

**City of Lincoln Park**  
**Receivership Transition Advisory Board Meeting Minutes**  
**Tuesday, June 20, 2017**  
**Lincoln Park City Hall**  
**Council Chambers**  
**1355 Southfield Road**  
**Lincoln Park, Michigan 48146**

**RTAB MEMBERS PRESENT:**

**KEVIN BONDS**  
**BRENDEN DUNLEAVY**  
**JESSICA THOMAS**  
**JOHN ZECH**

**ALSO PRESENT:**

**PATRICK DOSTINE**, Michigan Department of Treasury

**MATT COPPLER**, City Manager

**LISA GRIGGS**, Finance Director

Reported by:

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1 **Called to order at 1:00 p.m.**

2 **Tuesday, June 20, 2017**

3 \* \* \* \* \*

4 MR. BONDS: Okay.

5 Good afternoon, and let's call the meeting to  
6 order. We'll start off with roll call, please.

7 MR. DOSTINE: Brenden Dunleavy.

8 MR. DUNLEAVY: Here.

9 MR. DOSTINE: Jessica Thomas.

10 MS. THOMAS: Here.

11 MR. DOSTINE: John Zech.

12 MR. ZECH: Here.

13 MR. DOSTINE: Genelle Allen has been asked to be  
14 excused, Mr. Chair.

15 Kevin Bonds.

16 MR. BONDS: Present.

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

18 MR. BONDS: Okay.

19 We'll need an approval of agenda. Mr. Coppler  
20 has walked on Resolution 2017-212. We'll need to amend  
21 the resolution to include. So I will entertain a motion  
22 to approve the agenda as amended.

23 MR. DUNLEAVY: Motion to approve.

24 MR. BONDS: It's been moved. Is there a second?

25 MR. ZECH: Support.

1 MR. BONDS: And support.

2 All those in favor signify by saying aye.

3 MR. DUNLEAVY: Aye.

4 MS. THOMAS: Aye.

5 MR. ZECH: Aye.

6 MR. BONDS: Aye.

7 Please, public must sign up to speak during the  
8 public comment portion of the meeting. Thank you, very  
9 much.

10 Approval of the RTAB minutes from the regular  
11 meeting of May 16, 2017. The Chair will entertain a  
12 motion to approve the May 16th, 2017 RTAB minutes as  
13 presented.

14 Did you get a chance to look at them?

15 MR. ZECH: I did look at them. I wasn't present  
16 so I'm not certain if it's proper for me to make that  
17 motion.

18 MS. THOMAS: So moved.

19 MR. ZECH: I did look at them.

20 MR. BONDS: It's been moved. Is there a second?

21 MR. ZECH: I guess I'll support.

22 MR. BONDS: And support.

23 Any discussion?

24 (No response.)

25 MR. BONDS: Hearing none, all those in favor

1 signify by stating aye. Aye.

2 MS. THOMAS: Aye.

3 MR. ZECH: Aye.

4 MR. DUNLEAVY: Aye.

5 MR. BONDS: Aye.

6 Old business. There's none.

7 New business, which is Item A in your packets,  
8 which is the RTAB evaluation. It should be Attachment 2.

9 Mr. Dostine, do you want to provide a summary of  
10 this Item to the board, please?

11 MR. DOSTINE: Sure.

12 Mr. Chair, you didn't want to do the walk-on item  
13 first?

14 MR. BONDS: Oh, thank you for catching that. My  
15 apologies.

16 The walk-on resolution is before you. This is  
17 2017-12 as mentioned.

18 Mr. Coppler, do you want to walk us through this,  
19 please?

20 MR. COPPLER: It actually should be 2017-17.  
21 It'd be the last one in the packet. I'm sorry about that.

22 MR. BONDS: We have a --

23 MR. COPPLER: Yeah, you have three. The first  
24 two are already on the agenda.

25 MR. BONDS: Oh, thank you.

1 MR. COPPLER: It's the very last one.

2 MR. BONDS: Thank you. Thank you, very much.

3 MR. COPPLER: Yep. No problem.

4 MR. BONDS: So, and just for the minutes, the  
5 amended agenda includes, I think I mentioned 2017-212. It  
6 should be 2017-217. Okay, thank you.

7 MR. COPPLER: Thank you, very much. And thank  
8 you very much for being willing to consider this as a late  
9 addition to the agenda.

10 So the city staff has been working with Ford  
11 Motor Company and UAW on a project at a plant or a  
12 facility they own within the city of 25500 Outer Drive.  
13 It currently is a technical training center for employees  
14 of Ford. Through the UAW contract that was signed I  
15 believe a couple of years ago, they committed to actually  
16 providing a investment into this facility for their  
17 employees, as well as expanding it. And they are  
18 presenting to us a 14 million dollar expansion project  
19 that in the end will generate approximately \$18,890 per  
20 year at a minimum in tax proceeds. They have asked, as  
21 what they do to all of the communities which are in for a  
22 reduction in the building fees for the submission for a  
23 plan review.

24 And in the city there's actually two different  
25 fees that are going to be adjusted. One is a regular

1 building permit fee, and that's I believe an \$80 up front,  
2 and then it's \$10 per thousand after the first thousand.  
3 And then there's a plan review fee, it's \$200 up front,  
4 plus after the first 6,000, ten dollars per thousand. And  
5 so what this particular resolution does is adjust the fee  
6 schedule to set a \$10 per thousand to 750 per thousand.

7 It will still generate as a building permit  
8 estimated around \$210,000; 68 percent of that will go to  
9 the company that we hire for the building plan review. So  
10 in total we're going to be losing somewhere around \$22,000  
11 by granting this reduction. However, just in a million  
12 dollar valuation increase to the facility, as I said,  
13 we're going to be generating over \$18,000, almost \$19,000  
14 in new revenue because of the project. And we're  
15 estimating that the value added to the building is going  
16 to be well over a million dollars, so we'll recoup this  
17 the first year that the plan is in place.

