

City of Hamtramck

Receivership Transition Advisory Board Meeting Minutes

Tuesday, May 24th, 2016

Hamtramck City Hall

Council Chambers - 2nd Floor

3401 Evaline

Hamtramck, Michigan 48212

RTAB MEMBERS PRESENT:

DEB ROBERTS, CHAIR

KAREN YOUNG

PETER McINERNEY

MARK STEMA

ALBERT BOGDAN

ALSO PRESENT:

KATRINA POWELL

City Administrator

DREW VAN de GRIFT

Michigan Dept of Treasury

Office of Fiscal Responsibility

Reported by:

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Called to order at 1:00 p.m.

Tuesday, May 24, 2016

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MS. ROBERTS: It is 1:00 on Tuesday May 24th, 2016, and I am going to call the Receivership Transition Advisory Board for Hamtramck to order.

First, a reminder to anybody of the public that would like to speak, you need to sign up at the podium.

Mr. Van de Grift, will you take roll call, please?

MR. VAN de GRIFT: Albert Bogdan?

MR. BOGDAN: Here.

MR. VAN DE GRIFT: Peter McInerney?

MR. McINERNEY: Here.

MR. VAN de GRIFT: Deborah Roberts?

MS. ROBERTS: Here.

MR. VAN de GRIFT: Mark Stema?

MR. STEMA: Here.

MR. VAN de GRIFT: Karen Young?

MS. YOUNG: Here.

MR. VAN DE GRIFT: All present.

MS. ROBERTS: Thank you.

First on the agenda is the approval of the agenda; I would entertain a motion to approve the agenda as presented.

1 MR. BODGAN: So moved.
2 MR. McINERNEY: Support.
3 MS. ROBERTS: Any discussion?
4 (No response)
5 MS. ROBERTS: Seeing none, all those in favor
6 say aye. Aye.
7 MR. McINERNEY: Aye.
8 MR. BOGDAN: Aye.
9 MS. YOUNG: Aye.
10 MR. STEMA: Aye.
11 MS. ROBERTS: Opposed, the same.
12 (No response)
13 MS. ROBERTS: Motion carries. Next on the
14 agenda is the approval of the RTAB minutes from April
15 26th, 2016. I would entertain a motion to approve those
16 minutes as presented.
17 MS. YOUNG: Motion to approve.
18 MR. STEMA: Seconded.
19 MR. BOGDAN: With one correction. The spelling
20 of my name.
21 MS. ROBERTS: Oh, we will make sure to get your
22 name spelled correctly.
23 Any further discussion?
24 (No response)
25 MS. ROBERTS: Seeing none, all those in favor

1 say aye. Aye.

2 MR. McINERNEY: Aye.

3 MR. BOGDAN: 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 public comment.

10 Mr. Van de Grift, has anyone signed up for
11 public comment?

12 MR. VAN de GRIFT: Only one. Mr. Zwolek.

13 MR. ZWOLAK: Good afternoon.

14 MS. YOUNG: Good afternoon.

15 MR. ZWOLAK: I would like to start out with a
16 little positive trivia for Hamtramck, and for your
17 information and maybe disbursement of information to the
18 rest of your friends.

19 But on Hamtramck density, in trivia, we have 30
20 bars. We have 31 cellphone stores -- and this is two
21 point square miles, okay? We have 15 churches, we have 25
22 clothing stores. We have ten dentists, eight Dollar
23 Stores. Fifty eight, I think, plus, grocery stores in
24 Hamtramck. Sixteen hair salons, 35 medical clinics, 21
25 pharmacies. Thirteen physicians, 41 restaurants, 14

1 schools, and 24 auto repair shops.

2 So, I don't think there's another city in the
3 State of Michigan, let alone the country, that could come
4 up with the same density of statistics in 2.2 square
5 miles. So this is what makes Hamtramck great, and I would
6 hope you would spread the word also.

