

City of Lincoln Park
Receivership Transition Advisory Board Meeting Minutes
Tuesday, December 20th, 2016
Lincoln Park City Hall
Council Chambers
1355 Southfield Road
Lincoln Park, Michigan 48146

RTAB MEMBERS PRESENT:

KEVIN BONDS
JESSICA THOMAS
GENELLE ALLEN
BRENDEN DUNLEAVY
JOHN ZECH

ALSO PRESENT:

PATRICK DOSTINE, Michigan Department of Treasury

MATT COPPLER, City Manager

LISA GRIGGS, Finance Director

Reported by:

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Called to order at 1:00 P.m.

MR. BONDS: It's 1:00, so let's call the meeting to order, and start with roll call.

MR. DOSTINE: Ms. Allen.

MS. ALLEN: Here.

MR. DOSTINE: Mr. Zech.

MR. ZECH: Here.

MR. DOSTINE: Ms. Thomas.

MS. THOMAS: Here.

MR. DOSTINE: Mr. Dunleavy.

(No response.)

MR. DOSTINE: Mr. Bonds.

MR. BONDS: Here.

MR. DOSTINE: You have quorum, Mr. Chair.

MR. BONDS: All right. Approval of agenda. The chair will entertain a motion to approve the agenda as presented.

MR. ZECH: So moved.

MS. THOMAS: Support.

MR. BONDS: Any discussion on the agenda?

(No response.)

MR. BONDS: Any further discussion?

(No response.)

MR. BONDS: Hearing none, all those in favor, signify by stating aye.

1 MS. THOMAS: Aye.

2 MS. ALLEN: Aye.

3 MR. ZECH: Aye.

4 MR. BONDS: Aye.

5 A reminder, the public comment, people who want
6 to speak must sign up for public comment portion of the
7 meeting.

8 Okay, approval of the RTAB minutes from the
9 regular meeting of November 15th, 2016. Chair will
10 entertain a motion to approve the November 15th, 2016,
11 RTAB minutes as presented.

12 MS. THOMAS: So moved.

13 MS. ALLEN: Second.

14 MR. BONDS: It's been moved and second; any
15 discussion?

16 (No response.)

17 MR. BONDS: Hearing none, all those in favor
18 signify by stating aye. Aye.

19 MS. THOMAS: Aye.

20 MS. ALLEN: Aye.

21 MR. BONDS: Any opposed?

22 (No response.)

23 MR. BONDS: Motion passes.

24 MR. ZECH: Mr. Chairman, I'd like to abstain; I
25 wasn't present. Thank you.

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MR. BONDS: We have an abstention.

MR. ZECH: Okay, thank you.

MR. BONDS: Approval of the 2017 meeting schedule calendar, which is attachment two. Chair will entertain a motion to approve, deny, or postpone the 2017 meeting schedule as presented.

MS. THOMAS: So moved.

MS. ALLEN: Second.

MR. BONDS: Any discussion on the motion?

(No response.)

MR. BONDS: Hearing none, all those in favor, signify by stating aye.

MS. THOMAS: Aye.

MS. ALLEN: Aye.

MR. ZECH: Aye.

MR. BONDS: Aye.

Motion carries.

Slow up a little bit.

MS. THOMAS: We're going for the record, right?

MR. BONDS: Yeah, we're not trying to set a record.

Next item is approval of resolutions and ordinances for the city council meeting. Resolutions from the regular city council meeting of November 7th, 2016. Chair will entertain a motion to approve the resolutions

1 from the November 7th, 2016 regular meeting with the
2 exception of Resolution 2016-337, which is the purchase of
3 four police vehicles, and Resolution 2016-341, which is
4 the award bid of Riverbank storm and sewer contract.

5 MR. ZECH: I move approval of the Resolutions,
6 November 17th, except the two itemized.

7 MR. BONDS: Okay. Support?

8 MS. THOMAS: Support.

9 MR. BONDS: All those in favor, signify by
10 stating aye.

11 MS. THOMAS: Aye.

12 MS. ALLEN: Aye.

13 MR. ZECH: Aye.

14 MR. BONDS: Aye.

15 Resolution 2016-337. Mr. Coppler, do you want
16 to give us a quick summary on this?

17 MR. COPPLER: Sure.

18 Good afternoon, everyone.

19 MR. BONDS: Good afternoon.

20 MS. ALLEN: Good afternoon.

21 MR. COPPLER: So as part of the 2016/17 budget,
22 we had put money in to purchase three police cruisers and
23 an additional zoning-slash-animal control vehicle. The
24 money for the three cruises, which are going to be 2017
25 Ford Explorers, is coming from the drug forfeiture

1 account.

2 MR. BONDS: Okay.

3 MR. COPPLER: And we've been purchasing the last
4 few years' vehicles out of that to help out the general
5 fund. And the purchase of the ordinance enforcement
6 animal control will be coming out of the general fund
7 capital.

8 MR. BONDS: All right. The chair will entertain
9 a motion to approve, deny, or postpone Resolution 2016-
10 337, purchase of the four vehicles.

11 MR. ZECH: So moved.

12 MS. THOMAS: Support.

13 MR. BONDS: And support.

14 Any discussion on the motion?

15 (No response.)

16 MR. BONDS: Hearing none, all those in favor,
17 signify by stating aye.

18 MS. THOMAS: Aye.

19 MS. ALLEN: Aye.

20 MR. ZECH: Aye.

21 MR. BONDS: Aye.

22 Okay. Resolution 2016-341, which is the award
23 the bid to the Riverbank storm and sewer contract. Mr.
24 Coppler?

25 MR. COPPLER: Yes. You might recall from a

1 previous meeting that we had sought the concurrence to go
2 out to bid for this project, and this project consists of
3 the installation of two manholes into a storm sewer as
4 well as the cleaning of that storm sewer. Apparently it's
5 not been done in many, many, many, many years, and thus
6 resulting in back-up issues in different parts of the city
7 that can flow into it.

8 After the bids were received, the lowest and
9 best bid was DVM Utilities for \$89,472.

10 MR. BONDS: Okay. Chair will entertain a motion
11 to approve, deny, or postpone Resolution 2016 --

12 MS. ALLEN: So moved.

13 MS. THOMAS: Support.

14 MR. BONDS: Any discussion?

15 MR. ZECH: I'd just like to ask about --

16 MR. BONDS: Yes, sir?

17 MR. ZECH: -- the funding for it again. I
18 missed that.

19 MR. COPPLER: Yeah, this will be coming from the
20 road.

21 MR. ZECH: Okay.

22 MR. COPPLER: I think this is the major road.

23 MR. ZECH: Major Road?

24 MR. COPPLER: If I'm not mistaken.

25 MR. ZECH: Act 51 or?

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MR. COPPLER: Yes, correct.

MR. ZECH: Okay, thank you.

MR. BONDS: Okay. Any further discussion?

(No response.)

MR. BONDS: Hearing none, all those in favor, signify by stating aye.

MS. THOMAS: Aye.

MS. ALLEN: Aye.

MR. ZECH: Aye.

MR. BONDS: Aye.

Any opposed?

(No response.)

MR. BONDS: None.

Motion passes.

Resolution from the special city council meeting of November 15th, 2016. There were no substantive Resolutions passed at this meeting by the city council, therefore no board action is necessary.

Resolutions from the regular city council meeting of November 21st, 2016. The chair will entertain a motion to approve resolutions from the November 21st, 2016 regular city council meeting.

In this group we've got the city manager's items, which will be Attachment 6. And while we have Mr. Coppler here, do you want to just walk us through

1 Resolution 2016-361, which is the accepting of the
2 stormwater -- I know you brought this up --

3 MR. COPPLER: Yep.

4 MR. BONDS: -- several times before, but why
5 don't you just refresh it, because it looks like this is
6 the last action on this item.

7 MR. COPPLER: Other than actually appropriating
8 money to be spent, this is the formal notification from
9 DEQ that we've received it. We had to accept it as well
10 as authorize a signature, and that's what 2016-361 will
11 do. We're receiving \$2 million dollars, with the city's
12 share of that being another \$444,000-plus that we'll be
13 investing in the system over a period of the years.

14 MR. BONDS: Okay. And are we ready to go on
15 that?

16 MR. COPPLER: Yes

17 MR. BONDS: All right. Chair will entertain a
18 motion to approve, deny, or postpone Resolution 2016-361,
19 which is accepting the stormwater asset and management and
20 wastewater grant from the state of Michigan, Department of
21 Environmental Quality.

22 MR. ZECH: I move that we approve this.

23 MS. THOMAS: Support.

24 MR. BONDS: And support.

25 Any discussion on the motion?

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(No response.)

MR. BONDS: Hearing none, all those in favor, signify by stating aye.

MS. THOMAS: Aye.

MS. ALLEN: Aye.

MR. ZECH: Aye.

MR. BONDS: Aye.

Any opposed?

(No response.)

MR. BONDS: Hearing none, motion passes.

Approval of Resolution 2016-363, which is awarding IT services contract to IT Right, which is Attachment 6B in your packets, board members.

Mr. Coppler, can you provide us a brief summary of this item, please?

MR. COPPLER: The IT services has been something the city's contracted out for a number of years now. There really, as I say contracting out, really hasn't been a contract for that service, so it's been basically a month to month with the vendor we currently have.

