye. Aye.

2 MS. YOUNG: Aye.

3 MR. STEMA: Aye.

4 MR. McINERNEY: Aye.

5 MS. ROBERTS: Opposed, the same.

6 (No response)

7 MS. ROBERTS: Motion carries.

8 Next on the agenda is the city administrator
9 items. We have already taken care of the approval of city
10 council minutes; next would be the approval of the budget
11 to actual and cash flow reports.

12 MR. STEMA: I have a general question on the
13 agenda items from the city manager. Actually, a request,
14 for the future. A lot of times you have contracts here.
15 Is it possible to mark which ones went to the council and
16 which ones haven't, if it didn't -- in case they haven't.
17 I believe all these went to the council?

18 MS. POWELL: Yes, they did.

19 MR. STEMA: I knew, actually, because I was
20 matching it up against the meeting minutes. But in the
21 future, can you just write that? That way I don't have to
22 go back and forth. Just say if they went to the council
23 and they approved it and all that, just write on there and
24 we're going to be doing a secondary approval.

25 MS. POWELL: Okay. That's how -- and actually

1 on the agenda memos themselves, it actually says that it
2 went to city council. So.

3 MR. STEMA: Oh. Great.

4 MS. POWELL: So yeah, and it's also on your
5 minutes, I'd like to point out to the public, that these,
6 all of these contracts, have gone to the council. They
7 were approved by the council on April 12th, and you guys
8 just approved the minutes, so.

9 MR. McINERNEY: Thank you.

10 MS. ROBERTS: I would entertain a motion to
11 approve, deny or postpone the budget to actual cash flow
12 reports.

13 MR. McINERNEY: Move to approve.

14 MR. STEMA: Second.

15 MS. ROBERTS: Any discussion? I have a
16 question.

17 MR. STEMA: Okay, you go first

18 MS. ROBERTS: Okay. I -- well first, I'm
19 concerned about the swing in the budget to actual, and not
20 having budget amendments presented yet. And I know that
21 we're supposed to be getting budget amendments. So after
22 I ask you the questions I have, that you could let us know
23 when those budget amendments would be forthcoming, I'd
24 appreciate it. No, that is my question, when is the
25 budget amendments forthcoming?

1 MS. POWELL: We are in the process of doing
2 those now. And actually, I'd really like to comment on
3 the memo that's on the top of the agenda items. Which
4 talks about the items that absolutely need to be amended.
5 Well, all of them need to be amended. But, I'd like to
6 kind of point out the reason why most of this is the way
7 that it is, is that they weren't budgeted.

8 When the two year budget was presented and
9 approved, it did not include the mayor and council
10 salaries and training, which was mandated by the EM final
11 order. The deputy city manager's salary and retirement
12 were not budgeted, and my retirement wasn't budgeted. And
13 our legal costs, which are about \$225,000, to date.

14 I actually have asked the city attorney to join
15 us today to talk about the legal costs, because that is
16 the majority of what the amendment is going to entail, and
17 that's the biggest expense for us.

18 He also prepared a memo for you all to reference
19 while he speaks. Looking at the memorandum, you will see
20 that under the EM's two year budget, and without
21 consultation with the city attorney, there was a budget --
22 \$175,000 were budgeted for fees, and \$100,000 were
23 budgeted for settlements.

24 However, the city's history shows that on
25 average, the city spends about over \$400,000 a year in

1 legal expenses. With a high being close to \$500,000, and
2 that's in like the second paragraph.

3 Secondly, the city couldn't anticipate that
4 there would be a numerous amount of lawsuits filed, total
5 of five filed by a former employee, or the fact that a
6 second law firm had to be brought in because of inherent
7 conflicts, because this person was no longer employed with
8 the city, so our city attorney could no longer represent
9 them.

10 MR. McINERNEY: Say that again?

11 MS. POWELL: Because the city isn't -- the --
12 it's a former employee, and there are former employees
13 that have been named in this lawsuit, we had to hire a
14 second law firm to represent those people.

15 MR. McINERNEY: Okay, thank you.

16 MS. POWELL: The -- that's more than \$150,000
17 that the city has had to pay for a second firm, and that
18 was an unanticipated expense for the city.

19 MR. STEMA: That's just for one lawsuit, the
20 \$150,000 or is that all the lawsuits?

21 MS. POWELL: That's, well, that's, one person
22 filed five lawsuits.

23 MR. STEMA: Okay, so.

24 MS. POWELL: Plus, we had a class action lawsuit
25 filed by the retirees, due to changes that were made to

1 their benefits and retirement and that sort of thing, when
2 the EM took over. The final order required that we hire
3 Miller Canfield as a co-counsel on the case, and those
4 costs would be reimbursed. Right now, the unreimbursed
5 amount is about \$60,000. They paid \$80,000, the state's
6 paid \$80,000. But we still have about \$60,000 that we're
7 looking to get reimbursed for.

8 Finally, we have our SRM amount for our
9 insurance is extraordinarily high. The deductible that we
10 have to meet on general liability cases is \$100,000, and
11 on police and employment cases, it's \$250,000.

12 In the very last paragraph, it kind of sums up
13 that in the first year with the city, Giarmarco, Mullins
14 and Horton was paid \$261,000 in legal fees, at \$125 per
15 hour. Last year, they were paid \$339,000 in legal fees,
16 and so far this year, the firm has billed us for \$337,000.

17 Now that the former employee's filed suit and
18 the class action suit are substantially completed, they
19 anticipate that they're going to be going back to the
20 traditional levels with the same firms saving the city 25
21 to \$40,000 -- 40 percent in legal fees, based on the
22 city's history.

23 Keep in mind, though, the city -- this is a
24 litigious city. For whatever reason, we're broke, but
25 people want to sue us. So even on a slow year, the legal

1 fees were over \$400,000. So moving forward, we will be
2 budgeting for this type of legal expenses in our 2016-2017
3 budget. Because we still have a lot of these lawsuits
4 still pending. So Travis is here to answer any questions
5 that you have.