18 MR. BONDS: Okay, thank you.

19 Any questions for Mr. Coppler?

20 MR. COPPLER: And -- well --

21 MR. BONDS: I'm sorry?

22 MR. COPPLER: So, we had to rush these things on  
23 to get them certified, and I see that they gave us the  
24 wrong one on this as I'm looking down at it.

25 MR. BONDS: Yeah, and that was going to be our

1 question here. This does not reflect your presentation.

2 MR. COPPLER: See, I'm not losing my mind.

3 MR. BONDS: No.

4 MR. COPPLER: I apologize for that.

5 MR. BONDS: That's okay. So we're still -- is it  
6 still under 2017-217?

7 MR. COPPLER: It's probably going to be a  
8 different number is my guess.

9 MR. BONDS: Okay. We'll correct the minutes as  
10 soon as that comes before us.

11 MR. COPPLER: We will have it for you very  
12 shortly.

13 MR. BONDS: Okay.

14 MR. COPPLER: So how about that weather, huh?

15 MR. BONDS: Yeah, we could -- because this is  
16 televised, we can chalk this up as one of those, you know,  
17 those local government bloopers.

18 MR. COPPLER: Yes.

19 MR. BONDS: So when you do your rework, your  
20 reruns --

21 MR. COPPLER: That's right.

22 It is the right year. And it's sort of close to  
23 what it was supposed to be, so.

24 MR. BONDS: Well, you did -- you provided us  
25 great presentation. We'll just need to have the factual

1 backup.

2 MR. COPPLER: Yeah. Well, you know, I'm looking  
3 down at it, and I don't see, because the resolution is a  
4 little bit lengthier than this, plus it has the dollar  
5 amounts for the --

6 MR. BONDS: Right.

7 MS. THOMAS: That's what we were looking for.

8 MR. COPPLER: And I'm going, "What did they do?  
9 Did they doctor it and take that out of there for the  
10 final?" And that's when I started looking and said, "Oh,  
11 it says "fee schedule." I'll have to get that.

12 MR. ZECH: When you're a city manager, you're  
13 always out there by yourself and --

14 MR. COPPLER: Yeah. Yeah, that limb was bending  
15 there for a while.

16 MR. BONDS: Thank you, Lisa.

17 MS. THOMAS: All right.

18 MR. BONDS: Okay. Let's -- correction to the  
19 minutes, once again. The Resolution is 2017-218, and this  
20 is for the Ford Company investment to the City of Lincoln  
21 Park.

22 If you'd give us just a second.

23 MR. COPPLER: Sure.

24 MR. BONDS: If the board will make a motion, and  
25 let's handle the questions in the discussion, that would

1           be great, because I've got quite a few.

2                   MR. DUNLEAVY: Motion to approve.

3                   MR. ZECH: Support.

4                   MR. BONDS: Discussion.

5                   First question, please. On the second whereas  
6 clause, you've got the addition of two full-time  
7 employees. Are these city employees?

8                   MR. COPPLER: No, these are employees at the  
9 facility.

10                  MR. BONDS: Okay.

11                  MR. COPPLER: So it's not for the city; it's for  
12 Ford Motor.

13                  MR. BONDS: Okay.

14                  MR. COPPLER: Yeah.

15                  MR. BONDS: Let me ask you this: when a company  
16 such as the size of Ford Motor Company, which is wonderful  
17 that they're investing here, have they made any type of  
18 allowances for the hiring of resident from the City of  
19 Lincoln Park?

20                  MR. COPPLER: Actually, I believe at that  
21 facility there are already residents hired there. Again,  
22 I don't know, and they never really brought forward that  
23 these were going to be brand new hires or if they're going  
24 to be shifting employees from other locations into this,  
25 but it would be four, technically four new positions

1           they're looking at bringing into this facility.

2           MR. BONDS: Yeah. The reason why I say that is  
3 because you had a couple of negotiating points here, one  
4 is, you know, the fee structure; that would have been a  
5 great angle for the city to negotiate --

6           MR. COPPLER: Yeah.

7           MR. BONDS: -- that to Ford to hire city --

8           MR. COPPLER: Sure.

9           MR. BONDS: -- you know, residents. So that's,  
10 you know, probably something you want to consider at the  
11 next go-round with this.

12          MR. COPPLER: Sure.

13          MR. BONDS: Any other questions of the board?

14          MR. DUNLEAVY: Just that is this currently a  
15 training facility?

16          MR. COPPLER: Yes, it is.

17          MR. DUNLEAVY: And they currently service 250  
18 people?

19          MR. COPPLER: No, it's approximately 125 per five  
20 week cycle --

21          MR. DUNLEAVY: So now they're --

22          MR. COPPLER: -- is what they've given this --

23          MR. DUNLEAVY: -- doubling it?

24          MR. COPPLER: Yeah.

25          MR. DUNLEAVY: And so those folks will come from

1           wherever?

2                   MR. COPPLER:  Yeah, all over the United States.

3                   MR. BONDS:  Okay.

4                   MR. COPPLER:  I mean, primarily they're Michigan  
5           and relatively close, but they do have plants all over the  
6           United States that --

7                   MR. DUNLEAVY:  But you're thinking they're going  
8           to have to eat somewhere and sleep somewhere.

9                   MR. COPPLER:  Yeah, and that's actually, you  
10          know, in discussing -- the number of meetings we've had  
11          with them and discussing everything, that was one of the  
12          things that kind of came out in terms of partnering with  
13          providing, you know, leads to people that are there, you  
14          know, where to stay, where to eat, where to shop, because  
15          again, there are going to be people that are housed in a  
16          hotel that are attending these trainings for five weeks,  
17          so.

18                   MR. DUNLEAVY:  Super.

19                   MR. COPPLER:  And so they committed to that.

20                   MR. BONDS:  Mr. Zech.

21                   MR. ZECH:  Thank you, Mr. Chair.

22                   So if by approving this Resolution the city is  
23          forgiving or giving up, whatever you want to call it,  
24          \$22,000 in fees, but they would still be getting \$210,000  
25          in --

1 MR. COPPLER: Yeah, in total the estimated  
2 permits are going to be about \$210,000. It would have  
3 been approximately I think 270 or 280; I don't remember  
4 that number off the top of my head.