We placed out to bid that, and based upon the return of -- the submission as well as interviewing the top I think four or five companies, we chose IT Right to be our vendor for the next three years. We are anticipating -- just doing this contract alone is going to

1 save us about \$28,000 a year. Probably even as important,
2 we believe that we'll also be able to get our IT situation
3 straightened out so we can actually start moving forward
4 with some projects that technology can help us with.

5 MR. BONDS: Okay. Chair will entertain a motion
6 to approve, deny, or postpone Resolution 2016-363, which
7 is the awarding of the IT service contract to IT Right.

8 MR. ZECH: I'd like to make that motion to
9 approve this.

10 MR. BONDS: Okay.

11 MR. ZECH: And I have a question when we do
12 that.

13 MS. ALLEN: Second.

14 MR. BONDS: It's been properly made and
15 seconded.

16 Now discussion, Mr. Zech?

17 MR. ZECH: I'm curious. IT Right, some of their
18 references, please?

19 MR. COPPLER: There are I think probably 200
20 plus communities that utilize their services. We called -
21 - who did we talk to?

22 MS. GRIGGS: Roseville.

23 MR. COPPLER: Roseville.

24 MS. GRIGGS: Rochester.

25 MR. COPPLER: Rochester.

1 MS. GRIGGS: And one of the Grosse Pointes.
2 MR. ZECH: Are they a Michigan-based company or
3 are they national?
4 MR. COPPLER: Yeah, actually they're out of --
5 I'm trying to think. They're --
6 MS. GRIGGS: Lansing areas.
7 MR. ZECH: Okay.
8 MR. COPPLER: Yeah, a little bit north of
9 Lansing I think.
10 MS. THOMAS: They're in Livingston County.
11 MR. ZECH: But the bulk of their references are
12 Michigan, or are they Ohio, other states?
13 MR. COPPLER: It's all, yeah, it's all Michigan.
14 MR. ZECH: Oh.
15 MR. COPPLER: I mean they have an extensive
16 client base in Michigan, extensive.
17 MR. ZECH: Okay.
18 MR. COPPLER: Go to their website.
19 MR. ZECH: Yeah. Yeah.
20 MR. COPPLER: As I say, it's over 200
21 communities.
22 MR. ZECH: Thank you very much.
23 MS. ALLEN: I have a question also.
24 MR. BONDS: Yes, Ms. Allen.
25 MS. ALLEN: Is this a fixed fee contact?

1 MR. COPPLER: Yes.

2 MS. ALLEN: So that's the set annual amount?

3 MR. COPPLER: Correct.

4 MS. ALLEN: And it cannot go higher?

5 MR. COPPLER: Correct. Well, let me just say
6 that if -- there are certain projects that we're going to
7 be doing, because this doesn't include any hardware, but
8 it does include the installation, I think we get -- do we
9 get one server?

10 MS. GRIGGS: One server, yeah.

11 MR. COPPLER: One server a year that they'll get
12 up and running and additional, if we do additional servers
13 we need to pay what their hourly rate is, which off the
14 top of my head, I don't remember.

15 MS. GRIGGS: \$125; \$130

16 MR. COPPLER: Yeah, \$120, \$125 per hour.

17 MS. ALLEN: Thank you.

18 MS. THOMAS: I have a question as well.

19 MR. BONDS: Ms. Thomas?

20 MS. THOMAS: Now, will they house someone here
21 physically, or is it going to be on an as-needed basis?
22 I'm familiar with IT Right, and I'm just
23 curious.

24 MR. COPPLER: For probably the first few months
25 there'll be someone, I mean, out here on a weekly basis.

1 Our hope, as well as their hope, is that after we get
2 through the initiation period and they're fully up and
3 running and we get some of the fixes that I think our
4 system needs, that any -- any break fixes going forward
5 are probably going to be able to be taken care of over the
6 internet.

7 MR. ZECH: Okay.

8 MS. THOMAS: And that's for all of the, like
9 help desk type issues?

10 MR. COPPLER: Correct. Yeah.

11 MS. THOMAS: And will they fix hardware?
12 Because that's one of the things that we've run into,
13 like, again, I have some familiarity, it's just how do we
14 approach fixing hardware? Because it happens quite a bit,
15 and it turns into just the expectations of picking up the
16 phone versus having Joe from his office come over. So I
17 guess how are we mitigating that or are we thinking about
18 that?

19 MR. COPPLER: Well, so our current vendor
20 actually has someone come out, it's usually on Monday of
21 every week, and that's when they take care of those
22 issues. I think if something emergent happens, they'll
23 send someone out.

24 We are looking to do a complete replacement of
25 all of our end-user devices. It's part of, you know, we

1 put money in the budget to do that. In doing that, we'll
2 go to kind of a return depot concept, so we'll have
3 spares. So if a machine is not fixable, you know, online
4 by IT Right, you know, we'll be able just to pull it, plug
5 everything back in, and be up and running with the new
6 one, and they can send that out to be fixed.

7 But, you know, generally the other place I've
8 been where we, you know, went to a three year replacement
9 schedule, you see a lot of those hardware issues just go
10 away. I mean, unless you have a bad machine, generally in
11 three years you don't run into a lot of -- a lot of issues
12 with machines anymore.

13 You know, the bigger concern I think is going to
14 be network based, and that's where, you know, an
15 investment is probably going to have to be looked at to
16 get our servers up to the standard. You know, we're
17 looking and we're kind of waiting to get a vendor into
18 place here, but, you know, looking to put more of our
19 stuff into the Cloud so we can reduce the footprint of the
20 server firm we have is one of our goals as well.

21 MS. THOMAS: One last question. Just, who is
22 going to be designated to manage the contract?

23 You know, what I find in many communities is
24 that -- sorry -- but because it becomes quite --

25 MR. COPPLER: She already knows. Let's add to

1 her title.

2 MS. THOMAS: So, yeah, it does; it becomes a
3 hassle in managing the IT contract is pretty extensive,
4 and I just want to make sure that you're thinking about
5 who is going to manage it, because there's a lot of
6 activity that takes place.

7 MR. COPPLER: Yeah. Yeah, I think historically
8 Lisa has been the person that's been the point person for
9 that. Again, I think if we're able to get our system up
10 to where -- the standards that we should have it, it will
11 reduce that -- that headache for Lisa to operate. But
12 yeah, she'll be busy for a few months.

13 But it would appear, you know, they understand
14 what our needs are. They understand what issues we have.
15 Again, this is another situation where the city really
16 hasn't reinvested in that infrastructure. We're going to
17 have to make that investment. The first thing is to get a
18 company in place that can help us and we can trust that,
19 you know, what they tell us is what needs to be done. And
20 then we start getting it, again, you know, getting rid of
21 those things we don't need. If we don't need a server, we
22 can house it on the Cloud, yes, there's an annual
23 operation cost to that, but you know, if you're replacing
24 servers, you're, you know, ten, fifteen thousand dollars a
25 pop every three years plus. I mean I think it makes more

1 sense to go the other way, so.

2 MR. BONDS: Okay, any other discussion?

3 Hearing none -- oh, yes, ma'am?

4 MS. ALLEN: I'm sorry. I do have one more
5 question.

6 Just as I'm reading the whereas clause, and you
7 said you solicited this through a request for proposals,
8 but then it was, you said they're the lowest bid.
9 Typically in procurement though a request for proposals
10 you consider other than price.

11 MR. COPPLER: Uh-huh.

12 MS. ALLEN: Was price the only determining
13 factor?

14 MR. COPPLER: No. No, it was also, you know,
15 what services they were going to -- because one of the --
16 you know, we are a 24/7 operation, and you know, one of, I
17 can't remember which company it was, as we were talking
18 with them, you know, their help desk all of a sudden
19 really was only manned at the level that we would expect
20 between 8:00 a.m. and, you know, 5:00 p.m., and then
21 afterwards there's someone with a cell phone driving
22 around the state, you know, going out to eat or something,
23 that I could understand. But, and so, you know, as we
24 went through it, because you know, the lowest price does
25 kind of worry me because you say, well, you know, are they

1 capable of doing it. But through the interview process
2 we're able to glean, you know, that what they're offering
3 makes a lot of sense and the methodology that they were
4 going to be doing it. But they're not going to have
5 people out here just because they feel, you know, they
6 need to be seen.

7 So there were other components based upon the
8 interview that we did.

9 MS. ALLEN: So they happen to be the lowest
10 cost?

11 MR. COPPLER: Yeah.

12 MS. ALLEN: Which is more coincidence than you
13 selected them because they were the lowest cost?

14 MR. COPPLER: Yeah. Right.

15 MS. ALLEN: Okay. May I make a suggestion then?

16 MR. COPPLER: Uh-huh.

17 MS. ALLEN: In the Resolutions where you're
18 talking that, when you say lowest bid, it does imply that
19 it was based only on price.

20 MR. COPPLER: Right.

21 MS. ALLEN: And in other venues I've seen they
22 have said the most responsible bid --

23 MR. COPPLER: Right.

24 MS. ALLEN: -- to distinguish between whether
25 price or other factors were used.

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MR. COPPLER: Sure.

MR. BONDS: Good point. Good point.

Any further discussion?

(No response.)

MR. BONDS: Hearing none, all those in favor signify by stating aye.

MS. THOMAS: Aye.

MS. ALLEN: Aye.

MR. ZECH: Aye.

MR. BONDS: Aye.

Any opposed?

(No response.)

MR. BONDS: Hearing none, motion passes.