6 MR. McINERNEY: Just one question. First of
7 all, I mean, in all cases, when you say the year, you mean
8 the fiscal year?

9 MS. POWELL: Yes, sir.

10 MR. McINERNEY: And that would -- that's July 1
11 to June 30~~rd.~~

12 MR. ~~STEMA:~~ What is the average amount of
13 lawsuits that the city receives in a year, is there an
14 estimate?

15 MR. MIHELICK: It -- we did look at that,
16 because it doesn't necessarily just include lawsuits. It
17 could include any --anything that we're involved with, you
18 know. Some cases get settled before they actually become
19 a lawsuit, things like that, so we don't have a number.

20 I would say that any given time, the city
21 probably has between eight and fifteen active lawsuits
22 going.

23 MR. STEMA: Who's the -- who's responsible for
24 doing the estimates, you know, they determine settlement
25 or fight?

1 MR. MIHELICK: They're --

2 MR. STEMA: They determine what cost is better?
3 We're in Wayne County, and I know Wayne County has the
4 highest payouts, almost, in the nation, every single year
5 in lawsuits, so --

6 MR. MIHELICK: That's a decision that's made in
7 consultation between the city attorney, the city manager,
8 and the city's risk manager. And the city's insurance
9 carrier. So, you know, there's several different people
10 who have quite a bit of expertise that look at that.

11 And, you know, the majority, obviously, of all
12 lawsuits get settled, so. But I think the settlement,
13 we're actually way under. We haven't settled \$100,000.
14 And it's just, I mean, it's, the 175 is just so low. You
15 know, even taking our firm, who does all the municipal
16 city attorney stuff out of it, the city's paid over
17 \$175,000 just to McGraw Morris, and to Miller Canfield,
18 who the state required to be brought in on those two
19 separate lawsuits.

20 So without even looking at our firm, the city's
21 already over budget on those two law firms, as well. So
22 it's, you know, it's a perfect storm of these huge big
23 lawsuits, and the city having to pay two different law
24 firms to do it.

25 MR. STEMA: From a contractual standpoint, so,

1 how does it get determined if you are going to be our
2 attorney, or somebody else? Or is it, is it normally you,
3 and then the state, on these two cases, directed us, you
4 know, someplace else?

5 MR. MIHELICK: The state directed on one of the
6 cases, the emergency manager. The other case, one of the
7 defendants was in active litigation with the city, so we
8 couldn't defend against his lawsuit and represent him in a
9 different lawsuit. So, in cases of conflict, which are
10 fairly rare, because it's only active litigation, then a
11 second firm has to be brought in. So that's why there's
12 needed to be the second firm, but that's quite rare.

13 MR. McINERNEY: Tell me the conflict, again?

14 MR. MIHELICK: The conflict was one of the
15 defendants in a lawsuit was actively suing the city in his
16 own lawsuit. So we, when someone's actively suing the
17 city, we can't represent him as a defendant in a different
18 lawsuit. We have to spin off that defense because it
19 creates a conflict of interest, under our professional
20 rules.

21 MR. McINERNEY: Thank you.

22 MR. MIHELICK: And again, that -- it's one case
23 since we've been here, and in all of the communities that
24 we represent, it's very, very, very rare.

25 MS. POWELL: Also, Madam Chair, I'd like to

1 point out, too, that our -- that we lost a grant, of
2 \$100,000 for --

3 MR. STEMA: I had another question, before we go
4 on to the other ones, on that legal.

5 MS. POWELL: Okay, I'm sorry, sir.

6 MR. STEMA: Just in general, in the future, what
7 do we do, I mean -- there's got to be a better way to
8 manage whether it's contractually, or something like that.
9 I don't know, it just seems like \$400,000, and then, for
10 some reason we budget one year ~~4-~~\$200,000, when the
11 historical cost doesn't show that that's even appropriate?
12 I mean, it just seems kind of crazy to me.

13 From a budgeting standpoint, but also, there's
14 got to be a way that we can, I don't know, study and
15 figure out how to bring down costs. Whether it's, no
16 offense to Giarmarco, but, is there another firm out
17 there?

18 I mean, I don't know when their contract's up.
19 I mean, send it back out to bid, or something to try and
20 cut costs. I mean, in general, I'm just looking at the
21 overall costs; that's a big number for a city our size.

22 MR. MIHELICK: It -- the, you know, our first
23 year without these two exceptional cases, we were 40
24 percent lower. You know, the historical have been
25 \$410,000, you know, we did 261 our first year. So, in

1 the, in this litigious community, being in Wayne County,
2 as you pointed out, people do get litigation happy.

3 And even though it is a small community, there's
4 more lawsuits here than in many other of the communities
5 that we represent, and you know, I think Katrina will tell
6 you that we're -- we assess these lawsuits very quickly,
7 and things that we can get rid of very cheaply we do, and
8 things that we have to fight, we have to fight.

9 So, you know, our rates are very, very low for
10 the high quality of the work, and you know, I would
11 maintain that. You know, we save the city a ton of money,
12 and the budget from the EM, it's just, she obviously
13 didn't have the history that shows, you know, there's an
14 average of \$410,000 a year being spent. You know, and to
15 budget 175 is just completely unrealistic.

16 MS. POWELL: And their hourly rate is \$125 per
17 hour, right? That's --

18 MS. ROBERTS: Yeah, which is not bad.

19 MR. STEMA: No, that's not bad overall.

20 MR. MIHELICK: Miller Canfield's charging \$490.

21 MS. POWELL: Yeah, so I mean, \$125 an hour, is,
22 and if you look at the actual bills that come in, the city
23 attorney's work, itself, it's maybe three grand a month.
24 Three to four grand a month. And that's just like the
25 work that we send in, the contracts, the ordinances, the

1 resolutions. If I need him to look at something before I
2 send it out, that's about three to four grand.