5 MR. ZECH: 270 or 80?

6 MR. COPPLER: Yeah, 270 or 80,000 because we're  
7 going to be losing 20. But because we have the agreement  
8 with SAFEbuilt, who does our third party -- our reviews  
9 for the plan, or for building, you know, they're going to  
10 be getting the vast majority of that money. They get 68  
11 percent of the permit fee. So, when you look at it,  
12 they're losing about \$40,000; we're losing about \$20,000.

13 MR. BONDS: And taxable value of the property --

14 MR. ZECH: Oh, okay.

15 MR. COPPLER: Yeah.

16 MR. BONDS: -- is in that as well.

17 MR. ZECH: Sure.

18 MR. COPPLER: Yeah. Where we gain is once it's  
19 fully completed and it's on the tax rolls, you know, we're  
20 again estimating that this is going to be probably three  
21 times what the current value is, which is about \$1.1  
22 million.

23 MR. BONDS: Mr. Dunleavy?

24 MR. DUNLEAVY: Just one more question and then  
25 I'll stop.

1                   You didn't have this budgeted in your budget  
2                   anyways, did you?

3                   MR. COPPLER: No, not at all.

4                   MR. DUNLEAVY: So this is new money no matter  
5                   what?

6                   MR. COPPLER: Yeah.

7                   MR. DUNLEAVY: Correct? Okay.

8                   MR. BONDS: Okay. Any further discussion?

9                   (No response.)

10                  MR. BONDS: Hearing none, all those in favor of  
11                  approving Resolution 2017-218, signify by stating aye.

12                  MR. ZECH: Aye.

13                  MR. DUNLEAVY: Aye.

14                  MS. THOMAS: Aye.

15                  MR. BONDS: Aye.

16                  No opposition. The motion passes.

17                  Okay, back to the agenda, and we are at the RTAB  
18                  evaluation. Mr. Dostine.

19                  MR. DOSTINE: Thank you, Mr. Chair.

20                  First, one housekeeping matter. I provided a new  
21                  draft for all the members, and there are two small edits,  
22                  and I'll walk you through them. On page one, the third  
23                  paragraph, under the Summary of Evaluation heading, the  
24                  number, second line, "City increased its unassigned  
25                  general fund balance by..." The number should be 3.4

1 million. I had 1.3 million I believe.

2 And then the other edit, page two, second  
3 paragraph, third line from the bottom, "Lincoln Park now  
4 spends," I had \$625,000 annually on the OPED stipend  
5 (sic). It's \$612,000. I had talked to Matt; he read the  
6 evaluation, and these are a couple of edits he had made,  
7 so.

8 All right, moving on. So this RTAB was appointed  
9 December 22nd, 2015. This is just a matter of background.  
10 In the Governor's appointment letter, among some of the  
11 board's duties, it's listed their responsibility to  
12 conduct a formal evaluation of the city's administrative  
13 and financial operations. As a practical matter, treasury  
14 staff administers that.

15 So I sat down with Mayor Karnes, City Manager  
16 Matt Coppler, and Finance Director Lisa Griggs at the end  
17 of February, and implemented a very thorough evaluation,  
18 and it contained many questions that measured  
19 administrative and financial operations, many of which  
20 come out of the public itself and EM Order 60.

21 By the way, this evaluation covered the time  
22 period from December of 2015 to December of 2016. And  
23 obviously I'm not going to go over all the details; it's a  
24 very detailed document. I'll just read more sort of  
25 concluding remarks:

1           "The evaluation concludes that the City of  
2           Lincoln Park has addressed the review team's  
3           findings, it has increased its operational  
4           efficiencies, it's improved its financial  
5           stability, and it's progressing in its  
6           economic development opportunities."

7           The many accomplishments are more detailed in the  
8           report, and among them are the structural operating  
9           deficit in the general fund had been addressed. The city  
10          outperformed year one of the EM's two year budget. The  
11          2016 audit overall fund balance was \$3,465,000. And this  
12          is worth underscoring because the review team noted in its  
13          final report that in fiscal years 2011 through 2013, city  
14          officials depleted a 4.5 million dollar fund balance in  
15          the general fund with, as they called it, "out of control  
16          expenditures." That's been reversed.

17          "The city uses the adopted budget and  
18          amended budget as an effective management  
19          tool. It has adopted a fund balance policy,  
20          20 percent. Lincoln Park made its required  
21          contributions to the pension fund. It's  
22          developed and maintained a six year rolling  
23          capital improvement plan, and a five year  
24          financial and operations plan.

25          And lastly, the operation of the city has

1 an effective and professional city manager.

2 While the City of Lincoln Park still must  
3 deal with legacy costs, the city is in a  
4 significant operational and financial  
5 progress, which puts it in a favorable  
6 position to successfully manage these  
7 challenges going forward.

8 Moreover, other positive conditions exists  
9 within this city that reinforce the decision  
10 for a release from receivership.

11 Therefore, the recommendation is for the  
12 City of Lincoln Park to return to full local  
13 control. If there is concurrence with this,  
14 the RTAB should consider making an official  
15 recommendation today to the Governor to  
16 terminate receivership."

17 Well, let me qualify that. Actually what you'd  
18 be doing is moving this recommendation to return to full  
19 local control, which is contained in the report.

20 That concludes my report, Mr. Chair.

21 MR. BONDS: Than you, very much, and very well  
22 done.

23 The chair will entertain a motion to approve,  
24 deny, or postpone the RTAB evaluation as presented today.

25 MS. THOMAS: So moved.

1 MR. ZECH: Support.

2 MR. BONDS: And support.

3 Now for discussion. Any questions of Patrick?  
4 Any questions of the city?

5 MS. THOMAS: I think overall, I mean, comments,  
6 is that okay?

7 MR. BONDS: Yeah, that's fine.

8 MS. THOMAS: Yeah, just in my experience in  
9 working with several communities, the things that make, or  
10 will allow a city or municipality to remain on a path of  
11 success, it requires you to continue to make solid  
12 decisions, to continue to follow a roadmap of what your  
13 goals and expectations are of the community, and I would  
14 strongly advise or just suggest that the operations and  
15 the decisions that you make relating to the operations  
16 will impact your budget. And I think that staying on a  
17 course where you're challenging and questioning  
18 yourselves, your decisions, your motives, those are the  
19 things that's going to keep Lincoln Park sustainable. The  
20 moment that you deviate from an overarching plan is the  
21 moment that you will be back in a situation where, you  
22 know, you're wondering what happened.