Next item is the approval of Resolution 2016-364, which is the award of janitorial service contract to Great Lakes Facility Management, which is item 6C. The chair will entertain a motion to approve, deny, or postpone Resolution 2016-364.

MS. THOMAS: I move to approve Resolution 2016-364.

MR. BONDS: Been moved.

MS. ALLEN: Support.

MR. BONDS: And supported.

Any discussion on this motion?

MS. ALLEN: I have the same question.

1 MR. BONDS: I --

2 MS. ALLEN: Sorry.

3 This one says request for proposals, but they
4 were the lowest qualifying bid. What does that mean?

5 MR. COPPLER: In this particular one I think
6 there was one company lower -- is that -- I'm trying to
7 keep a -- we're going through a lot of bids right now.

8 MS. ALLEN: I understand.

9 MR. COPPLER: I believe this one there was one
10 company that was lower, maybe two companies that were
11 lower on it, but, you know, we had a lot of question about
12 their ability to provide the level of service that they
13 were saying. Actually I think one of the companies was
14 awarded the bid in the past and they were in for a week
15 and said they couldn't provide the service and abandoned
16 us. So we felt that -- we didn't see anything that
17 changed from when they originally did it two years ago I
18 guess it would have been, -ish; a year-and-a-half, two
19 years ago, and today. I mean it's basically the same plan
20 of operation.

21 MS. ALLEN: Were they deemed non-responsive or
22 not responsible? Do you know?

23 MR. COPPLER: Yeah.

24 MS. ALLEN: Okay.

25 MR. COPPLER: Yeah.

1 MS. ALLEN: And again, I'm not suggesting at all
2 that you should be basing this on just price.
3 MR. COPPLER: Right.
4 MS. ALLEN: It's just making the distinction.
5 MR. COPPLER: Yeah.
6 MS. ALLEN: Okay.
7 MR. COPPLER: And there's, you know, as we go
8 through these processes, and you'll see next month another
9 series of bids as well that we did, you know, we're trying
10 to hold as close to what our bid package says we want.
11 MS. ALLEN: Uh-huh.
12 MR. COPPLER: And those that, you know, can't
13 provide it, we don't even waste the time then on that, so.
14 MS. ALLEN: Thank you.
15 MR. COPPLER: Yeah.
16 MR. BONDS: Any further discussion?
17 (No response.)
18 MR. BONDS: Hearing none, all those in favor,
19 signify by stating aye.
20 MS. THOMAS: Aye.
21 MS. ALLEN: Aye.
22 MR. ZECH: Aye.
23 MR. BONDS: Aye.
24 Any opposed?
25 (No response.)

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MR. BONDS: Hearing none, motion passes.

Next item is the approval of Resolution 2016-365, which is the award LP Pride blight clean up services contract to US Lawns.

Mr. Coppler, can you please provide us a summary of this item for the board, please?

MR. COPPLER: So this contract is for the work of our blight operation, so whenever we have to go into and impact a property and mow or clean up debris, this is the contract that we go to to have the company come and do it.

Again, we did a request for proposals. Based upon the pricing and the submissions, we are recommending that US Lawns once again continue that work for the City of Lincoln Park.

MR. BONDS: The chair will entertain a motion to approve, deny, or postpone Resolution 2016-365, which is the award services for blight cleanup.

MR. ZECH: So moved.

MS. ALLEN: Second.

MR. BONDS: Moved and a second.

Any discussion on the motion?

Is this a first contract for the city with this company?

MR. COPPLER: No, actually they're the existing

1 contract as well.

2 MR. BONDS: My apologies for not catching that.

3 MR. COPPLER: No problem.

4 They've done a good job in the time that they've
5 been doing this work for us. This is a little bit more --
6 it's a little bit more difficult type a job because
7 sometimes you're going into an environment that they're
8 not necessarily welcome.

9 MR. BONDS: Can I make a -- actually I want to
10 follow up on Board Member Allen's point about the RFPs.
11 Is it possible that in the future with any contracts that
12 are coming to us that were through an RFP, do you guys
13 utilize the one page or sheet?

14 If you could attach that --

15 MR. COPPLER: Yep.

16 MR. BONDS: -- that would be helpful, because
17 that will give us the number of bids and pricing.

18 MR. COPPLER: Sure. I apologize for that. I
19 should -- I know in the packets we give to council we have
20 all of that.

21 MR. BONDS: Yeah, if you could attach them in
22 the future --

23 MR. COPPLER: Apparently I didn't grab those for
24 you.

25 MR. BONDS: -- that would be helpful. That

1 would be very helpful.

2 MR. COPPLER: Sure.

3 MR. BONDS: Thank you.

4 MS. THOMAS: I have a quick question.

5 MR. BONDS: Yes.

6 MS. THOMAS: With many of these, and it seems --
7 I'm assuming that they're primarily responsible for
8 implementing or code enforcement, right, in so many words?

9 So you have property maintenance issues that
10 come up.

11 MR. COPPLER: Yep.

12 MS. THOMAS: Are you finding that they are
13 working well with your code enforcement? Or I'm assuming
14 that they'll be reporting and working hand in hand?

15 Or help me understand that relationship.

16 MR. COPPLER: Yeah, typically what happens is
17 our ordinance enforcement officer will go out based upon a
18 complaint or a drive-by. Give the homeowner a period of
19 time to correct it. If they don't correct it, they issue
20 a citation. They call, in this case US Lawn, and at that
21 point they have 72 hours to come out and correct the
22 situation, whether it's tall grass or, you know, trash or
23 just -- you'd be amazed what people store in their
24 backyards. You know. And so within 72 hours they have to
25 have it corrected to our satisfaction.

1 MR. BONDS: Further discussion?

2 MS. ALLEN: I'm sorry if I missed it.

3 MR. BONDS: Yes, Ms. Allen?

4 MS. ALLEN: What is the cost of this contact?

5 MR. COPPLER: So this depends upon the number of
6 calls that we will have. I think we're spending in the
7 neighborhood of --

8 MS. GRIGGS: Roughly 180.

9 MR. COPPLER: About 180,000 a year to do this.
10 We then, if they -- you know, we will then bill the
11 individual. If they don't pay it, we then place it on the
12 taxes.

13 (At 1:18 p.m., Mr. Dunleavy arrives)

14 MR. BONDS: Mr. Zech.

15 MR. ZECH: Just a comment Mr. Chair and members
16 of the board. This is the same company that Southgate
17 uses, US Lawns, for the same sort of thing.

18 MR. COPPLER: Yep.

19 MR. ZECH: And they get a list, they do the
20 work. We send the people a bill, they don't pay, we put
21 it on their taxes. So it's a hopefully you get paid, and
22 you don't end up having to wait down the road for a
23 foreclosure on tax issues, but.

24 MR. BONDS: Okay. Any further discussion?

25 (No response.)

1 MR. BONDS: All those in favor signify by
2 stating aye.

3 MS. THOMAS: Aye.

4 MS. ALLEN: Aye.

5 MR. ZECH: Aye.

6 MR. DUNLEAVY: Aye.

7 MR. BONDS: Aye.

8 Any opposed?

9 (No response.)

10 MR. BONDS: Hearing none, motion passes.

11 The next one is the approval of Resolution 2016-
12 366, which is the award of an automatic sliding door
13 contract for the KMB Building to ASSA Abloy Entrance
14 Systems. Chair will entertain a motion to approve, deny,
15 or postpone Resolution 2016-366.

16 MS. THOMAS: I move to approve Resolution 2016-
17 366.

18 MR. BONDS: It's been moved.

19 MR. ZECH: Support.

20 MR. BONDS: And supported.

21 Any discussion on the motion?

22 Mr. Zech?

23 MR. ZECH: May I ask, KMB Building. I'm not
24 familiar with it.

25 MR. COPPLER: So this is our, what we call the

1 senior center, recreation building; Bandshell you'll also
2 hear it referred to.

3 MR. ZECH: Okay.

4 MR. COPPLER: And so this is, we have a number
5 of rooms that we rent out or do different programming in.
6 this would be for the doors that are to the backside of
7 the building, which would be facing Fort Street into the
8 park. There are a series of automated doors that, again,
9 have not been upgraded like they should have and
10 maintained. They're now failing and making it difficult
11 to lock the building up after hours.

12 MR. ZECH: I see.

13 MR. COPPLER: So we put it out to bid to get
14 those replaced.

15 MR. ZECH: The initials KMB are in honor of a
16 former mayor or council person or?

17 MR. COPPLER: It's Kennedy --

18 MS. GRIGGS: Kennedy Memorial Building.

19 MR. COPPLER: -- Memorial Building.

20 MR. ZECH: Okay. Thank you.

21 MR. COPPLER: What is it named in honor of, JFK
22 or?

23 We don't know. We'll have to look into that.

24 MR. ZECH: Just curious.

25 MS. GRIGGS: There's a plaque there somewhere.

1 MR. BONDS: Any further discussion?
2 Ms. Allen?
3 MS. ALLEN: Did you mention that this was bid
4 out?
5 MR. COPPLER: Yes.
6 MS. ALLEN: Or is this a continued -- okay.
7 MR. COPPLER: Yes.
8 MR. BONDS: You know, I have a question on this
9 as well. I notice, and it's non-related but somewhat is,
10 in the libraries report of the monthly, they also mention
11 an issue with a sliding door.
12 MR. COPPLER: Yeah.
13 MR. BONDS: Could this contact also be utilized?
14 MR. COPPLER: I think --
15 MR. BONDS: Or was that not taken into
16 consideration?
17 MR. COPPLER: I'm trying to remember the
18 circumstances of that one. I think --
19 MR. BONDS: Because in the report it mentions
20 that the library doors, the sliding door is not closing
21 and there's heat loss and --
22 MR. COPPLER: Yeah. I want to say that they
23 were going to be going through the same company. I mean
24 this company is the one that I think the city has utilized
25 for other doors in the past, so they very well could be

1 already utilized. I just can't remember what the pricing
2 on that one was.