7 On another note, I am still concerned -- I have
8 been here a number of times, I have mentioned my concern
9 with the budget amendment. Here we are in May; next month
10 is June, and again, I know that the state requires us to
11 have our budget and our amendments in by now, or by June.
12 At this point, we're not there yet.

13 The TAB board is somewhat responsible for the
14 financial concerns of the city, in that direction. And I,
15 again, I'm very much concerned, and I think I've brought
16 it up before, our legal expenses still seem to be getting
17 out of hand.

18 On my final note, I want to give the chairman,
19 Ms. Roberts, a copy of a couple of our pending lawsuits,
20 and I'd hope that you'd share those with the rest of the
21 board. I think it's significant, and will have some
22 consequences.

23 MS. ROBERTS: Thank you.

24 MR. VAN de GRIFT: That concludes public
25 comment.

1 MS. ROBERTS: Thank you. On to new business.
2 The first item on the agenda is approval of the resolution
3 from the regular city council meeting of April 12th, 2016.
4 I would entertain a motion to approve all ordinances and
5 resolutions from the April 12th, 2016 regular city
6 meeting.

7 MR. McINERNEY: So moved.

8 MR. STEMA: Support.

9 MS. ROBERTS: Any further discussion?

10 (No response)

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

12 MR. McINERNEY: Aye.

13 MR. BOGDAN: Aye.

14 MS. YOUNG: Aye.

15 MR. STEMA: Aye.

16 MS. ROBERTS: Opposed, the same.

17 (No response)

18 MS. ROBERTS: Motion carries.

19 Next on the agenda is approval of the
20 resolutions from the regular city council meeting of April
21 26th, 2016. I would entertain a motion to approve all
22 ordinances and resolutions from the April 26th, 2016
23 regular city council meeting.

24 MS. YOUNG: Motion to approve.

25 MR. STEMA: Support.

1 MS. ROBERTS: Any discussion?

2 (No response)

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

5 MR. McINERNEY: Aye.

6 MR. BOGDAN: Aye.

7 MS. YOUNG: Aye.

8 MR. STEMA: Aye.

9 MS. ROBERTS: Opposed, the same.

10 (No response)

11 MS. ROBERTS: Motion carries.

12 Next on the agenda is the claims and accounts
13 from the regular city council meeting draft minutes of May
14 10th, 2016. I would entertain a motion to approve, deny
15 or postpone the claims and accounts from the regular city
16 council draft minutes.

17 MR. McINERNEY: Move to approve.

18 MR. STEMA: Support.

19 MS. ROBERTS: Any discussion?

20 (No response)

21 MS. ROBERTS: Seeing none, all those in favor
22 say aye. Aye.

23 MR. McINERNEY: Aye.

24 MR. BOGDAN: Aye.

25 MS. YOUNG: Aye.

1 MR. STEMA: Aye.

2 MS. ROBERTS: Opposed, the same.

3 (No response)

4 MS. ROBERTS: Motion carries.

5 Next on the agenda is the city administrator
6 items. Approval of city council meetings has already been
7 addressed in new business, so next would be the approval
8 of budget to actual and cash flow reports.

9 Ms. Powell, would you like to give us an update
10 on the budget to actual and cash flow reports?

11 MS. POWELL: Actually, I'm going to defer to our
12 city controller.

13 MS. ROBERTS: Okay. Bama?

14 MS. CAIRNS: Good afternoon, do you have any
15 present questions?

16 MS. ROBERTS: I guess I just have one overall
17 question, and that is when we will receive the upcoming
18 budget for the next fiscal year, and when we will receive
19 the amendments for the current year's budget?

20 MS. CAIRNS: Would you like to answer that?

21 MS. POWELL: Okay, so, we presented the budget
22 amendments at the last meeting of the city council, to
23 amend the budget, and they did not wish to move on it, and
24 tabled it, so we are bringing it back tonight, with
25 updates to it. You know, several weeks have passed since

1 we presented it to them, since we have those numbers.