23 So I would just strongly advise that, you know, I  
24 think that all of the things that have been set forth in  
25 this plan, it's very positive. It's nice to see progress.

1 But I would also, you know, urge you to stay focused and  
2 stay the course because deviation from that course can  
3 easily put you back in a situation of distress. I always  
4 say every community is one decision away from a deficit.  
5 It doesn't matter who you are, it doesn't matter how much  
6 money you have in the bank or what your fund balance is;  
7 you're always one decision away. So I would encourage  
8 everyone to make informed decisions, I would encourage  
9 everyone to continue on a course, have a strategic plan,  
10 be reasonable, but also put some faith and trust in the  
11 individuals in this room that have put forth a lot of  
12 effort over the past year or so to make this work.

13 MR. BONDS: Comments? Mr. Dunleavy.

14 MR. DUNLEAVY: Just maybe a comment and a  
15 question.

16 Pat, was there anything in that that maybe  
17 highlights the increase in property values for the period  
18 of time?

19 MR. DOSTINE: Actually there is. It's cited in a  
20 report. I probably won't be able to find it very quickly,  
21 but I believe the city told me they're projecting, the  
22 finance director is projecting a two percent increase in  
23 taxable value in 2017.

24 MR. BONDS: Uh-huh.

25 MR. DUNLEAVY: I don't know if you want to put

1           that in your conclusion, but we'll approve it as is but --

2                   MR. DOSTINE:    Sure.

3                   MR. DUNLEAVY:  -- I think that's something you  
4 might want to just stress because I find what's going to  
5 destroy a city a lot and what's destroyed a lot of  
6 governments is the decrease in property value, and making  
7 sure that you take steps to -- and it seems like they've,  
8 some of the things that we've approved they've already  
9 taken steps to make sure that property values remain high  
10 and that they stay on property owners to maintain their  
11 properties, and especially they even have something to do  
12 with rentals to make sure that the rentals keep their  
13 value up, so.

14                  MR. DOSTINE:    Yep.

15                  MR. DUNLEAVY:  I have no problem with the  
16 document.

17                  MR. BONDS:    Mr. Zech.

18                  MR. ZECH:    I have no problem with the document  
19 either.  I enjoyed working on this project.  I'm -- nice  
20 to see the mayor, and I often -- we often see Councilman  
21 Kelsey at these meetings and others.  I think that Mr.  
22 Coppler is putting together a good administrative team,  
23 and has been given the support to make tough  
24 recommendations and difficult decisions to come before the  
25 council.

1 MR. BONDS: Yes.

2 MR. ZECH: I know it's difficult, and I know the  
3 council has to work through those things too because they  
4 have pressures put on them by the public. But they've  
5 come a long way in 15, 18 months.

6 MR. BONDS: Yes, they have.

7 MR. ZECH: I tip my hat.

8 MR. BONDS: Thank you.

9 Let me just end by saying, for a point of  
10 clarification. We're approving this recommendation. It  
11 still needs to be presented to the Governor for his  
12 approval. Although we don't see any indication of it  
13 going any other way than what's recommended, it still  
14 needs to go to the Governor.

15 But I do want to say this, is that the city  
16 should be commended, and I'll start with the mayor because  
17 the mayor probably has the fortitude to hire Mr. Coppler.  
18 And between Mr. Coppler and Ms. Griggs, we understand the  
19 nature of local government finance, and so you all have  
20 just done a phenomenal job during this process. And I  
21 know it's a collective, you know, which is part of the  
22 team, but you all have just done an outstanding job of  
23 taking, you know, the bull by the horns, so-to-speak, and  
24 guiding your community on a pathway to success.

25 As Ms. Thomas has stated, and Mr. Dunleavy, don't

1 rest on the laurels. Make sure you look at those three  
2 buckets, which are your pension, your infrastructure, and  
3 you day-to-day operations, but most importantly the tax  
4 levies that you have, and use those resources in a very  
5 conservative, cautious manner. So that's all I wanted to  
6 say.

7 So, having said that, all those in favor of  
8 approving Resolution --

9 MR. DUNLEAVY: Did you have a comment?

10 MR. DOSTINE: Well, actually, I just want to make  
11 sure that we will need one more RTAB meeting.

12 MR. BONDS: Yep. Yep. We're aware of that.  
13 We're aware of that.

14 MR. DUNLEAVY: Yes, yes.

15 MR. BONDS: We're giving them all the praise now.  
16 Yes, we've got that.

17 MR. ZECH: I thought he was taking the summer  
18 off.

19 MR. DOSTINE: No, we need you for one more.

20 MR. BONDS: There'll be a meeting to exit is what  
21 Mr. Dostine is referring to.

22 MR. DOSTINE: That's correct.

23 MR. BONDS: So All those in favor of approving  
24 the Resolution as provided, signify by stating aye.

25 MR. ZECH: Aye.

1 MS. THOMAS: Aye.

2 MR. DUNLEAVY: Aye.

3 MR. BONDS: Aye.

4 Any opposed?

5 (No response.)

6 MR. BONDS: Hearing none, motion passes. Thank  
7 you.

8 Next item is the approval of resolutions and  
9 ordinances for city council meeting. The first item is  
10 the resolution from the regular city council meeting of  
11 May 1st, 2017, which is Attachment 3 in your packet.  
12 There were numerous resolutions from this council meeting  
13 that were passed at our last board meeting. The Chair  
14 will entertain a motion to approve the remaining  
15 resolutions from the May 1st, 2017 regular city council  
16 meeting.