3 MR. MIHELICK: Attendance at council meetings.

4 MS. POWELL: Attendance at council, which he
5 hates, but I make him come. And all the rest of it are
6 these lawsuits. And so, it's absolutely amazing to me,
7 having worked in several communities, in different parts
8 of the country, that we have this many lawsuits for a city
9 of this size, with -- that is broke.

10 So, you know, it's mind boggling to all of us
11 that this is what we deal with, but you know, we've been
12 able to settle, Travis and I, and our contractors, have
13 been able to settle quite a few of these lawsuits that you
14 guys have seen, fairly, you know, low. Less than ten
15 grand.

16 So, you know, we're still promoting that, you
17 know, if we're able to settle with them at a decent rate,
18 decent price, we're going to do that, instead of fighting
19 it. I mean, but we do meet and we do decide which are
20 those that we're absolutely not going to pay.

21 MR. MIHELICK: I think the only cases we've paid
22 anything on are trip and fall cases. All of the other
23 cases, we've either gotten dismissed or we haven't paid
24 anything on. I think we've only paid on trip and fall.

25 MS. POWELL: And an injury --

1 MR. MIHELICK: A personal -- one personal
2 injury. But that was less than ten grand.

3 MS. POWELL: Yes.

4 MR. MIHELICK: We've not paid over ten grand on
5 anything but a trip and fall case.

6 MS. POWELL: No, we haven't. Correct.

7 MR. McINERNEY: I assume the percentage of your
8 costs, attributable to attendance at council meetings, is
9 a minor portion of your fees anyway?

10 MR. MIHELICK: Yeah. I mean, it's -- I billed
11 what, three and a half hours for attendance at the study
12 session and council meetings? So it's like 400 bucks.

13 MR. McINERNEY: But I know some cities have
14 eliminated representation at council meetings, but I'm not
15 sure, I mean, that could be done, but I'm not sure that
16 would actually do much in terms of the savings.

17 MR. MIHELICK: You'd save 6,000 bucks. You'd
18 save 6,000 a year. I mean, there'd be --

19 MS. POWELL: Not in this city.

20 MR. McINERNEY: That's what they all say.

21 MR. MIHELICK: Until -- everyone's fully
22 trained, there's still a lot of questions that come up.

23 MR. McINERNEY: I don't doubt you're great at
24 the meetings.

25 MS. ROBERTS: Thank you.

1 MR. MIHELICK: No problem.

2 MS. ROBERTS: You said you lost the COPS grant

3 MS. POWELL: We lost the COPS grant, \$100,000.

4 We're applying for it now; it's due in June. And we're

5 expecting the Safer grant, which is the \$321,000. We're

6 expecting to hear about that. If we don't get that, it

7 will be at the beginning of the next fiscal -- it'll be at

8 the end of this fiscal year. End of this fiscal year,

9 before the beginning of next fiscal year.

10 MS. ROBERTS: But we'll have already made budget

11 amendments, to take into account that we've lost it, and

12 then we may have to make budget amendments later, to

13 account for getting it.

14 MS. POWELL: Possibly.

15 MS. ROBERTS: Okay.

16 MR. STEMA: I have two questions, on the bulk of

17 those grants. Only from a budgeting standpoint, and I

18 know you weren't here at the time, so maybe one of your

19 staff was on here that was involved in the budget. I,

20 because budgeting 101 is, you don't budget for what you

21 don't have in revenue.

22 You can't make assumptions that you might get

23 money, because then at the end of the year, you're right

24 where we're at, so, I'm confused on -- is anybody here

25 that can answer the question, that was on staff that was

1 part of doing the budget, and how that was missed?

2 MS. CAIRNS: At the time, we thought that we
3 could apply for the new grant; however, they wouldn't
4 allow us to -- am I saying it correctly? At the time, they
5 said that we had to use up what we had before we can apply
6 for it. And the forms were not out. We thought it was
7 going to be out in December; it wasn't. January, it
8 wasn't. So by the time, this is something we couldn't
9 have anticipated two years ago. So that's what happened.
10 But this budget was prepared two years ago.

11 MR. STEMA: Yeah, but the grant has an end date,
12 doesn't it?

13 MS. CAIRNS: Yes, but then, the thing is --

14 MR. STEMA: As soon as the end date happens and
15 the revenue's done, you have to, you can't make that
16 assumption for the second half of the year. In budgeting.

17 MS. CAIRNS: Then we wouldn't have been able to
18 balance the budget. And also --

19 MR. STEMA: No, well then, you've got to do
20 cuts. You've got to do cuts, then.

21 MS. CAIRNS: It's on that condition, otherwise,
22 we -- yeah, but we would still wait on --

23 MR. STEMA: To balance the budget. When you
24 make assumptions, you end up in this situation, that we're
25 in right now.

1 MS. CAIRNS: It's not that we haven't gotten the
2 grant, we will, you know, hopefully, get the grant.

3 MR. STEMA: That's the thing, you can't hope --

4 MS. CAIRNS: If we don't, then we have to make
5 cuts, yes.

6 MR. STEMA: Yeah, I mean, and that's the
7 problem. You can't hope, when you budget. There's got to
8 be certainties, before all your revenue's gone. That's
9 the only thing that -- your revenues are, should be the
10 easiest part to look at when doing a budget. You have all
11 your estimates, you know what grants are coming in.
12 You're going to be applying for grants, but you can't use
13 that towards this year's budget because you might get it.
14 You have to exclude it.

15 I know it's tough to do that, but it's the only
16 way to do sound budgeting, especially on the revenue side.

17 MS. CAIRNS: Yes.

18 MR. STEMA: I mean, I'm just confused.

19 MS. ROBERTS: Okay. So we have a motion before
20 us to approve the budget to actual and cash flow reports,
21 and we are being told that the amendments will be at the
22 next --

23 MS. POWELL: They're trying to do it as close to
24 the end of the year as we can, so that we know where
25 everything is falling. And we're hoping to hear from --

1 hear about the Safer grant, as well. So yes, it is
2 forthcoming, and we are currently working on it, and the
3 new budget, so.