3 MR. BONDS: Okay.

4 MR. COPPLER: It may have been below the --

5 MR. BONDS: The threshold?

6 MR. COPPLER: Yeah.

7 MR. BONDS: Okay.

8 All right, any further discussion?

9 (No response.)

10 MR. BONDS: Hearing none, all those in favor,
11 signify by stating aye.

12 MS. THOMAS: Aye.

13 MS. ALLEN: Aye.

14 MR. ZECH: Aye.

15 MR. DUNLEAVY: Aye.

16 MR. BONDS: Aye.

17 Any opposed?

18 (No response.)

19 MR. BONDS: Hearing none, motion passes.

20 Next item, which is a big one, approval of
21 Resolution 2016-371, which is amending the FY '16/'17
22 budget to make additional payments to the police and fire
23 pension.

24 Mr. Coppler, please.

25 MR. COPPLER: So in last year's budget the

1 police and fire pension was underfunded based upon their
2 actuarial number by \$907,000-and some change. The thought
3 being, well, at least my thought towards the end of last
4 year was wait and see where we would end up financially
5 based upon the audit, and if money allowed, try to put
6 money towards that.

7 So, as you will see next month, the audit ended
8 up very favorably to the city. We ended up a little bit
9 over I think 3.4 million dollars into the general fund,
10 which showed us that we had enough money then to go ahead
11 and make this payment, so we're starting that process and
12 hopefully it'll be approved and we can get that behind us
13 because the police and fire pension is starting to
14 threaten the city in terms of a lawsuit, so.

15 MR. BONDS: Okay. Chair will entertain a motion
16 to approve, deny, or postpone Resolution 2016-371.

17 MR. ZECH: So moved.

18 MS. THOMAS: Support.

19 MR. BONDS: It's been properly moved and
20 supported.

21 Any further discussion?

22 Mr. Dunleavy.

23 MR. DUNLEAVY: Yes, discussion on the motion.

24 It says here that you disagreed with the
25 actuarial assumptions. Do you now agree with them, and

1 what were the actuarial assumptions you disagreed with but
2 now you agree with?

3 MR. COPPLER: So --

4 MR. DUNLEAVY: Not you, but the emergency
5 manager.

6 MR. COPPLER: Right. And I agree with the
7 emergency manager and his disagreement with the
8 assumptions by the way.

9 So I guess the bottom line is it's the same as
10 with MERS. You know, there may be, you know, a topical
11 issue we disagree, but the bigger picture is we have to
12 get more money into the pension fund. So forgetting, you
13 know, what that disagreement is on the assumption for a
14 second, you know, we have to get money in there. So
15 getting this money in there, you know, is something we
16 need to do regardless.

17 The way that they went about, so my disagreement
18 and the same with the emergency manager, was when he
19 instructed them to be more realistic with their
20 assumptions, they kind of went 180 degrees probably way
21 too conservative. Went from, I think they were at 8
22 percent down apart to a 6 or 6-and-a-half.

23 MR. BONDS: 6.5.

24 MR. COPPLER: Generally you don't make that big
25 of a leap in one year. And, you know his analysis,

1 working with I think another actuarial was that, you know,
2 probably that bottom number should be about a 7. And they
3 laid out a different pattern of payment, which is what he
4 based last year's budgetary number on.

5 So that's the main disagreement is the, you
6 know, that assumption, as well as the, I think the other
7 big one was the increase of pay that they were using for
8 employees, current employees, which was 3 percent, and we
9 haven't had an employee get a 3 percent increase until
10 last year, actually. So, you know, I think they were a
11 little too conservative with their numbers.

12 And so, you know, I've made an outreach to the
13 attorney representing the pension fund to try to get
14 together, put a small working group together to look at
15 this and actually have a plan. Because I just don't --
16 and even with MERS I don't feel that there's a plan to get
17 us to where we're going. It's, "This is what we need this
18 year; this is what we need next year," not, "Okay, where
19 are we going to be in 10 years, 20 years, and 30 years?"

20 So we need to put that together.

21 MR. DUNLEAVY: Who are your current actuaries?

22 MR. COPPLER: For the police and fire it's
23 Gabriel Roeder Smith.

24 MR. DUNLEAVY: Okay. I gave you the counties
25 too, but, at one time.

1 MS. ALLEN: Thank you.

2 MR. DUNLEAVY: And obviously this is probably
3 funding an unfunded balance, and so what you're looking
4 more is more of a straight path.

5 MR. COPPLER: Yes.

6 MR. DUNLEAVY: In ten years we'll be fully
7 funded or 20 years we'll be fully funded?

8 MR. COPPLER: Yeah. It's probably going to be a
9 little bit longer than that. We're at about 22 -- 20, 22
10 percent funded in police and fire right now.

11 MR. DUNLEAVY: Ouch.

12 MS. ALLEN: Wow.

13 MR. BONDS: So 22 percent?

14 MR. COPPLER: Going down.

15 MR. BONDS: Okay. That was my question.

16 MR. COPPLER: And that's, again, I mean, listen,
17 I do not pretend to be an actuarial person, and I try to
18 stay away from math if I can stay away from math.

19 MR. DUNLEAVY: You're an accountant. Oh, I'm
20 sorry. Hate to state the obvious.

21 MR. COPPLER: But, you know, it just -- it
22 doesn't make sense in looking at the way that they're, you
23 know, the last few years at least what they're saying we
24 should be making, and each year it's getting worse.

25 MR. DUNLEAVY: Okay.

1 MR. COPPLER: Right?

2 I mean, it just doesn't make sense to me. If
3 we're paying what we should be paying, then we should be
4 getting better. So with that kind of the basis, I know
5 that we fundamentally have to change what we're doing, and
6 I think the element that I first want to see is, okay,
7 let's understand where it is we're going to be in 10
8 years, you know, 15 years, 20 years; get that goal first
9 out there, and then start working backwards into, okay,
10 how do we get there.

11 You know, I'm going to be very doom and gloom
12 with this. I don't know how these two pension funds will
13 survive unless we get a large, large infusion of cash.
14 Because, just, again, we're going backwards. We're
15 sliding backwards.

16 MR. BONDS: Uh-huh.

17 MR. COPPLER: Even when we pay more money into
18 the system.

19 MR. DUNLEAVY: Yeah, but -- well, I'm not going
20 to -- some of that might be the results of the last, up
21 until November 4th, the returns in the stock market
22 2015/2016.

23 MR. COPPLER: Yeah.

24 MR. DUNLEAVY: Because you're projecting a 6-
25 and-a-half percent growth when virtually you are flat --

1 MR. COPPLER: Yeah.

2 MR. DUNLEAVY: -- when you're withdrawing money
3 out.

4 MR. COPPLER: Yep.

5 MR. DUNLEAVY: So hopefully you'll look at it a
6 year later --

7 MR. COPPLER: Be less gloomy?

8 MR. DUNLEAVY: -- and the stock market is good
9 next year. Maybe it'll --

10 MR. COPPLER: I'd like to be happy.

11 MR. BONDS: So Mr. Coppler, let me make sure for
12 my own clarification. Once this payment is made into the
13 system, are you stating that -- or let me rephrase it
14 again. Once this payment is made, will you receive some
15 type of acknowledgement-slash-analysis from the fund as to
16 what this payment does for the unfunded liability?

17 Because you mentioned we're still in the
18 negotiation process of coming up with a plan to determine
19 our future payment structure.

20 MR. COPPLER: So they presented their evaluation
21 report, I want to say it was in August, right, August of
22 this year, which is well after the budget was already in
23 place.

24 MR. BONDS: Right.

25 MR. COPPLER: So we had no clue --

1 MR. BONDS: Of what this -- the amount.

2 MR. COPPLER: -- what the next, the current
3 year's payment would need to be.

4 MR. BONDS: Okay. Okay, that's helpful to know.

5 MR. COPPLER: So this, this payment squares us
6 for last year.

7 MR. BONDS: Okay.

8 MR. COPPLER: Now, there evaluation that they
9 did, they presented in August, already assumed that we
10 made the \$900,000 payment.

11 MR. BONDS: Okay, so you got an assumption in
12 August of this payment being made?

13 MR. COPPLER: Yes.

14 MR. BONDS: Okay.

15 MR. COPPLER: And their payment request was the
16 same as last year.

17 MR. BONDS: Okay.

18 MR. COPPLER: So we are again underfunded in
19 this year's budget by the same amount or approximately the
20 same amount as we were in last year's.

21 MR. BONDS: All right.

22 MR. COPPLER: And so that's, again, my outreach
23 was, okay, let's sit down, we have a little bit of time
24 between now and the end of the year. Again, we were very
25 conservative in some of our budgeting predictions and

1 estimates. So if everything goes the way that we plan it
2 to go, there's going to be money returned to the general
3 fund fund balance again. You know, but that final number
4 is, who's to say, but you know, we might be able to make a
5 larger payment again to them at the end of the year based
6 upon that.