17 MR. DUNLEAVY: Move approval.

18 MS. THOMAS: Support.

19 MR. BONDS: Any discussion?

20 And you do, as I mentioned, the one that was  
21 approved at our last meeting was 2017-171. So all those  
22 in favor signify by stating aye.

23 MR. ZECH: Aye.

24 MS. THOMAS: Aye.

25 MR. DUNLEAVY: Aye.

1 MR. BONDS: Aye.

2 No opposed. Motion passes.

3 Resolution 2017-172, which is the amendment of  
4 the EM Order 60, which is the repeal of the promotional  
5 tax. This was discussed and pulled forward at the last  
6 meeting. The board did not take any action, so we're  
7 addressing it under new business as part of a council  
8 meeting that we are reviewing today.

9 Mr. Coppler, can you provide us a summary?  
10 Although you did at the last meeting.

11 MR. COPPLER: Sure. I have no problem.

12 So during the budget process, city council  
13 decided that they would like to relinquish the promotional  
14 tax that the city has been applying to the residents for  
15 the last, I think since 2013 if I'm not mistaken. That  
16 particular fund pays for a number of different promotional  
17 items related to the website, to the concert series, to  
18 promoting recreational opportunities within the city, and  
19 it levies per the state order or the state statute \$50,000  
20 per year. We've been spending, at least this past year I  
21 think we budgeted up to about \$48,000, and I don't think  
22 we'll spend all that.

23 Prior to this past year the city really hadn't  
24 spent any of it. There's approximately \$109,000 in the  
25 fund balance for that. And so through, you know, looking

1 at how we're spending it, making sure that the  
2 expenditures are worthy and necessary, we feel that we  
3 could probably run the \$109,000 out at least two more  
4 years. And so I don't think it's going to be a dramatic  
5 impact on the budget if this is approved. Again, I think  
6 some of the things could easily be taken up within the  
7 general fund in future years, but again, the city always  
8 has that option should the need be to once again reinstate  
9 that particular tax if so desired.

10 MR. BONDS: Okay. Any questions of Mr. Coppler?

11 (No response.)

12 MR. BONDS: Okay, hearing none, all those in  
13 favor of approving the Resolution as provided, Resolution  
14 2017-172, signify by stating aye.

15 MR. ZECH: Aye.

16 MS. THOMAS: Aye.

17 MR. DUNLEAVY: Aye.

18 MR. BONDS: Aye.

19 No, opposed. Motion passes.

20 Thank you, Mr. Coppler.

21 MR. COPPLER: Thank you.

22 MR. BONDS: Resolution 2017-173, which is the  
23 budget amendment for the police and fire pension. In your  
24 packets, this is Attachment 4b as in boy.

25 Mr. Coppler, would you provide a summary of this

1 item to the board, please?

2 MR. COPPLER: Sure.

3 If you remember, one of the things that was not  
4 included in the current year budget was the full ARC for  
5 the police and fire pension. When we had talked about way  
6 back when with the budget, this was actually a number that  
7 we hadn't received yet from the pension system to know, so  
8 we budgeted effectively what the EM had put in the budget  
9 for that particular expenditure. It was about I think  
10 \$565,000 short of what the ARC required. Much like we did  
11 the previous year, if you remember we didn't make full  
12 payments during the budget. Towards the end once we saw  
13 where the general fund was going to end up, we then, you  
14 know, felt comfortable making it. Again, this year we  
15 feel comfortable with the collections from the court as  
16 well as where we're at expenditure-wise, that we're going  
17 to exceed what our goal was at the end of the year for the  
18 fund balance, so we feel comfortable making this  
19 recommendation to go ahead and make the appropriation and  
20 make the payment before the end of the fiscal year.

21 MR. BONDS: All right. Chair will entertain a  
22 motion to approve, deny, or postpone the recommendation to  
23 the state treasurer to amend the FY '17 budget.

24 MR. ZECH: I'll make that motion.

25 MR. BONDS: Because this will require an

1 amendment.

2 MR. ZECH: I'll make that motion.

3 MR. DUNLEAVY: Second.

4 MR. BONDS: And supported.

5 Is there any discussion on this?

6 MR. ZECH: Just one. So if the amendment calls  
7 for the city to pay an additional \$560,000 you said?

8 MR. COPPLER: Yeah, I think the total impact to  
9 the general fund is \$565,893.00.

10 MR. BONDS: That's on the second page there.

11 MR. COPPLER: So that gets us to that ARC amount  
12 that we're supposed to have, which is roughly 6 million  
13 dollars.

14 MR. ZECH: Thank you.

15 MR. BONDS: Okay.

16 MR. ZECH: Oh, there it is.

17 MR. BONDS: All those in favor signify by stating  
18 aye.

19 MR. ZECH: Aye.

20 MS. THOMAS: Aye.

21 MR. DUNLEAVY: Aye.

22 MR. BONDS: Aye.

23 Motion passes.

24 While the next is the city manager's items, which  
25 are Attachment 5 in your packet -- excuse me -- Items 1

1 through 6, while action on Items 1 through 6 occurred  
2 during a council meeting outside of the normal review for  
3 today's meeting, the city manager is requesting to bring  
4 them forward for early review. All of these items have  
5 been approved by the city council at their June 5th  
6 council meeting. The first item is Resolution 2017-193,  
7 which is the FY '17/'18 budget and mileage rates.

8 Mr. Coppler, please.

9 MR. COPPLER: So as I mentioned, mayor and  
10 council acted up on the budget for fiscal year 2017/'18.  
11 I'm happy to report that it is a balanced budget. It, you  
12 know, unfortunately doesn't accomplish all the needs of  
13 the city, but again, we're not financially fit right now  
14 to be able to accomplish all the needs of the city. But  
15 what it does do is put us again, continuously I should  
16 say, on that track that we've started this past year. In  
17 total, the general fund is looking to raise about  
18 \$23,328,655, and the appropriation requests matches that  
19 as well.