4 MS. ROBERTS: All those in favor of approving
5 the budget to actual and cash flow reports, say aye. Aye.

6 MR. STEMA: Aye.

7 MR. McINERNEY: Aye.

8 MS. YOUNG: Aye.

9 MS. ROBERTS: Opposed, the same.

10 (No response)

11 MS. ROBERTS: Motion carries.

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

16 MR. STEMA: Motion to approve.

17 MS. YOUNG: Second.

18 MS. ROBERTS: Any discussion? I do have a
19 question on this. There are several expenditures for
20 tutoring services. Who is being tutored, and how well is
21 that attended?

22 MS. POWELL: Great question, Madam Chair, one
23 that the city controller and I ask regularly. This is a
24 program that's provided by the library, and they have
25 someone who comes in and provides math tutoring to

1 students. And we pay them.

2 So we are, Bama and I have actually discussed us
3 requiring sign in sheets for how many people are actually
4 being tutored, who's being tutored. We've also
5 brainstormed about the library possibly partnering with
6 the school district, to take over that. It's something
7 that we've been questioning for the last 15 months, I
8 think.

9 MS. ROBERTS: So is anyone actually showing up,
10 do we know, if anyone is actually being tutored?

11 MS. POWELL: According to the librarian, this is
12 a huge program that is very well attended, that's provided
13 for, it's sort of like an after school program. At the
14 library. But that's what we know so far.

15 MR. STEMA: What facility is it in the
16 libraries, or?

17 MS. POWELL: It's in the library.

18 MR. STEMA: Okay.

19 MS. ROBERTS: It should be real easy to have a
20 sign in, then. So you know how many students you have.

21 MS. POWELL: That's what we were thinking yes.

22 MS. ROBERTS: Next question is on there -- is
23 there a page number? It's on page 16 to 21 of what I have
24 for 315, check one date and there's reimbursement expenses
25 incurred in 2015, going to Sharon Ray, or Ray Sharon; I

1 don't know if this is first name last or last name first.
2 Of almost, well, a little over \$1400. What is that?

3 MS. POWELL: Great question again, Madam Chair.
4 Sharon Ray is -- this is part of the housing
5 discrimination lawsuit that the city has been involved
6 with since 1968. So according to the stipulation
7 presented to the city by the counsel working on this
8 lawsuit for the plaintiffs, we are to reimburse expenses
9 for any contractor that he decides to contract with, that
10 assists him in building the three houses.

11 We have actually asked that this payment not be
12 made, because these were actually receipts from June of
13 last year, presented to us, for repayment of donuts,
14 coffee, post office box --

15 MS. CAIRNS: Royal Kebob food.

16 MS. POWELL: Royal Kebob restaurant to the tune
17 of \$190. And I know all of this because I was infuriated
18 when I got this.

19 MS. ROBERTS: So this isn't contracts for
20 building houses, this is for feeding people that might be
21 building a house, maybe?

22 MS. POWELL: Well considering we only have three
23 houses left to build, I'm not real sure. But this is
24 something that the city controller and I questioned.

25 MS. CAIRNS: No documentation.

1 MS. POWELL: There's no documentation. The
2 stipulation doesn't say that we reimburse for food and
3 expenses like that. It says that we reimburse for
4 telephone charges, postage, and copying. The rest of that
5 is not in the stipulation. So the city controller and I
6 have actually really been delving into this case, and we
7 have serious, serious, serious concerns about the way all
8 of this is going down.

9 MS. ROBERTS: So has this been pulled, so that
10 it's not being paid?

11 MS. POWELL: It has not been -- the check, we
12 are holding the check. So it has not been paid. And --

13 MS. ROBERTS: I would check with legal, make
14 sure it has to be paid.

15 MS. POWELL: Well, we have. We have. We've
16 been in communication about it, because this is, and our
17 attorney is in communication with that attorney, with Mr.
18 Barnhart. But this is just one of many that actually
19 comes in to us, that we have serious concerns about.

20 Because as you all know, and there was a bone of
21 contention here with this board, that we had to place a
22 tax levy on our community to collect \$600,000 to build
23 three houses. This particular attorney has been able to
24 receive \$1.5, \$1.9 million --

25 MS. CAIRNS: Like two million.

1 MS. POWELL: \$2 million --

2 MS. CAIRNS: Since 2005.

3 MS. POWELL: Yeah, since 2005, and there hasn't
4 been a house built.

5 MS. CAIRNS: There were houses built.

6 MS. POWELL: There were houses built, but since,
7 in the last four years, he's been able to make over a
8 million dollars and no houses have been built, so, we have
9 serious concerns about this. And we're working through
10 legal to address it.

11 But in this particular case, we are adamantly
12 opposed to paying this expense, because first of all, it
13 happened in June. We didn't receive the invoices until
14 now, wanting reimbursement for those expenses that
15 actually took place downriver. The water, the donuts, the
16 post office box, all those things were actually done in
17 Saline. So we have lots of questions.

18 MS. ROBERTS: Okay.

19 MS. POWELL: But thank you for asking that.

20 MS. ROBERTS: Keep it ~~held home~~.

21 MS. POWELL: We will, thanks

22 MS. ROBERTS: And I have one more.

23 MS. POWELL: Okay.

24 MS. ROBERTS: And it is on page eight of
25 fifteen, of the 3/29 check run, and it's for Shrah

1 Hussein? Reimbursement for tree damage but then it says
2 reimbursement for auto damage, and that's \$2500.

3 MS. POWELL: It was a tree limb that fell on a
4 car and completely totaled the car out.

5 MS. ROBERTS: And \$2500 was the Blue Book value?

6 MS. POWELL: Yes. It was a 1999 Honda.

7 MS. ROBERTS: Does anyone else have any other
8 questions?

9 (No response)

10 MS. ROBERTS: The motions before us is to
11 approve the invoice register and preapproved expenditures.
12 All those in favor say aye. Aye.