7 However, in the interim, we need to be working
8 to put together what that plan really looks like.

9 MR. BONDS: Yeah.

10 MR. COPPLER: And what it should be.

11 My gut tells me, again, I'm not an actuarial
12 genius on this, but my guess is that the real number
13 probably needs to be somewhere between the 5.4, the what
14 we budgeted, and the 6.4 that they're requesting.

15 MR. BONDS: Okay.

16 MR. COPPLER: If we were able to sit down and
17 actually go through this process that I think is the right
18 thing to do.

19 MR. BONDS: Okay. So one more point of
20 clarification, and forgive me, but I want to make sure I'm
21 going into 2017 with some type of framework for timing.

22 MR. COPPLER: Yep.

23 MR. BONDS: Because this came in, or the
24 assumption was based in August before the budget and the
25 audit was completed, what are you anticipating in terms of

1 2017 in terms of your, I want to say your different points
2 for decisions when this needs to be budgeted or when
3 you'll be making some decisions on expending the
4 expenditures for this payment next year?

5 MR. COPPLER: You mean for the current year's
6 payment?

7 MR. BONDS: Correct. Excuse me. Correct.

8 MR. COPPLER: Yeah. I think we're going to have
9 a pretty good understanding of where we're going to be
10 financially probably, you know, by early May.

11 MR. BONDS: May. All right.

12 MR. COPPLER: And again, that's kind of this
13 year in May we, you know, looking at revenues and
14 expenditures we, at least from my -- my thought was that
15 we were pretty close to where we ended up based upon the
16 projections we did in May.

17 MR. BONDS: Okay.

18 MS. THOMAS: I have a question as well.

19 MR. BONDS: Ms. Thomas?

20 MS. THOMAS: Given that the EM had, you know,
21 pretty much was reluctant to make the payment based on
22 what the general fund or what the fund balance was, is
23 that something that you anticipate doing again for the
24 next year in just planning for it or trying to figure out
25 if -- if the impact of this payment will put the city in

1 distress, for lack of better words, or deplete the fund
2 balance, I mean what are we doing just -- is there a
3 policy or is there thought being put into that or?

4 Help me understand; is that logic still being
5 applied for the next year or the next payment?

6 MR. COPPLER: To just make sure, we're still
7 talking about 2016/'17 fiscal year, right?

8 MS. THOMAS: Yes.

9 MR. BONDS: Right.

10 MR. COPPLER: Because I'm already thinking next
11 year budget already.

12 MR. BONDS: Yeah, we're on the same page because
13 --

14 MR. COPPLER: So I just wanted to make sure
15 we're talking the same.

16 MR. BONDS: -- I'm not getting this either.

17 MR. COPPLER: Yeah.

18 So again, this squares us up for '15/'16.

19 MS. THOMAS: Right.

20 MR. COPPLER: And so we have the same dollar
21 amount approximately for '16/'17. That payment, you know,
22 we're going to make a decision on, you know, what we can
23 afford to do, you know, the last quarter of that -- of the
24 current fiscal year.

25 MS. THOMAS: Okay.

1 MR. COPPLER: Again, I think, you know, the
2 projections that we have in the budget for the budget
3 would indicate that we would be able to make a payment,
4 you know, but I just can't sit here and say it's going to
5 be \$900,000 or \$300,000.

6 MR. BONDS: Oh, right. Right, right.

7 MR. COPPLER: Because there's still a lot of
8 time between now and then unfortunately.

9 Now, so what I hope to do, and again in working
10 with the pension fund, is to layout, you know, the next
11 five years of payment because, again, we don't have that.
12 And so we're working on '17/'18 right now to have that
13 knowing that we need to budget a number in there allows us
14 to move, you know, the funding around to be able to afford
15 whatever that is, but, you know, we have to be realistic
16 because, you know, in the end there's only X amount of
17 money, right? And we have to choose a priority. One of
18 the priorities has to be the pension. You know, if push
19 came to shove and they said you have to make a \$900,000
20 payment right now, you know, we're not going to take it
21 out of the fund balance because we can't.

22 MR. BONDS: Right.

23 MR. COPPLER: We're going to start cutting in
24 our budget right now.

25 MR. BONDS: Right.

1 MR. COPPLER: And that's not going to be a
2 pleasant thing to do that. But if we work together we may
3 not have to do that and we can lay out a plan, because
4 again, my, one of my biggest problems with the way that
5 this is going on is there is no look to the future.

6 MR. BONDS: I agree with you on that.

7 MR. COPPLER: I mean, nobody can tell me when
8 I'm going to be 30 percent funded, when am I going to be
9 50 percent funded.

10 MS. THOMAS: Uh-huh.

11 MR. COPPLER: You know, they'll come up with
12 numbers and I'll sit here and I'll listen, say, well, in
13 30 years maybe. Well, no, it can't be maybe because, you
14 know, and I said this earlier to a council member, you
15 know, in the end, you know, we're going to have to go back
16 to our tax payers to get this right because there's just,
17 there's no way not to do that. And to do it right really
18 means we have to have a large infusion of cash into these
19 funds because, you know, looking at what they're giving
20 us, we're still going backwards. So \$500,000 more, a
21 million dollars more --

22 MS. THOMAS: Won't do it.

23 MR. COPPLER: Right.

24 MR. BONDS: Okay.

25 MR. COPPLER: So there are a lot of issues here

1 that we need to be very realistic about how --

2 MR. BONDS: Yeah.

3 MR. COPPLER: -- how it gets solved.

4 MR. BONDS: Mr. Dunleavy?

5 MR. DUNLEAVY: You've got a lot of variables. I

6 mean, there's not anybody who can tell us what the stock

7 market will do. If we need to go back to the '80s and

8 '90s and have a couple years of hundred percent returns,

9 maybe some of this problem would take care of itself, but

10 I don't see that any time realistically going forward.

11 MR. BONDS: Yeah.

12 MR. DUNLEAVY: So I guess they have to use the

13 6-and-a-half or maybe 7 percent, whatever you think is

14 best.

15 Who manages the pension?

16 MR. COPPLER: You mean the investments for it?

17 MR. DUNLEAVY: Yes.

18 MR. COPPLER: I think it's FEG.

19 MR. DUNLEAVY: And I assume they have their own

20 audit and --

21 MS. GRIGGS: No, they're part of the city's

22 audit.

23 MR. DUNLEAVY: So this is just a separate, the

24 pension fund is a separate piece of the -- so it isn't an

25 outside --

1 MR. COPPLER: Right.

2 MR. DUNLEAVY: And does it have a separate
3 board?

4 MR. COPPLER: Yes.

5 MR. DUNLEAVY: Okay. Have anybody looked at the
6 returns and any comfortable with --

7 MR. COPPLER: Well, the pension board probably
8 has.

9 MR. DUNLEAVY: Okay.

10 MR. COPPLER: Because they're making the
11 decisions on it.

12 MR. DUNLEAVY: Then they have minutes of
13 meetings and stuff.

14 Do you review those or? Okay. Because I would
15 be interested on any information you could just -- just
16 out of curiosity what their returns have been over the
17 last year, year-and-a-half.

18 MR. COPPLER: Well, they're less --

19 MR. DUNLEAVY: I would compare --

20 MR. COPPLER: What did they say at the last, or
21 the meeting where they did the presentation on that?

22 MS. GRIGGS: I don't recall.

23 MR. DUNLEAVY: Loss isn't a good word.

24 MR. COPPLER: Yeah. I want to say it was pretty
25 flat. I don't know if they really even had any -- do you

1 remember, Larry? You were --

2 MR. KELSEY: No, I don't, but I know we have the
3 consultation, but I mean I don't know exactly. We had the
4 obviously the actuary come in because of what happened in
5 Wayne County. I remember correctly what happened on
6 there, about their actuary not really looking at longevity
7 and all that stuff. So we made sure the actuary came in
8 again to re-look at the fund to make sure that we were
9 doing the right thing. And if you remember, that's what
10 Wayne County got in trouble for because the actuary didn't
11 figure all the different, quote the processes. So we were
12 proactive and had the actuary come in again and say,
13 "Okay, look at our funds; see what's going on."

14 Plus, we went to a different, what is it, for
15 lack of a better -- a fund manager I guess, to be a little
16 bit more proactive with that. And we've also had the
17 ability to have some conversations with them coming in,
18 and unfortunately this pension fund has a long history.
19 And I don't think there's time for us to discuss how we
20 got to this point. And like most pension funds, it didn't
21 happen yesterday, okay. There's a variety of who did what
22 and what wasn't funded, and the old story, pay as you go
23 doesn't work in this process. And unfortunately what
24 happens, like every fund and like everything else, you
25 kick the can down the street and somebody's left with the

1 can. And this is what's happened with this fund now that
2 we're talking about.

3 But there's a -- the minutes are posted on the
4 city's website. Okay. The city is more than adequate to
5 come to the meetings; they're held right here right where
6 you're sitting in the council chamber, and we have the
7 meetings that are open to the public, and we have them
8 every fourth Wednesday.