20 A lot of things are going on within it. We do  
21 fully fund both pension ARCs within this budget. We also  
22 are able to contribute money towards capital projects that  
23 are necessary to keep operations going forward. Just to  
24 kind of reiterate something that we talked about in terms  
25 of how we appropriated this year versus previous years,

1           you know, we weren't really comfortable, at least I wasn't  
2           comfortable with what is the watermark or water level for  
3           the court fees that we have been taking in. And the plan  
4           was to try to establish what we thought was going to be an  
5           ongoing number that operationally we wouldn't count on any  
6           more money, and that additional money be put towards  
7           capital projects. So if for whatever reason we see a  
8           downturn, it's not going to impact our operation; we just  
9           get rid of some of the capital expenditure. And so that's  
10          what we've lived up to with this. You know, that number  
11          is somewhere around 3.3, 3.4 million is where I decided  
12          that that waterline was. And so with that, we're  
13          committing about \$600,000 towards the capital that, if for  
14          whatever reason next year it looks like that is going to  
15          start going down, we just reduce the capital expenditure.  
16          Not the best way to go about it, but again, what we're  
17          trying to do is ensure that we have an operational  
18          stability from year to year so we don't have to mess with  
19          the levels of services that we're providing.

20                 Needless to say, to pull this off is this is  
21                 going to be a little bit tighter than what it was the  
22                 first year, definitely a little bit tighter than it was  
23                 this year, but I still think that what our requirements  
24                 that we set internally and what the EM had put forward is  
25                 about \$300,000 ultimately going back into the general fund

1 operation, or general fund undesignated fund balance.

2 MR. BONDS: I have some questions on this.

3 MR. COPPLER: We do, within the water and sewer,  
4 again continue our commitment to the capital improvements.  
5 We did adjust rates on an average of about 9 percent.  
6 We've been realigning how we charge people on that, and  
7 there are capital components to the water and sewer rates  
8 that now are lining up with our actual water/sewer capital  
9 requirements as well. So the money coming in on those are  
10 actually going into the capital, so we have a stable fund  
11 that we know that we're going to be getting this much  
12 every year and being able to spend it out.

13 There is a large commitment being made both in  
14 the sewer lines as well as the storm sewer lines. We have  
15 a SAW Grant from the state that there's a considerable  
16 push in the upcoming year to do that, which we think  
17 ultimately is going to reduce, one, our costs for  
18 wastewater treatment, but also improve the level of  
19 services that we have with the residents, and what you  
20 don't see within this is the start of the water side of  
21 all that mix where we're going to be doing some reviews of  
22 how the water system is running, and find out where the  
23 leaks are that we, you know, we definitely know are out  
24 there. So there's a lot this upcoming year in trying to  
25 start fixing those infrastructure problems.

1                   We commit, again, about a little over 1.3 million  
2                   in roads. We're actually able in the sanitation fund,  
3                   which is our trash fund, to actually give a rebate back to  
4                   the residents this year of about \$5.11 per quarter  
5                   because, again, we've met our requirements for the fund  
6                   balance and make sure operationally we can pay for what  
7                   we're doing, and so we can give back a little bit to the  
8                   residents on that.

9                   MR. BONDS: Okay. The Chair will entertain a  
10                  motion to approve, deny, or postpone Resolution 2017-193,  
11                  which is the FY '17/'18 budget and millage rates.

12                 MR. ZECH: So moved.

13                 MS. THOMAS: Support.

14                 MR. BONDS: And supported.

15                 Discussion?

16                 Yes, I have a couple questions.

17                 MR. COPPLER: Sure.

18                 MR. BONDS: Can you let us know under your  
19                  capital improvement plan, what are the top three items  
20                  that the city will be investing in for this budget, for  
21                  the FY '17/'18 budget?

22                 MR. COPPLER: Yeah, the three big ones are of  
23                  course our roads. I said we're putting about 1.35 million  
24                  dollars into the capital fund for road replacement.

25                 MR. BONDS: Okay.

1                   MR. COPPLER:  Second is, you know, and I guess  
2                   I'm going to lump these together --

3                   MR. BONDS:  Sure.

4                   MR. COPPLER:  -- but it's the water and sewer  
5                   infrastructure.

6                   MR. BONDS:  Okay.

7                   MR. COPPLER:  I want to say we have a little bit  
8                   over a million dollars budgeted to do line replacement and  
9                   improvements.  We received a grant, which you might  
10                  remember from the treasury for a waterline which, you  
11                  know, increases that amount going forward as well.

12                  MR. BONDS:  Okay.

13                  MR. COPPLER:  And I think the third biggest item  
14                  within there is in our facilities.  We have a large  
15                  commitment to going into the facilities this year that  
16                  will, again, stabilize what we have.  You know, we're  
17                  doing projects on roofs, both the police department and at  
18                  our recreation center.  We got grants, money from HUD for  
19                  CDBG going into our senior center building that again has  
20                  a number of issues, so.

21                  MR. BONDS:  Okay.

22                  MR. COPPLER:  So there are a lot of facility  
23                  improvements going on --

24                  MR. BONDS:  Great.  Good to hear that.

25                  MR. COPPLER:  -- to stabilize it.

1           MR. BONDS: The second follow-up on that is you  
2 talked about some of your revenue adjustments, and kind of  
3 looking at your benchmarking of the court fees. Were  
4 there any other areas where to get that balanced budget  
5 you had to look at that from a serious angle of adjusting  
6 those potential revenue markers?

7           MR. COPPLER: Not really. You know, we have seen  
8 an uptick in the building fees, and again, I think that's  
9 kind of reflective of what we started to see that people  
10 are starting to reinvest in their houses and businesses  
11 again, and so the previous year I want to say those fees  
12 were right around \$800,000; that included rental fees.  
13 You know, all the different types of registrations that we  
14 have as well. The upcoming year we are making a renewed  
15 commitment, both with the company right now that's  
16 responsible, as well as looking at some internal in-house  
17 abilities to increase the rental enforcement. And so you  
18 see a little bit of an uptick there in this upcoming year  
19 for revenue collections on that side because, and I'm not  
20 trying to get too far into the weeds, but you know, we  
21 felt, or at least I felt, that there's probably about  
22 1,000 rentals that we are not capturing at this point at a  
23 minimum. I mean, if you just looked at what the census  
24 says is the number of rentals, and you look at the number  
25 that we have registered, there's a big difference. And

1 again, you know, you have to take some of that out for  
2 changing hands that, you know, used to be a rental, now  
3 it's owner occupied, but I think it's at a minimum of  
4 about 1,000. And so that's \$150 to \$250 per rental.