2 So now we've updated again, with new numbers, as
3 of last week. Which further reduces the draw down of fund
4 balance numbers, so it's getting better. And so we
5 anticipate them hearing it tonight and deciding whether
6 they want to move forward, or if they want to again table
7 it, and let us get some more money in, make some more
8 expenditure cuts, bring it back to them in June.

9 We have our budget hearing on June 7th, so you
10 all will get the budget at your next RTAB meeting, in
11 June. So it will go to them for the hearing and approval
12 on June 7th, the minutes of that meeting will be approved
13 on June 14th, when the packet comes to you, goes to the
14 state on June 17th, and you will receive it in time for
15 your meeting on the 24th.

16 MS. ROBERTS: Was there a reason for council to
17 table the budget amendments?

18 MS. POWELL: There was no discussion at the
19 meeting.

20 MS. ROBERTS: They just, outright tabled?

21 MR. McINERNEY: Is this the material that we
22 have in our packet, though, the draft of those proposed
23 budgets?

24 MS. POWELL: Yes sir, that's the proposed --

25 MR. McINERNEY: We received that?

1 MS. POWELL: Yes, sir, you did. We attached
2 that as a -- an informational item, to show you exactly
3 what the proposal was at that time. Since then, those
4 numbers have changed. We do have those updated numbers as
5 well. And, we -- that's what we're presenting tonight to
6 the council, is an update. This packet came to you before
7 we actually created the packet for tonight's meeting, so,
8 that number has gone down.

9 MR. McINERNEY: The \$468,000 number?

10 MS. POWELL: It's now --

11 MS. CAIRNS: Three hundred and some thousand;
12 it's \$100,000 less.

13 MS. POWELL: A hundred thousand less. And
14 getting lower every day. So we've been able to cut quite
15 a few -- cut out discretionary spending completely in the
16 city. If it's not for the health and welfare of the
17 residents and the visitors, then they're not purchasing it
18 out of the general fund.

19 And we have -- I also got -- I don't want to say
20 -- but, I had to let go of our HR person who was with a
21 temp agency, because it was too expensive for us to have
22 that caliber of person here. So I'm going back to the
23 drawing board and getting another individual, getting a
24 generalist versus a director, to come in for the amount of
25 money that we have budgeted for that position.

1 So, we're cutting expenses across the board.
2 Our income tax group is going after people left and right,
3 and I believe we were able to collect an additional --

4 MS. CAIRNS: \$100,000.

5 MS. POWELL: \$100,000 in income tax, in just
6 one, actually, a couple, a few weeks. So the biggest
7 issue with the budget amendment is the lack of SAFER
8 grants, and we also didn't -- we lost the COPS grant this
9 year.

10 So, together, that's about a half a million
11 dollars. So even with those items not being on the
12 revenue side, our expenditure is still lower than what we
13 were given with those two grants. We're still working on
14 it.

15 MS. ROBERTS: Okay.

16 In the proposed budget amendments, I see some
17 movement in the major and local road funds. Were you not
18 going to merge those two into one fund? It's not evident
19 on here.

20 MS. CAIRNS: Well, we can't do that.

21 MS. ROBERTS: Okay.

22 MS. CAIRNS: Those are two separate funds, one
23 for local roads, one for the major roads.

24 MS. ROBERTS: Okay.

25 MS. CAIRNS: The local -- I --

1 MS. POWELL: We were moving that --

2 MS. CAIRNS: We can transfer, back and forth --

3 MS. POWELL: We can transfer, yeah.

4 MS. ROBERTS: Okay to transfer.

5 MS. POWELL: We can transfer. We can't combine
6 the funds, but we can transfer major into local.

7 MS. ROBERTS: Okay.

8 MR. STEMA: Is there a rule on what -- how and
9 what percentage you can transfer, or -- ?

10 MS. CAIRNS: You can transfer up to 50 percent
11 from major to local, provided you have --

12 MR. STEMA: Okay, so you can split basically
13 what you get from the state in half, then, and --

14 MS. CAIRNS: Right.

15 MR. STEMA: Use it in both?

16 MS. CAIRNS: Yes.

17 MS. POWELL: And in our next budget, you'll see
18 where we've actually broken down personnel that work in
19 that department, they're split across several accounts.
20 The water, sewer, major and local roads, and grounds and
21 maintenance. So you'll see we were able to do that in
22 this next year's budget. We weren't able to do it in this
23 year's budget. So, you'll see that in next year's budget.