13 MR. STEMA: Aye.

14 MS. YOUNG: Aye.

15 MR. McINERNEY: Aye.

16 MS. ROBERTS: Opposed the same.

17 (No response)

18 MS. ROBERTS: Motion carries. Next on the
19 agenda is approval of a contract with Argus Hazco. Ms.
20 Powell, would you please provide a summary of this for the
21 board?

22 MS. POWELL: Yes ma'am, and actually I'm going
23 to defer to my fire chief, Paul Wilk. This is a contract
24 to purchase self-contained breathing for our firefighters.

25 MR. WILK: Back, two months ago, we received a

1 grant to replace our SCBA equipment, and this is part of
2 that grant. And, we put it out for bid, three bids, and
3 this is what we would like to purchase.

4 MS. POWELL: Ninety percent of this contract
5 will be funded by the grant. And it was accepted through
6 a resolution on September 22nd, 2015. You all accepted
7 that grant at that meeting. The remaining ten percent of
8 the total, which is \$8,900, will come from the sale of two
9 department ambulances and CDBG grant funds.

10 MS. ROBERTS: Thank you.

11 MR. STEMA: Congratulations.

12 MS. ROBERTS: I would entertain a motion to
13 approve, deny or postpone the contract with Argus Hazco,
14 for self-contained breathing apparatus and face pieces.

15 MR. STEMA: Motion to approve.

16 MS. YOUNG: Second.

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

18 MR. STEMA: Aye.

19 MS. YOUNG: Aye.

20 MR. McINERNEY: Aye.

21 MS. ROBERTS: Opposed the same.

22 (No response)

23 MS. ROBERTS: Motion carries. Next on the
24 agenda is approval for a contract with HD Supply
25 Waterworks and Elster AMCO Water. While this action

1 occurred during a council meeting outside the normal
2 review period for today's board meeting, the city
3 manager's request to bring this forward for early review
4 is merited. Ms. Powell, would you please provide a
5 summary of this item for the board?

6 MS. POWELL: Yes, ma'am. This is an award for
7 two contracts to two different companies, to provide water
8 meters, which are very much needed. As something that
9 we've been written up for in our audits for the last
10 couple of years, that we had malfunctioning meters.

11 We, during our -- the process of putting this
12 together, the staff in the water department actually did
13 sort of an audit to find out exactly what types of meters
14 needed to be replaced. Where they were, what, if they
15 were industrial, if they were residential, if they were
16 commercial, what they were. And we found that several of
17 our meters, I think ten to twenty of them, are industrial
18 meters, that are either not working, stopped working, were
19 never installed and were never working.

20 And so, it's certainly an issue that we want to
21 address, because these are our main users of water. In
22 addition to that, we have hundreds of meters that are not
23 working in our residential homes, that need to be
24 replaced.

25 So, we put out to bid, looking to get multiple

1 companies to provide this service, because we were
2 installing two different size -- several different sizes
3 of meters. So, one company specializes in the smaller
4 meters; the other company specializes in larger meters.

5 And so, we're looking to get this -- we're
6 looking to get the best price, as well as be looking
7 forward with, hopefully, a meter replacement program that
8 we can address all of the meters.

9 As you all are probably aware, I think we've
10 discussed it before, we've got about 600 meters here that
11 are just not being read, because of a little electronic
12 device that's attached to the meter, that hasn't been
13 reading back to the city.

14 So, people are receiving -- it's a little
15 electronic device that's called an MTU, and it actually
16 sends a signal back to the city of meter readings, and so
17 we have several hundred of those were just not reading
18 back to the city. They were coming in as an estimated
19 bill.

20 So when we were finally able to get out and read
21 some of our residents' meters, we found that they had been
22 estimated for years. And at that point, we sent them
23 bills for thousands of dollars. And I'm not talking like
24 \$5,000 -- I'm talking like \$15,000 to \$25,000.

25 Because some of these meters hadn't been read

1 in, I think a couple of them were like ten years, hadn't
2 been read. So we were able to set up payment programs
3 with those residents, where we required them to pay a
4 third down, and then we had them make equal monthly
5 payments for six months in addition to their water bills,
6 to be able to pay off that usage.

7 So we were able to, you know, kind of get some
8 collection practices in place, and start receiving that
9 money. But, our staff has really been working diligently
10 to address a lot of these issues and get them done as
11 quickly as possible.

12 And so awarding of this contract will at least
13 get us one step closer to getting our water funds more so
14 in the black. In the past, it's always been in the red,
15 and this year for the first time, it's in the black. So
16 we're wanting to continue that trend.

17 MR. STEMA: Do you think this -- these new
18 meters will actually help increase revenue, then? Or,
19 capture maybe what's being lost, or?

20 MS. POWELL: Being capture what's being lost, I
21 think, for example, the jail -- the meter was not even
22 installed --

23 UNIDENTIFIED AUDIENCE MEMBER: The new one
24 wasn't installed.

25 MS. POWELL: The new one wasn't installed, and

1 it's been sitting there so long that it's rusted. So, and
2 that's the big jail over here. So, you know, these are
3 some of the issues --

4 MR. McINERNEY: You mean the county facility?

5 MS. POWELL: Yes.

6 MS. ROBERTS: So the county will be real happy
7 with you when you send the bill.

8 MS. POWELL: Yes, they'll love us. But, you
9 know, they're using it, and they need to pay. So yes,
10 this is, you know, we want to work on the industrial
11 customers first, and those residential accounts and get
12 those up and moving, because you know, they're the largest
13 users we need to get paid.

14 MS. ROBERTS: I would entertain a motion to
15 approve, deny or postpone the contracts with HD Supply
16 Waterworks and Elster AMCO Water, LLC, for electronic
17 solid state water meters.