5 MR. BONDS: Okay.

6 MR. COPPLER: So when you start seeing that those  
7 numbers tend to go up.

8 MR. BONDS: Great.

9 MR. COPPLER: And then just on the average year,  
10 the number that expire as well, I think there's about 632  
11 or something like that --

12 MR. BONDS: Okay.

13 MR. COPPLER: -- rentals that expire in the  
14 upcoming year. So when you start doing the math, you  
15 know, it starts working out that our projections are  
16 pretty decent, and probably, as always, more conservative  
17 than not.

18 MR. BONDS: Great.

19 And I apologize, I have one more question and  
20 then I'll turn it over to the other board members. Where  
21 is the city right now with its community development  
22 readiness status?

23 Because I know that \$50,000, although it is not  
24 going to affect that, I believe the EM had it in his  
25 intent that it would be part of that process of getting

1 the city ready for that designation through the MEDC.

2 MR. COPPLER: So we've been doing a lot of,  
3 probably over the last year a lot of things behind the  
4 scenes that are going to be actually providing greater  
5 movement in the upcoming year. So, you know, our economic  
6 development person, the EDA director, has been getting the  
7 training that is required to be a part of that program,  
8 and so I think he's completed all the training necessary.  
9 In this budget that we have before you, we have the update  
10 to the master plan in there as well.

11 MR. BONDS: Okay.

12 MR. COPPLER: And we've already begun in the  
13 development projects that we've already started working  
14 on, we've been making a lot of notes on the changes to  
15 then zoning code --

16 MR. BONDS: Okay.

17 MR. COPPLER: -- that's going to come after the  
18 master plan.

19 MR. BONDS: Great.

20 MR. COPPLER: So, you know, once this budget is  
21 adopted, we'll go out and do an RFP for a company to help  
22 us with that. That'll take throughout most of the fall  
23 and probably into the winter to get that finalized, which  
24 will lead us right into the budget, you know, the next  
25 budget, which then we'll budget for the changes to the

1 zoning code that may be a little bit more expensive than  
2 just us fixing them. I think there's, you know, been  
3 signs and parking, and actually looking at our districts  
4 that we have and maybe realigning them a little bit to  
5 reflect what is going to be there, not what, you know, 20  
6 years ago they wanted to be there.

7 MR. BONDS: Right.

8 MR. COPPLER: You know, it's going to take a few  
9 dollars to do that.

10 MR. BONDS: Great. Good report. Thank you.

11 Any other questions of the board?

12 (No response.)

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

15 MR. ZECH: Aye.

16 MS. THOMAS: Aye.

17 MR. DUNLEAVY: Aye.

18 MR. BONDS: Aye.

19 And no opposed. Motion passes.

20 Next item is the approval of Resolution 2017-197,  
21 which is the collective bargaining agreement for TPOAM  
22 Clerical, which is Attachment 5b as in boy in your  
23 packets.

24 And Mr. Coppler, a summary, please.

25 MR. COPPLER: And just to streamline this so I

1 don't talk about all of them, because they all kind of  
2 follow the same pattern, you know, what we tried to do,  
3 one is to stabilize the employee workforce. In, not  
4 necessarily in these first two, but throughout the --  
5 we've had a retainment as well as recruitment issue within  
6 the city's workforce. Just for example, and it's actually  
7 in the FOP contract, in this fiscal year alone we've lost  
8 I think it's almost 19 percent of our police officers in  
9 that particular bargaining unit, primarily going to other  
10 communities to make more money.

11 So we looked throughout all the collective  
12 bargaining agreements and said, okay, let's try to do  
13 adjustments that, one, financially make sense over the  
14 next three to four years, but also, you know, provide us a  
15 little bit better opportunity to recruit as well as retain  
16 the employees that we think are worthwhile. And although  
17 not to that same extent of, you know, nearly 20 percent,  
18 or 19, you know, we've experienced loss of a number of  
19 good employees throughout the city's organization. And so  
20 we made an effort to try to adjust the starting wages in  
21 the middle and the lower ranking or lower experience  
22 levels throughout all of the contracts. The second thing  
23 we tried to do was to strengthen our pension fund, and we  
24 had met with the pension, the operators of the pension  
25 fund systems and talked about what could we do through

1 collective bargaining that would help stabilize and  
2 actually help grow the pensions against, and it ended up  
3 being that, you know, we had to get a higher commitment  
4 from the employees to put into the pension system so we  
5 can build the money going into the pension system, as well  
6 as start reducing the annuity withdrawal that the city  
7 allows retirees to take.

8 Just so you can see, if you remember our  
9 discussions about the police and fire pension a number of  
10 months ago, one of the things that led to it being where  
11 it is is during the outflow of employees that happened in  
12 2004/2005, and again I think it was 2012/2013, you know,  
13 the city lost over 7 million dollars of value because they  
14 were able to withdraw that. And so we, you know, can't  
15 negotiate out everything. We reduced the amount of years  
16 that annuity would be able to be taken, and we think that  
17 that alone is going to add in value somewhere between  
18 \$50,000 to \$125,000 a year in value for the ARC. And so,  
19 again, and dollar we can keep in the pension for any  
20 length of time is going to have a large value to the  
21 pension overall. And I think when you see, if you're  
22 around, if you look at next year's actuarials for both  
23 pension funds, when these things are taken into  
24 consideration, I think you're going to see healthier funds  
25 once again.

1           There's still more work that has to be done, you  
2 know, the city is doing things that we've talked about to  
3 operationally make it more -- you know, get more bang for  
4 the dollar that we're investing, but there's going to be a  
5 delta that we're going to have to get from somewhere to  
6 make them as healthy.