9 So I mean, and the point of it is, I think the
10 city manager explained the fact that he talked to the
11 attorney over the issue we had about the funding and
12 offered the issue of working out something to talk about
13 it. And before the city manager came in there was other,
14 again, there's a long history to this thing, there was
15 some -- the other city manager that we had tried to work
16 something out with the previous partial board, were new to
17 the board but (indiscernible) on there before, and the
18 fact of it is, about not paying certain -- I mean you've
19 got to pay the money. I mean there's no way to get around
20 it, whether the city goes -- you've got to pay the money.
21 It's an obligation that's required.

22 MR. BONDS: Yeah.

23 MR. KELSEY: So there's a lot of moving parts to
24 this process, I guess, without going and spending all the
25 time explaining it to you ladies and gentlemen at this

1 point in time.

2 MR. BONDS: Okay.

3 MR. KELSEY: There was -- it's the emergency
4 manager come in there and he had -- and he reports to the
5 state at the time; I don't know what kind of report he put
6 in, but I was privy to be on the board at that time, the
7 pension board, and there was a discussion between the
8 emergency manager and the board about where it's all
9 going. So there has been some dialogue over the last
10 three years on this, and I'll leave that where it's at
11 unless you have any.

12 MR. DUNLEAVY: No, I just -- I'm going to vote
13 approve this, but I would like to know a little bit more
14 about FEG.

15 MR. COPPLER: FEG?

16 MR. DUNLEAVY: Who they are --

17 MR. COPPLER: Okay.

18 MR. DUNLEAVY: -- and how much they manage and
19 how much is in the total pension plan.

20 MR. COPPLER: Okay. I can get you, if you'd
21 like --

22 MR. DUNLEAVY: And what the terms have been.

23 MR. COPPLER: -- I can get the copy of the
24 valuation that was presented.

25 MR. BONDS: How about -- yeah, how about this --

1 MR. DUNLEAVY: You can send it to me or --

2 MR. BONDS: Well, I think that we all probably
3 need to be educated on this.

4 MR. COPPLER: Yeah.

5 MR. BONDS: So how about this, if we can include
6 that and we'll work with Drew as well to get that on the
7 agenda for next month.

8 MR. COPPLER: Yep.

9 MR. BONDS: So we can get a --

10 MR. COPPLER: Sure.

11 MR. BONDS: -- working overview of where we are
12 today.

13 MR. COPPLER: And I think it fits in well with
14 the, which I was going to say under my report, with the
15 auditors coming to do the presentation of the audit,
16 because they get into that situation as well.

17 MR. BONDS: So, Mr. Dunleavy, if I can ask you,
18 I'm going to, because we have an active motion on the
19 floor right now, if you'd like to amend it to include an
20 agenda item for, you know, the January meeting --

21 MR. DUNLEAVY: Yes, that'd be great.

22 MR. BONDS: -- for an overview, that'd be great.

23 MR. DUNLEAVY: That'd be great if we could amend
24 it to include an item for next month's agenda.

25 MR. BONDS: Okay.

1 MR. DUNLEAVY: Just, too, so we could discuss
2 the funds, the fund balance --

3 MR. COPPLER: Sure.

4 MR. DUNLEAVY: -- and have some general
5 information about the pension plan itself.

6 I would be interested in the returns over the
7 past year, two years. I understand it has not been a good
8 two year period for the market. Or just some sort of
9 investment history of the pension fund and how it can --
10 and if you have it, how it compares to other pension funds
11 of similar sizes.

12 MR. COPPLER: Okay. I will look at that.

13 MR. DUNLEAVY: Thank you.

14 MR. BONDS: All right. A good discussion.

15 Any other discussion on the motion?

16 (No response.)

17 MR. BONDS: So the motion was to approve
18 Resolution 371. It's been amended to include having an
19 agenda item in January to include a full overview of this
20 particular transaction.

21 All those in favor, signify by stating aye.

22 MS. THOMAS: Aye.

23 MS. ALLEN: Aye.

24 MR. ZECH: Aye.

25 MR. DUNLEAVY: Aye.

1 MR. BONDS: Aye.

2 Any opposed?

3 (No response.)

4 MR. BONDS: Hearing none, motion passes.

5 Next item is the approval of the Lincoln Park
6 Administrator's Association Agreement, which is attachment
7 6G for you all.

8 Mr. Coppler, can you provide us an overview of
9 what this agreement entails?

10 MR. COPPLER: Yes.

11 MR. BONDS: Please, sir.

12 MR. COPPLER: So, the upper management of the
13 Lincoln Park government had formed an Association. I'm
14 not quite clear on the true history of this. But it's not
15 a collective bargaining unit, although it sometimes gets
16 called one.

17 But anyhow, they had -- I guess this was
18 designed to standardize the benefits to those for -- I
19 have to find -- actually I think it's three, they just
20 added a fourth -- individuals within the city government.
21 It was amended during the tenure of the EM by putting in,
22 effectively there was an amendment section that was put
23 in, and so in putting the new plan together for the next
24 two years, I kind of worked to put those amendments that
25 were made by the emergency manager into this.

1 MR. BONDS: Okay.

2 MR. COPPLER: So overall there are four big
3 changes. We went through and cleaned up some of the
4 language because, you know, it talked about the emergency
5 manager quite a few times in there. Got rid of a couple
6 sections that were no longer relevant to what we're doing
7 because they were addressed in other ways. But I listed
8 four areas of substantive change, and these were the four
9 main ones.

10 First, the administrative systems manager, we
11 elevated the pay for that position from 43,995 to 48,000.
12 And so when we started this, you might remember that there
13 was a change to the fair labor standards act in terms of
14 what is the threshold for getting overtime. This
15 particular position works a lot of hours for the police
16 department. And just to give you kind of an
17 understanding, it's the really the technology person
18 within the police department. So whenever there's issues,
19 this is the person they go to to try to get it rectified
20 and run reports and all -- a lot of things like that.

21 And so the first thing we were looking at was
22 that threshold was going to be 47-and-change, and so we
23 were going to elevate this above that so we wouldn't get
24 into the overtime payment, because it would have been
25 probably a lot more money. It probably would have been a

1 lot more money if we were paying overtime for that
2 position. Or we'd have to lose the ability to utilize
3 that person that number of hours.

4 The second level was looking at what this
5 position was being paid versus other positions in
6 collective bargaining units, and we found that the scope,
7 the responsibilities, the duties, and the accountabilities
8 of this position, you know, was -- should be paid at a
9 higher rate based upon what other similar type positions
10 within other collective bargaining units. So in the end
11 we looked at it and adjusted it to \$48,000.

12 Now, I later -- and that really is the only cost
13 to the first six months of this agreement because we're
14 mid-year, if this is adopted, doesn't go into effect until
15 January 2nd. So we'll only be making a half year's
16 payment of that increase.

17 The second is looking then, the second year of
18 the agreement we are recommending a one-and-a-half percent
19 adjustment in wages to those four individuals. It's going
20 to be based upon an evaluation that I will be doing. If
21 they get the satisfactory or above, they'll be then
22 eligible for one-and-a-half percent. And that is
23 estimated to cost the city in twenty-seven/eighteen (sic)
24 an increase of \$4,062.

25 The third item that we did is we're moving them

1 from six unpaid holidays. So overall we have 12 holidays
2 recognized by the city. Currently six are paid, six are
3 unpaid. The EM allowed those six unpaid to be used, or
4 you could use vacation time to pay for those. So in the
5 budgeting we already budgeted for that cost. And so
6 increasing from 6 to 12 is budget neutral for the current
7 year. And so we made that change, again, it would be
8 effective January 2nd.

9 And the last thing that we did to this was
10 increase the personal leave. For some reason they were
11 only given ten hours, where the standard is 16 hours
12 within the city.

13 MR. BONDS: Okay.

14 MR. COPPLER: And so the impact, fiscal impact
15 to the city in 2016/'17 budget is projected at \$2,324.90.
16 And going forward it's \$4,062 in fiscal year '17/'18.

17 MR. BONDS: Okay. I've got some questions on
18 this, but let me entertain a motion to approve, deny, or
19 postpone --

20 MR. DUNLEAVY: Move to approve.

21 MR. ZECH: Support.

22 MR. BONDS: Okay, discussion.

23 So I'm wondering why, you don't reference this
24 as being non-representative employees in this contract.
25 Was there a reason why?

1 MR. COPPLER: In terms of?

2 MR. BONDS: Because these are -- I'm assuming
3 this is written for those employees who are not covered by
4 a union contract.

5 MR. COPPLER: Correct.

6 MR. BONDS: And there's nothing that
7 specifically says that.

8 MR. COPPLER: Okay, yeah, I --

9 MR. BONDS: No, I'm just wondering was there any
10 rationale behind that?

11 MR. COPPLER: No, no. There really wasn't.
12 It's all kind of strange to me to begin with, so.

13 MR. BONDS: Okay. And that was my second
14 question.

15 MR. COPPLER: Yeah.

16 MR. BONDS: So is this the first of this kind,
17 type of agreement for the city?

18 MR. COPPLER: No, no, no. Actually this, I want
19 to say this goes back probably 20-some years.

20 MR. BONDS: 20-something years. Okay.

21 MR. COPPLER: And again, I'm not really clear on
22 the history.

23 MR. BONDS: Okay.

24 MR. COPPLER: I can only guess, I mean, standing
25 here in front of you why.

1 MR. BONDS: Okay.

2 MR. COPPLER: But again I think one of the
3 elements was try to standardize.

4 MR. BONDS: Sure. I understand that.

5 MR. COPPLER: I think there is something about
6 pensions and healthcare --

7 MR. BONDS: Okay.

8 MR. COPPLER: -- back then as well, so.

9 MR. BONDS: Yeah, and because this RTAB came in
10 kind of at a odd year to this --

11 MR. COPPLER: Yeah

12 MR. BONDS: -- my last question would be,
13 because of this addressing, you know, wages and different
14 increases, is there any type of data that you can provide
15 on those who are under contract of what were the raise --
16 the wage increases they received?