18 MR. STEMA: Motion to approve.

19 MS. YOUNG: Second it.

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

21 MR. STEMA: Aye.

22 MS. YOUNG: Aye.

23 MR. McINERNEY: Aye.

24 MS. ROBERTS: Opposed, the same.

25 (No response)

1 MS. ROBERTS: Motion carries. Next on the
2 agenda is approval of contract with Highway Maintenance
3 and Construction. Although action on this item occurred
4 during a council meeting outside the normal review period
5 for today's board meeting, the city manager's request to
6 bring this item forward for early review is merited. Ms.
7 Powell, will you give us an explanation or summary of this
8 item for the board?

9 MS. POWELL: Yes, ma'am. As you all are aware
10 of, I think all but maybe Mr. McInerney are aware, last
11 year we had a little issue with our spray patching
12 contracts, so this year we wanted to get a jump on them
13 and get a head start on being the first city to contract
14 with someone to provide spray patching services for this
15 construction year.

16 So on March 15th, we put out an ITB on MITN, for
17 spray patching, and we had a vendor submit a bid, and
18 fortunately the same vendor that's been here before, so
19 they're aware of our short streets and our conditions. So
20 we're excited about that; we were able to keep the same
21 tonnage price for this year. Next year it will go up \$5
22 per ton and the following year it will go up an additional
23 \$5.

24 And it's a three year contract, and we can
25 extend the contract if both parties agree, and at the same

1 time, we can -- we can do away with the contract, we can
2 cancel the contract if we need to, you know, if we're not
3 happy. So, this is something major for us. Last year, it
4 was very successful. We were doing cold patching now for
5 some of the potholes that we know are not going to be
6 addressed. This year, with spray patching and some of our
7 road improvements, and we're just wanting to be the first
8 ones on the contractors list, to have them come in.

9 MS. ROBERTS: I would entertain a motion to
10 approve, deny or postpone the contract with Highway
11 Maintenance and Construction for spray patching program.

12 MS. YOUNG: Motion to approve.

13 MR. McINERNEY: I support, but I just have a
14 question.

15 MS. ROBERTS: Yes, discussion.

16 MR. McINERNEY: I think we covered this earlier
17 in the meeting. All these contracts been approved by the
18 council?

19 MS. POWELL: Correct.

20 MR. McINERNEY: Right, so the, I meant to ask
21 that before, but the previous one about the breathing
22 apparatus and the one we did just before, about the water
23 meters?

24 MS. POWELL: All the contracts in your packet
25 this month have been approved by the council.

1 MR. McINERNEY: Thank you.

2 MS. ROBERTS: And typically, all the contracts
3 on our agendas have been approved by the council, unless
4 it's something different, that was in the EM order. We
5 don't approve contracts, unless they're approved by council --

6 MR. McINERNEY: This is -- this is Mark's
7 question, though?

8 MR. STEMA: Oh no, I have a different question
9 on this, just procedural, for my understanding. I see, I
10 know Hennessy's our engineers that review this stuff. I
11 see they're kind of involved in that. Well, I mean,
12 they're like, they're the ones that -- they review the
13 bids and all that, for us, so that we're kind of in this
14 contract that they put out the bids for us, or not?

15 MS. POWELL: They actually write the contracts
16 for us, and the bid itself, based off of our
17 recommendations for what we want. So they don't receive
18 any --

19 MR. STEMA: No, I understand that. I'm just
20 curious what they're involved in. Like do they -- they're
21 the ones that put the parameters and all that, and give
22 the review and all?

23 MS. POWELL: Correct.

24 MR. STEMA: Is that something we can bring in
25 house, or no? Or is that --

1 MS. POWELL: I would love to have a purchasing
2 agent in house, but unfortunately, I don't have one. And
3 so, your city manager is the one who actually puts things
4 out on MITN, and does all of the purchasing pieces of
5 that.

6 Aside from them coming in and dropping off their
7 bids, that's done at the city clerk's office. But I am
8 essentially your purchasing agent. I'm hoping that that
9 will change in this next budget. I would love to have a
10 purchasing agent here. But right now, this is what we
11 have when we go to the city attorneys, to review.

12 MS. ROBERTS: We have before us a motion to
13 approve the Highway Maintenance and Construction spray
14 patching program. All those in favor say aye. Aye.

15 MR. STEMA: Aye.

16 MS. YOUNG: Aye.

17 MR. McINERNEY: Aye.

18 MS. ROBERTS: Opposed, the same.

19 (No response)

20 MS. ROBERTS: Motion carries.

21 Next on the agenda is the approval of the 2016
22 road improvement program. While action on this item
23 occurred during a council meeting outside the normal
24 review period for today's board meeting, the city
25 manager's request to bring this item forward for early

1 review is merited. Ms. Powell, please provide a summary
2 of this item for the board.

3 MS. POWELL: Thank you.

4 This is more of a information item, but we're
5 also looking at some budget money for this. We're so
6 excited about this road improvement program that we've
7 been able to implement over the last couple of years.

8 Last year, the city council was receptive to us
9 doing a Paser study, to look at our roads, and to evaluate
10 them and decide which roads needed to be either spray
11 patched, cold patched, taken down to the base, resurfaced,
12 just do the center lane, just do the right lane, just do
13 the left lane.

14 And so we were able to present a program to the
15 city council that they were in approval of, laying out a
16 plan over the next couple of years of how we will address
17 some of our really bad streets here. So this is just
18 giving you an update on what we're doing.

19 We're doing asphalt resurfacing, we're doing
20 reconstruction, and we're also doing potential
21 reconstruction in the next couple of years on some of
22 these other streets. We are applying for federal aid
23 through the Wayne County Federal Aid Committee, and so
24 hopefully, we will be able to be awarded at least 81 and a
25 half percent of the construction costs, if we're qualified

1 and if we're selected.

2 So, the rest of that will be paid via Act 51
3 funding, but at least now there is a program in place that
4 the city can move forward on, you know, in years to come,
5 to address a lot of those really bad streets that we have
6 here.