24 MS. ROBERTS: Thank you.

25 MR. McINERNEY: At what point does the

1 discussion about these amendments kind of become less
2 important than the adoption of the new budget?

3 MS. POWELL: I think they are -- they're both
4 very important. And, the budget amendment itself is
5 important because it was a two year budget that was
6 created years ago and we've had to you know, make changes,
7 make cuts, do everything that we can to accommodate some
8 of the revenue that did not come in, particularly the
9 SAFER grant, as well as the COPS grant.

10 So, you know, fortunately, our department heads
11 have been diligent in making sure that we keep our costs
12 low. I know that the fire chief and the police chief have
13 worked very hard to keep those costs low, to accommodate
14 the missing piece.

15 And so, while it's certainly important, it's so
16 much more important for us to work on this next budget and
17 make sure that we get it right, so that we don't run into
18 the same issue next year.

19 MR. BOGDAN: I would assume one acts as a
20 foundation for the other.

21 MS. POWELL: It is a foundation, and we're able
22 to work on, yes, so we're able to kind of look at where
23 the numbers are coming in, and because we've done this
24 budget amendment so close to the creation of next year's
25 budget, we think we're pretty close in our estimations of

1 what we're going to receive in revenue, as well as what
2 we're going to spend next year.

3 You know, grants and some of that's going to
4 fluctuate, but you like with our legal, the gentleman
5 stated in public forum, we've got a couple lawsuits right
6 now that are out there that could be problematic, moving
7 forward. And we're going to have to accommodate those.

8 But, for the most part, the rest of our
9 expenditures, we're doing really good. The team here
10 deserves a lot of credit for keeping expenditures low, and
11 also our team, you know, trying to increase the revenues
12 every way they can.

13 MR. STEMA: So the two year budget that we were
14 presented with. Is that for this year and next year?

15 MS. POWELL: It was last year's.

16 MR. STEMA: Last year?

17 MS. POWELL: Correct. This is why this next
18 year --

19 MR. STEMA: So this is the last year of the two
20 year budget, so this year coming up is 100 percent you
21 guys doing that, working with the numbers, and working
22 with that?

23 MS. POWELL: Exactly. Which is why it's so
24 important for us to make sure we get it right.

25 MS. ROBERTS: Do you think council is going to

1 take it up tonight? Do you have a feel?

2 MS. POWELL: The amendment? I don't know. I
3 don't know if they'll do anything on the amendment
4 tonight. I can't call it.

5 MS. ROBERTS: They do understand it's their job,
6 right?

7 MS. POWELL: Yes, ma'am.

8 MR. McINERNEY: And the public hearing on the
9 new budget is?

10 MS. POWELL: June 7th.

11 MR. McINERNEY: Thank you.

12 MR. BOGDAN: Does the council have work sessions
13 on things like the budget separate from the regular
14 meetings?

15 MS. POWELL: Yes sir, we had a work session last
16 week, and all but two of the members attended. And you
17 know, they wanted to provide input, and, yeah, two of the
18 members didn't show up. And one called, there was a sick
19 child involved; another never -- has yet to reach out. To
20 let us know what was going on, so. I can lead them to
21 water; I can't make them drink.