17 Because normally -- I mean I can only work from
18 my frame of reference.

19 MR. COPPLER: Sure.

20 MR. BONDS: Normally those who are non-
21 classified receive what's similar that was negotiated
22 through the union process as well. I mean, how does this
23 relate to that negotiation?

24 MR. COPPLER: All the contracts are up for
25 renegotiation the upcoming year. They all expire June

1 30th.

2 MR. BONDS: Okay, so why are we doing this one
3 at this point? When you're going into negotiations?

4 I mean that -- so I mean that's what I'm
5 questioning.

6 MR. COPPLER: Well, because this is when the
7 emergency manager decided --

8 MR. BONDS: Oh, okay.

9 MR. COPPLER: -- that it was going to be up for
10 -- to redo it.

11 MR. BONDS: Okay, that's a little precarious,
12 but I understand.

13 MR. COPPLER: Yeah. I --

14 MR. BONDS: I understand.

15 MR. COPPLER: I think with this, I mean I don't
16 want to get into negotiation --

17 MR. BONDS: I understand. No, we don't want to
18 do that.

19 MR. COPPLER: But I think, you know, we're
20 trying to put together a set of expectations going into
21 those negotiations of what we're willing and not willing -
22 -

23 MR. BONDS: Well, clearly you've already set
24 yourself up. You now have a baseline.

25 MR. COPPLER: Yeah.

1 MR. BONDS: Okay. Any other discussion?
2 Mr. Zech.
3 MR. ZECH: So this just covers four positions?
4 MR. COPPLER: Correct.
5 MR. ZECH: And so the police chief, the fire
6 chief, the DPS director, those other, what I'll call
7 department heads positions, are in a separate area?
8 MR. COPPLER: Well, so this takes into account
9 the director of finance and operations.
10 MR. ZECH: Yes.
11 MR. COPPLER: The DPS director is included in
12 this.
13 MR. BONDS: Yep, you've got it. It's right
14 here.
15 MR. COPPLER: So is the director of community
16 development parks and recreation.
17 MR. ZECH: Okay.
18 MR. COPPLER: And then the administrative --
19 MR. ZECH: I misspoke. I meant fire chief,
20 police chief; they're separate?
21 MR. COPPLER: Yeah. So they each have
22 individual contracts.
23 MR. ZECH: I see. I get it.
24 MR. COPPLER: And I believe since the fire
25 chief, we are starting the final selection process for the

1 fire chief, based upon how the EM set it up, both those
2 contracts were set to expire at the end of 2017 I believe
3 is when those are. So with the new chief we'll probably
4 just do a one year agreement, and then negotiate both of
5 those at the end of next year.

6 MR. ZECH: I see. So they have a contract
7 that's just, they're the only person within that --

8 MR. COPPLER: Yeah, it's single contracts for
9 each.

10 MR. ZECH: For each one?

11 MR. COPPLER: Yeah, and they're both --

12 MR. ZECH: That's what I was trying to -- thank
13 you.

14 MR. COPPLER: Yeah, they both were different.
15 There were nuances to each of the contracts.

16 MR. BONDS: Okay. Any -- Ms. Allen?

17 MS. ALLEN: Are the employees who hold these
18 positions covered in the contract considered at-will
19 employees?

20 MR. COPPLER: Well, I mean as much as anybody is
21 an at-will employee.

22 MS. ALLEN: Well, when you say anyone, meaning
23 someone under collective bargaining agreement is not
24 considered at-will?

25 MR. COPPLER: Right. Right. I guess the

1 difference is that, you know, I -- you know, I've been
2 trained and brought up in government that, you know, when
3 you go to fire someone it's because you have good reason
4 to do it; it's not because you don't like the way they
5 dress or politically they're not of, you know, a certain
6 persuasion.

7 MR. BONDS: Uh-huh.

8 MR. COPPLER: I mean you have to have a reason
9 to do it. At-will to me is I don't need any reason.

10 MS. ALLEN: Okay.

11 MR. BONDS: Okay. Further discussion?

12 (No response.)

13 MR. BONDS: Hearing none, all those in favor,
14 signify by stating aye.

15 MS. THOMAS: Aye.

16 MS. ALLEN: Aye.

17 MR. ZECH: Aye.

18 MR. DUNLEAVY: Aye.

19 MR. BONDS: Aye.

20 Any opposed?

21 (No response.)

22 MR. BONDS: Motion passes.

23 Thank you.

24 MR. ZECH: Merry Christmas to all of you, too.

25 MR. BONDS: Happy Holidays and Merry Christmas

1 to you, too.

2 MR. BONDS: Okay. The following reports, items
3 8 through 13, are received and filed. Are there any
4 comments regarding these reports, which is the budget,
5 cash flow, check disbursement, overtime report, tax
6 collection, and the monthly report?

7 MS. THOMAS: I have a question.

8 MR. BONDS: Yes, ma'am, Ms. Thomas.

9 MS. THOMAS: I was just looking over some of the
10 reports and the activity levels, and I was looking at the
11 DDA and there was probably one newsletter sent out for the
12 entire month. I'm just curious on how do you manage the
13 activity levels and, you know, what's going on in the
14 department to have one newsletter sent out for the entire
15 month?

16 Just trying to get an understanding and what are
17 they doing, in so many words.

18 MR. COPPLER: Yeah, so a lot of November was
19 taken up getting prepared for the Christmas tree lighting
20 and then around that. So.

21 MS. THOMAS: And I don't recall, is that a full-
22 time position?

23 MR. COPPLER: Yeah.

24 MS. THOMAS: The DDA --

25 MR. COPPLER: It's a --

1 MS. THOMAS: And they share with someone else,
2 right?

3 MR. COPPLER: It's the EDC/DDA director, yes.

4 MS. THOMAS: Okay. Thank you.

5 MR. BONDS: Okay. The city Administrator
6 report?

7 MR. COPPLER: That's right. That's me again. I
8 keep wanting to get away. Sorry.

9 MR. BONDS: Keep you jumping.

10 MR. COPPLER: I just had a couple of things for
11 you to be aware of.

12 As I had mentioned earlier, we're looking at
13 January 17th, which is the first meeting of next year to
14 have Plante Moran, who did our audits, come in and do a
15 presentation of where we ended up.

16 Second thing is to let you know that last
17 night's council meeting we scheduled a special meeting for
18 the mayor and council to discuss the DUWA service
19 agreement. And so they'll begin the deliberation on that
20 whole item to see what ultimately they'll do with whether
21 to sign the agreement or not.

22 (At 2:00 p.m., Mr. Zech leaves meeting)

23 MR. BONDS: Okay.

24 MR. COPPLER: Can't wait.

25 And just to give you a heads up, we are working

1 right now doing our analysis of the current year's budget
2 to see where we stand. You know, we know that there's
3 going to be a couple of adjustments we want to make where
4 we received revenue. You know, as an example, you know,
5 we received money for police training that we want to put
6 back in and do additional police training with that money.
7 So it was unanticipated when we did the budget. We now
8 received it, and so we'd like to do even more training
9 with that. So there's going to be some things like that
10 that we're going to be projecting forward.

11 I think there may be a couple issues. Well, one
12 definite issue in fire overtime, if you've looked at those
13 reports, that we're going to have to make some adjustments
14 on that, and a couple of the maintenance line items that
15 we need to do some adjustments on. So we're finishing
16 that up, probably sometime in January going to council, so
17 I don't know if you'll see it in January or February when
18 we make those adjustments.

19 MR. BONDS: Okay.

20 MR. COPPLER: And that is all I have for you.

21 MR. BONDS: Okay.

22 MS. THOMAS: I have one quick question.

23 MR. BONDS: Yes, ma'am. Ms. Thomas?

24 MS. THOMAS: I know that we were, I think
25 February was the timeline for the ice arena and a cost

1 benefit analysis. Can we expect in January just an
2 overview of where things stand with that?

3 Because I believe that we're being asked to make
4 a decision somewhere around that time.

5 MR. COPPLER: Yes. Yeah, actually I'm glad you
6 brought that up. I know I was talking to the mayor about
7 this. He wanted to have that presented to the council the
8 first meeting in January. So we will be in a position at
9 your January meeting to show you that.

10 MS. THOMAS: And I know with the DUWA, will we
11 be receiving a packet of information on that one as well?
12 Because it is a pressing issue for lack of a better word.

13 MR. COPPLER: Yeah.

14 MS. THOMAS: So we'll have something complete;
15 it won't just be a line item, but some sort of report --

16 MR. COPPLER: Sure.

17 MS. THOMAS: -- to articulate, you know, cost
18 benefit, what the implications are on the budget long-
19 term, short-term, all those fun things, right?