7 MR. STEMA: Just a general question on that.
8 So, if we don't get the Wayne County money, that just
9 pushes everything off a couple more years, then, because
10 then we have to use our own funds?

11 MS. POWELL: For these particular streets.
12 These are really bad streets. Hamtramck City Drive is
13 unbelievable, and unfortunately, that street is owned by
14 the City of Hamtramck, by the City of Detroit, and Wayne
15 County. So it's a very difficult street to even get
16 anything done on.

17 We can do our portion, which is not that much,
18 and then you've got the other two entities that have to do
19 their part, so.

20 MS. ROBERTS: I would entertain a motion to
21 approve, deny or postpone the 2016 road improvement
22 program.

23 MR. STEMA: Motion to approve.

24 MS. YOUNG: Second.

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

1 MR. STEMA: Aye.

2 MS. YOUNG: Aye.

3 MR. McINERNEY: Aye.

4 MS. ROBERTS: Opposed, the same.

5 (No response)

6 MS. ROBERTS: Motion carries. Next on the
7 agenda is approval of pay increase for the public service
8 director. Ms. Powell, would you please provide a summary
9 of this item for the board?

10 MS. POWELL: Yes, ma'am. Back in October of
11 2014, the DPS director was hired at a rate of \$65,000 per
12 year. Typically, the directors here are making \$85,000 a
13 year, 85,000 plus, depending on how long they've been here
14 and what their job entails.

15 Since the director was hired, he has gone out
16 and gotten a Master's Degree in Public Administration.
17 Hundreds of water accounts that were estimated for years,
18 unpaid water bills that were added to taxes and were wiped
19 out due to foreclosure actions are no longer happening,
20 because he put a policy in place that requires the bills
21 to be paid within 30 days. So we're no longer rolling
22 over money to the, bills to the taxes.

23 In the last three months, the city has saved
24 over \$30,000 for services by changing water sewer
25 contractors. As you all remember, we cancelled the

1 contracts with our contractor, and, of our previous
2 contractor, and we've got our new one, so we've saved
3 \$30,000 in the last year, or, in the last three months,
4 for that.

5 There's a reduction in our delinquencies in the
6 water accounts, to the tune of \$342,914, and that's due to
7 us evaluating our meter situation, replacing meters, doing
8 the collection processes that we're doing now, to make
9 sure that people don't have delinquent bills.

10 We have also started requiring homeowners to pay
11 for their sewer lead repairs. Previously, the city
12 required, or, the city did those, paid for those. Just in
13 the last year, we've saved \$96,000 doing that.

14 And essentially, the city used to pay over
15 \$700,000 for those types of repairs. This year, it was
16 budgeted at \$400,000, and we've only spent 213,000 on
17 those. A lot of it has to do with the director bringing a
18 lot of services in house as well, so whatever we're able
19 to do in house, that you know, our director has taught our
20 employees to do. Once we severed that contract, with our
21 previous contractors, a lot of that stuff has gone in
22 house, we've started doing.

23 We've also held our contractors accountable by
24 inspecting their work; that's something that we never did
25 before. And as such, we're not paying for shoddy work

1 anymore, and that of course, is saving us money. We
2 require all of our outside contractors that perform any
3 work in the city to set up an escrow account, to cover
4 engineering fees and any restoration that needs to be
5 done, we have to -- we require them to give us a
6 restoration bond, as well.

7 We've switched elevator maintenance contractors.
8 We used to pay \$640 a month; we never saw them. We now
9 receive two -- we now are charged \$282 a month, which is a
10 savings of about five grand, and we also require them to
11 sign in at DPS so that we know they're here, and what
12 they're doing.

13 The director performed an audit on all the DTE
14 streetlights, and found that 40 of them the city had been
15 paying for, that they were either on private property or
16 in the City of Detroit. Those lights were either removed
17 or letters were sent to the owners, the business owners
18 that actually owned those lights, and they're now required
19 to pay for that light on their property.

20 He also repaired and consolidated all parking
21 meters, straightened the poles, painted them. As such,
22 we've been able to bring in more revenue because now we
23 have street meters that actually work, parking meters that
24 actually work, and we collect those regularly.

25 We purchased a tow behind air compressor to

1 perform blowouts on curb boxes, and that used to cost us
2 between 85 and \$250 each time we did that. The director
3 and I actually went to an auction on a Saturday, and were
4 able to purchase that, I think, for \$5500?

5 MALE IN AUDIENCE: Forty two.

6 MS. POWELL: \$4200. And so, you know, we made
7 up that cost in just a matter of a month or so. We also
8 started a shutoff, we also started our water shutoff
9 program, that charges a \$50 fee, which is being brought
10 into the department. Previously, we used to pay a
11 contractor \$85 to go out and do those shutoff -- turn ons
12 and turn offs. Now, we're charging \$50.

13 The delinquent water bills went from, last year
14 there was a deficit of \$602,000. Now, I think it's maybe
15 \$100,000 in deficit. We've also been able to rent
16 excavators and backhoes, which is saving us from paying a
17 contractor \$2100 per repair, we're now doing it in house.
18 Last year we paid a contractor \$72,000 in those repairs.
19 And now our in house crew is doing it, and we're just
20 renting the equipment. So that saved us money.

21 We saved approximately \$10,000 in one day by
22 performing a sewer repair, a gate repair and a lot cleanup
23 with a machine that we rented for \$200 a day.

24 So, I mean, there are so many ways that this
25 particular director has saved the water and sewer fund, as

1 well as the street fund, lots of money. And he's taken on
2 additional responsibilities; he has more employees than he
3 had when he started. And he's really doing everything to
4 the benefit of our residents, and to the City of
5 Hamtramck.

6 And so, I'm asking for this wage adjustment, to
7 not only bring him up to par with the rest of my director
8 staff, but he's proven that he's here to save us money,
9 and he's doing everything he can in the best interests of
10 this city, and particularly for the water and sewer fund,
11 that historically has been in the red, and for the first
12 time in many years is in the black.