22 MS. ROBERTS: That is correct. Okay.

23 Does anyone have any further questions?

24 MR. McINERNEY: I'm actually getting a sense
25 this isn't the one finalized.

1 MS. ROBERTS: I would entertain a motion to
2 approve, deny, or postpone the budget to actual and cash
3 flow report.

4 MR. McINERNEY: I'll move to approve the report.

5 MR. STEMA: Support.

6 MS. ROBERTS: Any further discussion?

7 (No response)

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

10 MR. BOGDAN: Aye.

11 MR. STEMA: Aye.

12 MR. McINERNEY: Aye.

13 MS. YOUNG: Aye.

14 MS. ROBERTS: Opposed, the same.

15 (No response)

16 MS. ROBERTS: The motion carries.

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

21 MR. BOGDAN: Move to approve.

22 MR. McINERNEY: Support.

23 MS. ROBERTS: Any discussion?

24 (No response)

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

1 say aye. Aye.

2 MR. BOGDAN: Aye.

3 MR. STEMA: Aye.

4 MR. McINERNEY: Aye.

5 MS. YOUNG: Aye.

6 MS. ROBERTS: Opposed, the same.

7 (No response)

8 MS. ROBERTS: The motion carries.

9 The approval of the contract for CPSM for the
10 police study was addressed in new business, so we don't
11 need to take that up separately.

12 Next on the agenda is approval of the contract
13 with Phoenix Safety Outfitters. And while the action on
14 this item occurred during a council meeting outside the
15 normal review period of today's board meeting, the city
16 manager's request to bring this item forward for early
17 review is merited.

18 Ms. Powell, would you please provide a summary
19 of this item for the board?

20 MS. POWELL: Yes ma'am.

21 This is an award for the purchase of firefighter
22 turnout gear. As you are probably aware, we need to
23 replace that periodically. And we received a grant last
24 year that was board approved back on September 22nd. Or
25 actually, September 28th, I apologize. And, the city is

1 responsible for ten percent of the total grant, which is
2 \$5,637.50.

3 So, I don't have to tell you, this is a huge
4 expense that the city is you know, able to not take on
5 right now, we're only having to pay \$5600 for this, so,
6 it's for our firefighters.

7 MS. ROBERTS: Thank you.

8 MR. McINERNEY: Which is coming out of CDBG?

9 MS. POWELL: No, it isn't. It's, well, yes.
10 It's -- we sold two ambulances, and CDBG grant funds, so
11 this is a separate firefighter grant that we received last
12 year.

13 MR. STEMA: This is the one we talked about last
14 meeting, right?

15 MS. POWELL: Yeah, yes.

16 MR. STEMA: That we already -- okay.

17 MS. POWELL: Same grant.

18 MR. STEMA: Same exact grant, because we went
19 through the bids. Okay. Good.

20 MS. ROBERTS: Okay. I would entertain a motion
21 to approve, deny, or postpone the contract with Phoenix
22 Safety Outfitters.

23 MR. STEMA: Motion to approve.

24 MS. YOUNG: Second.

25 MS. ROBERTS: Any further discussion?

1 (No response)

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

4 MR. BOGDAN: Aye.

5 MR. STEMA: Aye.

6 MR. McINERNEY: Aye.

7 MS. YOUNG: Aye.

8 MS. ROBERTS: Opposed, the same.

9 (No response)

10 MS. ROBERTS: The motion carries.

11 Next on the agenda is approval of closure of --
12 is it Compeau?

13 Unknown: Compau.

14 MS. ROBERTS: Compau.

15 MR. STEMA: Compau.

16 MS. ROBERTS: During the film festival. While
17 this action item occurred at a council meeting outside the
18 normal review period for today's board meeting, the city
19 manager's request to bring it forward is merited.

20 Ms. Powell, would you like to discuss this for a
21 little bit?

22 MS. POWELL: Actually, it is a feature film that
23 is going to be shot -- a portion of it will be shot here
24 in Hamtramck. By a lady by the name of Katherine Bigelow;
25 you may have heard of her last movie, was Zero Dark

1 Thirty. And so she has selected Hamtramck to do some of
2 the riot scenes.

3 We brought this forward now because the
4 anticipated filming date was in the middle of June, and we
5 weren't sure we were going to be able to get to you guys
6 in time. They have now switched that back to September,
7 so it's really not as big a deal right now for you to
8 approve, but, I'm kind of glad that we're getting it out
9 of the way. And so hopefully they'll be able to start
10 shooting in the end of September.