20 MR. COPPLER: So, yes and no. I can provide you
21 what I can provide you.

22 MS. THOMAS: Okay.

23 MR. COPPLER: You know, unfortunately the
24 information -- and it's too bad John left because he's
25 kind of been burst into this as well. You know, there's

1 not a lot of financial numbers that you would say that,
2 okay we can look at this. I mean, until we get to the
3 point, until DUWA gets to the point where they have a
4 final purchase and sale agreement, a lot of what the
5 numbers look like are going to be up in the air because,
6 you know, to be honest, sitting on the board, sitting
7 there at the podium or I guess with the rest, you know,
8 they haven't given us those numbers. We know it's 57-and-
9 a-half million, but we don't know what that means to what
10 the rates are going to be year one, year two, year three.

11 MS. THOMAS: Thank you.

12 MR. BONDS: Okay.

13 MR. COPPLER: And I would, you know, our next
14 DUWA meeting is the first Thursday -- excuse me, the
15 second Thursday of January. I would offer that you're
16 more than welcome to come and be entertained.

17 MR. BONDS: All right. Public comment.

18 MR. DOSTINE: Mr. Chair, there are two requests
19 for public comments. The first one is Mr. Larry Kelsey.

20 MR. BONDS: Okay. Thank you.

21 MR. KELSEY: My name is Larry Kelsey. I'm a
22 city councilman, plus I sit on the police and fire pension
23 board for the last three years. And I sat in the audience
24 for 8 years in the police and fire pension board meetings.

25 Being this come up and being there was some

1 discussion off the floor on this, I think it would be
2 important that you just don't go back two years. I think
3 you need to do your due diligence and look into the record
4 and history of this process.

5 Some of you have county backgrounds, I'm sure;
6 okay, when I came onto the board there was a lot of stuff
7 I didn't understand, and even the actuaries wouldn't --
8 you go -- they don't even understand some of that stuff.
9 They disagree, okay?

10 I think you need to take a deep dive into it so
11 you understand the totality of this particular fund and
12 why this fund is the way it is and what the hurdles were
13 for this fund. And like I said before from the audience,
14 Wayne County was a prime mover of why we have the auditor
15 come back in because of what happened down there, and
16 you're well aware of that like we all are in the newspaper
17 how it was covered about the fact, the numbers, and who'd
18 agree and who disagreed, and whether or not they were
19 using the right mortality tables for what they were doing.

20 I think the other thing you have to look into is
21 the fact that how the fund has been handled and as far as
22 being funded by the city, which is another thing to go
23 back on the numbers. You need to go back over the years
24 and find out what should have been paid and what was paid,
25 or what, pay as you go, which doesn't pay the 2008 when

1 they had the issue of the lackluster returns from the
2 stock market like everybody did, and of course you're all
3 well aware that's where the money is at. Everybody put
4 the money into that; that's how we make our money, okay?

5 So I think I would just suggest that you don't
6 take a skimming process of this. You do a little bit more
7 due diligence and take a look at the numbers. And if
8 you're numbers people, you question the numbers people.
9 You talk the same dialogue; I don't talk that. You know
10 whether or not the numbers, you know, what they're saying
11 and how they ask the questions for it.

12 We did have a dialogue with the emergency
13 manager. The state was well aware of it, and I want to
14 make that quite clear, okay, because the state was
15 involved in it, okay, and he represented the state, and he
16 came to numerous pension board meetings and there was
17 dialogue there; I'm sure there's a paper trail there, I'm
18 sure the state kept a copy of it so you can find out what
19 the concern was of the emergency manager and where that
20 went and what happened on that. But I think like every
21 other facility or process in the state, when you have a
22 reduction in money that comes to the cities you have a
23 reduction in money.

24 MR. BONDS: Uh-huh.

25 MR. KELSEY: I'm not going to get into that, but

1 I will say when revenue sharing went south, a lot of
2 cities, and we're not the only one, you're going to find a
3 lot of them in the next year are going to be in the same
4 boat. I read in the paper every day. I read in the paper
5 about the state looking at the pension funds of -- so it's
6 not something that's -- shouldn't be addressed or hasn't
7 been out there for a long time.

8 But I think, in ending this comment is, I think
9 you need to do your due diligence and really get into it
10 more than a little paper trail. You need to take a look
11 at the history and look about what's been done -- and then
12 go forward. And that's the other part; you need to look
13 at the forward part. And I know the fact of it is that
14 this thing is not going to be resolved overnight, and I
15 also know this thing is -- had a lot of issues with it
16 about how the funding comes. We don't have any kind of
17 funding from any Ford Motor Company, GM, Chrysler,
18 whatever, okay? It comes from the citizens that fund it,
19 and of course from the employees who fund it.

20 So I'll leave you with that. I just would wish
21 that you would do your due diligence, ask the information.
22 It might take a little, a long time to get it; you might
23 have to ask a few more people for it, but I think it would
24 be worth your while to get it and take a look at it and
25 put the pieces of the puzzle together.

1 Thank you very much.

2 MR. BONDS: Thank you very much.

3 MR. DOSTINE: Mr. Richard Kudrak.

4 MR. KUDRAK: Yes. I'll piggyback on Larry here.
5 You start with the 2004 early retirement incentive that
6 started us out on our slippery slope. Then you got the
7 2008 stock market crashed. And then you've got this
8 massive reduction in state revenue sharing. This didn't
9 happen in a vacuum. This has been going on since at least
10 2004. Educate yourself as to the process, please.

11 I primarily came here to talk about DUWA. The
12 more I find out about the service agreement, the more I go
13 nuts. Now we find out the city council identified several
14 defects or concerns; brought the city's concerns to the
15 Authority, and they said, "Oh, six cities have already
16 approved it, so we're not going to consider changing it."
17 Oh, so now we've got to follow them like sheep to the
18 slaughter?

19 Thirteen cities are involved in this. They've
20 all got different financial conditions. They're not under
21 receivership. We shouldn't be following somebody who is a
22 hell of a lot better off financially than we are. And the
23 one thing about this service agreement which is a deal
24 breaker and a budget buster is having to reserve, which
25 means not spend, 25 percent of our state revenue sharing

1 as a bank fund against DUWA, or for DUWA, or whatever.
2 Why should Lincoln Park, which is under receivership, have
3 to reserve 25 percent of our state revenue sharing because
4 other people don't have to do it?

5 You know, other people are not under financial
6 stress. I hate this agreement. I hate it, I hate it, I
7 hate it. And please, as Larry said, do your due diligence
8 with DUWA as well as the pension funds. Thank you.

9 MR. BONDS: Thank you.

10 MR. DOSTINE: That concludes public comments,
11 Mr. Chair.

12 MR. BONDS: Thank you.

13 MR. DOSTINE: You're welcome.

14 MR. BONDS: Board comment?

15 I do have a couple things. Because this is the
16 end of the first year for the RTAB I kind of wanted to do
17 a summary wrap up, hopefully on a good note, because I
18 think that this year has been a learning process for all
19 of us involved. What we've received has been very, very
20 well done materials from the city. So I'd like to thank
21 Mr. Coppler and his team for those efforts.

22 I think in moving forward it's very clear that
23 now that we know what the game is, so-to-speak, we know
24 what the rules are, we need to really take our roles and,
25 it's been articulated twice here, is look at due

1 diligence. And so what I'm going to propose is that
2 moving forward I'll work very closely with the treasury
3 staff, who in turn works closely with the city on
4 structuring the agendas so that we each month have an
5 opportunity to really delve into, even if it's from an
6 information standpoint, the intricacies of the city's
7 retirement. I'm not going to look at the DUWA contract
8 because that's still evolving, but I want to focus on
9 things that will affect the city structurally in terms of
10 their finances.

11 So we'll craft the agenda so that we will have
12 that opportunity because I think now we really need to
13 delve in and make sure that we in turn understand the
14 nuances that they are faced on a day-to-day basis.

15 So again, I want to say that the city staff has
16 been tremendous because I -- I can only tell you from what
17 I get from my peers in treasury is that Lincoln Park is
18 probably number one in terms of the best run
19 municipalities under the RTABs, and that says a lot. So I
20 appreciate everybody's great work on this. I want to wish
21 everybody a wonderful, let's see, and I probably will get
22 hit with some politically correct issues, but I want to
23 wish everybody a Merry Christmas, Happy Chanukah, Great
24 Chines New Year. But -- yes, and Kwanza. Roll it all in
25 there. But I really appreciate the city's done, and I

1 really appreciate the time and dedication of each board
2 member. So thank you.

3 MR. DUNLEAVY: Thank you.

4 MS. THOMAS: Thank you.

5 MR. BONDS: And with that, I would ask for a
6 move for adjournment.

7 MR. DUNLEAVY: Motion to adjourn.

8 MR. BONDS: Okay, and second?

9 MS. THOMAS: Second.

10 MR. BONDS: And all those in favor signify by
11 stating aye.

12 MS. THOMAS: Aye.

13 MS. ALLEN: Aye.

14 MR. DUNLEAVY: Aye.

15 MR. BONDS: Aye.

16 Thank you all.

17 (At 2:10 p.m., off the record)

18

19

1 STATE OF MICHIGAN
2 COUNTY OF WASHTENAW).ss

3
4

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 December 20, 2016 at the City of Lincoln Park.

8 I also certify that I am not a relative or employee of the
9 parties involved and have no financial interest in this case.

10
11

12 RESPECTFULLY SUBMITTED: December 28, 2016

13 *s/Amy Shankleton-Novess*

14
15

16 _____
17 Amy Shankleton-Novess (CER 0838)
Certified Electronic Reporter