13 And we want to continue that, and you know, I
14 want to retain his talent, because it's really difficult
15 for us to get the talent in communities that don't have a
16 whole lot of money, so, it's, you know, I don't want to
17 lose him to another community because you refuse to see
18 the benefit of providing him the payment that he's worthy
19 of.

20 MS. ROBERTS: Because the city has disclosed
21 such a significant change in the budget, and we haven't
22 received amendments, I can't, in good conscience, say
23 we're going to spend more money with this particular item,
24 because some of those line items are in the hole.

25 And it's nothing personal, and I'm not saying

1 that he doesn't deserve a raise. I think, though, we need
2 to look at the raise and look at it in such a way that
3 we're comparing it to other cities of this size, to see
4 where department heads are being paid. Because I think we
5 set a precedent, where you give a 30 percent raise to one
6 department head, because he has saved some money, I don't
7 know that that's a good precedent to set.

8 I'll tell you, I'm a career civil servant; I
9 have never received a raise based on how much money I've
10 saved. I'd like to see it based on what he's doing, and
11 also to see that it's compared to other cities of the same
12 size. However, that is my point on it and I would welcome
13 a motion to postpone a pay increase for the public
14 services director, if this board so sees.

15 MR. McINERNEY: I'll move, the suggested motion.
16 But I also have a question. We talked about contracts
17 being approved by council; was this approved by the
18 council?

19 MS. POWELL: No.

20 MS. ROBERTS: Do we have a second, on the
21 motion?

22 MS. YOUNG: Second.

23 MS. ROBERTS: Any discussion?

24 MR. STEMA: I actually have a question, because
25 I know that the, one of the road funds is, you know,

1 budget wise, and all that, but doesn't his salary get
2 broken up into multiple funds?

3 MS. POWELL: It does, and this is not impacting
4 the general fund; this is impacting the water and sewer
5 and roads funds.

6 MR. STEMA: Yeah, and those are restricted
7 funds, correct?

8 MS. POWELL: What you're looking at -- yes, and
9 what you're looking at as far as a deficit is concerned,
10 is general fund only.

11 MS. ROBERTS: Local streets is in a deficit.

12 MS. POWELL: Because we're in the process of
13 transferring major road funds into --

14 MS. ROBERTS: And that's what I'm saying, is,
15 let's get those all done, and then relook at this.

16 MR. STEMA: To me, at least as a resident here,
17 I've seen the work that's he's done. I know some of the
18 stuff he's done, he's taken me around and shown me. I
19 mean, and, if this was a general fund expense, I would
20 have a major issue with it, and I don't think you could
21 justify it.

22 But the fact is, these are kind of restricted
23 funds, and separate funds there, part of his salary's
24 broken up here, you know, into water maintenance. I don't
25 know the exact percentages, it's probably based on his

1 job, how much time he spends in each area. And overall,
2 those funds are strong. I mean, and largely kind of due
3 to the work that he has performed for the city.

4 And I, as somebody here, I've always kind of
5 appreciated the work he's done and what he's brought to
6 the city to save money, and that. And the fact that it's
7 not part of the general fund, I understand they have major
8 issues in the general fund, but his salary isn't related
9 to that, and I would hate to see Hamtramck lose good
10 people when, we need him. That's what we need.

11 MS. POWELL: And Madam Chair, I will tell you
12 that his salary is actually, and I hate to say this, on
13 the record, it's lower than -- this projected -- this
14 requested salary is lower than what other directors in
15 communities our size are making. They're making well over
16 \$100,000.

17 So, you know, that was part of my argument as
18 well, is that, you know, this is really low for a director
19 position, and I understand what you're saying with regard
20 to you've never been given a raise because you saved
21 money. But in a community that has no money, it's a big
22 issue for us. So, but I appreciate your comments.

23 MS. ROBERTS: The motion before us is to
24 postpone the pay increase for the public service director,
25 all those in favor say aye. Aye.

1 MS. YOUNG: Aye.

2 MR. McINERNEY: Aye.

3 MS. ROBERTS: Opposed, the same.

4 MR. STEMA: Nay.

5 MS. ROBERTS: Motion carries.

6 Next on the agenda is the approval of the
7 citywide overtime report. Ms. Powell, could you please
8 provide a summary of the progress the city is making in
9 regards to this issue?

10 MS. POWELL: Yes, ma'am. I -- it's pretty much
11 the same as it is every month. Some areas are up more,
12 some are down. It's pretty much the same. There's really
13 not a big swing one way or the other.

14 MS. ROBERTS: Thank you. I would entertain a
15 motion to approve, deny, or postpone the citywide overtime
16 report.

17 MS. YOUNG: Motion to approve.

18 MS. ROBERTS: Second?

19 MR. STEMA: Second.

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

21 MR. STEMA: Aye.

22 MS. YOUNG: Aye.

23 MR. McINERNEY: Aye.

24 MS. ROBERTS: Opposed, the same.

25 (No response)

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MS. ROBERTS: Motion carries. Next on the agenda is district court revenues; that's for information only. Does anyone have any questions?

(No response.)

MS. ROBERTS: Seeing none, board comment. Would anyone like to speak?

(No response)

MS. ROBERTS: Seeing none, I would take a motion to adjourn.

MS. YOUNG: Motion to adjourn.

MS. ROBERTS: Second?

MR. McINERNEY: So moved.

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

MR. STEMA: Aye.

MS. YOUNG: Aye.

MR. McINERNEY: Aye.

MS. ROBERTS: Motion carries. Thank you, everyone.

(Adjourned at 2:06 p.m.)

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STATE OF MICHIGAN
COUNTY OF WASHTENAW) .ss

I certify that this transcript is a complete, true, and correct transcript to the best of my ability of the RTAB meeting held on April 26, 2016, City of Hamtramck. I also certify that I am not a relative or employee of the parties involved and have no financial interest in this case.

RESPECTFULLY SUBMITTED: May 5th, 2016

s/ Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)
Certified Electronic Reporter