11 MS. ROBERTS: Okay. I would entertain a motion
12 to approve, deny or postpone the closure of Campeau -- did
13 I say it right that time?

14 MS. POWELL: Compau.

15 MS. ROBERTS: Compau. Oh, I'll never get it
16 right. During the film festival.

17 MR. McINERNEY: So moved.

18 MR. STEMA: Seconded.

19 MS. ROBERTS: Any further discussion?

20 (No response)

21 MS. ROBERTS: Seeing none, all those in favor
22 say aye. Aye.

23 MR. BOGDAN: Aye.

24 MR. STEMA: Aye.

25 MR. McINERNEY: Aye.

1 MS. YOUNG: Aye.

2 MS. ROBERTS: The motion carries. I guess
3 there's nobody to oppose; the motion carries.

4 Next on the agenda is the approval of citywide
5 overtime report.

6 Ms. Powell, would you provide a summary of the
7 progress the city is making in regards to this issue?

8 MS. POWELL: Yes, ma'am. For the most part,
9 we're down in almost every department on our overtime.
10 The total amount that we're down this month is \$1,886,
11 from last month.

12 MR. STEMA: How much?

13 MS. POWELL: \$1,886. While it doesn't sound
14 like a lot, it really is a lot. When you're trying to be
15 held by this shortfall.

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

18 MR. STEMA: Motion to approve.

19 MS. YOUNG: Second.

20 MS. ROBERTS: Any discussion?

21 MR. BOGDAN: A question -- I was wondering what
22 the administration's new rules on overtime is going to
23 have on the city? Are they going to have any impact? On
24 the city budget?

25 MS. POWELL: I'm not sure which rules on

1 overtime?

2 MR. BOGDAN: The new rules on overtime, who's
3 eligible for overtime?

4 MS. ROBERTS: The federal.

5 MR. BOGDAN: Federal rule.

6 MR. STEMA: It's a federal rule.

7 MS. POWELL: Oh, the federal rule. Really, the
8 only group that is really collecting a lot of overtime is
9 our police department, and as contractual, the federal --

10 MR. BOGDAN: And they did it.

11 MR. McINERNEY: Did I hear that that -- those
12 federal rules not going to go into effect until December
13 anyway, I think? Which would still be during the fiscal
14 year?

15 MR. BOGDAN: That shouldn't have any effect on
16 the city.

17 MS. ROBERTS: The motion before us is to approve
18 the citywide overtime report. All those in favor say aye.
19 Aye.

20 MR. BOGDAN: Aye.

21 MR. STEMA: Aye.

22 MR. McINERNEY: Aye.

23 MS. YOUNG: Aye.

24 MS. ROBERTS: Opposed, the same.

25 (No response)

1 MS. ROBERTS: The motion carries.

2 Next on the agenda is the 31st District Court
3 revenues, which is an information only document; does
4 anyone have any questions?

5 (No response)

6 MS. ROBERTS: Seeing none, board comment --
7 would anybody from the board like to speak?

8 (No response)

9 MS. ROBERTS: Seeing none, I would entertain a
10 motion to adjourn.

11 MR. BOGDAN: So moved.

12 MR. McINERNEY: Support.

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

14 MR. BOGDAN: Aye.

15 MR. STEMA: Aye.

16 MR. McINERNEY: Aye.

17 MS. YOUNG: Aye.

18 MS. ROBERTS: The motion carries. Meeting
19 adjourned, thank you, everyone.

20 (Adjourned at 1:20 p.m.)

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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 May 24th, 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: May 31, 2016

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s/ Amy Shankleton-Novess

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