7           MR. BONDS: Okay.

8           MR. COPPLER: And so, you know, those are really  
9 the two big things that we tried to do. And then, you  
10 know, the third is look at some of the language that's  
11 there that operationally may cause, you know, a little bit  
12 more cost within the system and trying to address that.  
13 But we tried to keep it simple, tried to keep it, you  
14 know, the length of the contracts between two to four  
15 years. You'll see throughout all these there's some that  
16 are two, some that are four. So we don't have to  
17 negotiate all six, seven of them at the same time because  
18 that's a nightmare.

19          MR. BONDS: Yeah.

20          Okay, the Chair will entertain a motion to  
21 approve, deny, or postpone Resolution 2017-197, which is  
22 the collective bargaining agreement for the Lincoln Park  
23 Technical, Professional, Office Workers Association of  
24 Michigan.

25          MR. ZECH: So moved.

1 MS. THOMAS: Support.

2 MR. BONDS: And support.

3 Any further discussion?

4 Yes, sir, Mr. Zech.

5 MR. ZECH: Thank you.

6 One question. What is hybrid member of your  
7 pension program? On page three I just --

8 MR. COPPLER: So they're going to be getting  
9 actually two parts to their pension: one is I think the  
10 traditional kind of defined benefit portion; the other is  
11 a more like 457 DC, a defined contribution.

12 MR. ZECH: Okay, so some are strictly defined  
13 benefit, and some of your employees are hybrid? They're  
14 in both programs?

15 MR. COPPLER: Yeah, there's -- yeah.

16 MR. ZECH: That's what I thought but I wasn't  
17 sure. And I notice that throughout these agreements --

18 MR. COPPLER: Yeah, those are all municipal --

19 MR. ZECH: -- you're asking us to approve --

20 MR. COPPLER: Yeah, and the municipal employees  
21 is, you know, there's no hybrids for the police and fire;  
22 it's all municipal employee.

23 MR. ZECH: Thank you.

24 MR. BONDS: Any further discussion?

25 (No response.)

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

3 MR. ZECH: Aye.

4 MS. THOMAS: Aye.

5 MR. DUNLEAVY: Aye.

6 MR. BONDS: Aye.

7 No opposed. Motion passes.

8 Next item is approval of Resolution 2017-198,  
9 which is the collective bargaining agreement for the  
10 Lincoln Park Police Command Officers Association.

11 MR. DUNLEAVY: Move approval.

12 MR. BONDS: It's been moved.

13 MS. THOMAS: Second.

14 MR. BONDS: And second.

15 Any discussion?

16 (No response.)

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

19 MR. ZECH: Aye.

20 MS. THOMAS: Aye.

21 MR. DUNLEAVY: Aye.

22 MR. BONDS: Aye.

23 Motion passed.

24 Next item is Resolution 2017-199, which is the  
25 collective bargaining agreement for Governmental Employees

1 Labor Council.

2 MR. DUNLEAVY: Move approval.

3 MS. THOMAS: Second.

4 MR. BONDS: It's been properly moved and  
5 seconded. Any discussion?

6 (No response.)

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

9 MR. ZECH: Aye.

10 MS. THOMAS: Aye.

11 MR. DUNLEAVY: Aye.

12 MR. BONDS: Aye.

13 Motion passed.

14 Next item is the approval of Resolution 2017-200,  
15 which award the three year contract to Bank of America,  
16 Merrill Lynch for banking services, which is Attachment 5e  
17 in your packet.

18 MR. ZECH: I'll make that motion.

19 MR. BONDS: Motion has been made to approve. Is  
20 there a second?

21 MR. DUNLEAVY: Second.

22 MR. BONDS: And second.

23 Any discussion?

24 MR. ZECH: Mr. Chairman?

25 MR. BONDS: Yes, sir?

1                   MR. ZECH: I'm just curious as to how did you  
2                   come to this --

3                   MR. BONDS: Mr. Coppler.

4                   MR. COPPLER: I'm going to ask our director of  
5                   finance and operations to come up because she handled that  
6                   with our city treasurer.

7                   MR. BONDS: Ms. Griggs. Thank you.

8                   MS. GRIGGS: Yeah, so we received three bids from  
9                   various banking services, and we reviewed things like the  
10                  analysis fees that they charge monthly for all of the  
11                  different items, as well as the interest earnings.  
12                  Overall Bank of America came in slightly better. There  
13                  was one that was very close as well, but Bank of America  
14                  is our current provider as well, so it didn't justify  
15                  switching banks. There was not enough savings with the  
16                  other ones, and actually we come out a little bit ahead  
17                  with this. So they did reduce some of the fees that we're  
18                  currently paying in our monthly charges.

19                  MR. ZECH: That's the magic words; they reduced  
20                  their fees.

21                  MS. GRIGGS: No -- no, not for the pension. This  
22                  is just for city banking.

23                  MR. ZECH: I understand.

24                  MS. GRIGGS: Yeah. Pension handles all of their  
25                  own separate.

1 MR. BONDS: Okay. Any further discussion?

2 (No response.)

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

5 MR. ZECH: Aye.

6 MS. THOMAS: Aye.

7 MR. DUNLEAVY: Aye.

8 MR. BONDS: Aye.

9 Motion passes with no opposition.

10 Next item is Resolution 2017-201, which is award  
11 of a three year contract to Plante Moran for auditing  
12 services.

13 MR. DUNLEAVY: Move approval.

14 MR. BONDS: It's been moved for approval. Is  
15 there a second?

16 MR. ZECH: Support.

17 MR. BONDS: And there's support. Any discussion?

18 MR. DUNLEAVY: Just a quick discussion.

19 MR. BONDS: Yes, sir, Mr. Dunleavy.

20 MR. DUNLEAVY: Anybody else bid on it?

21 MR. COPPLER: We'll have our director of finance  
22 and operations handle that.

23 MS. GRIGGS: So there was four firms total.

24 MR. DUNLEAVY: Who were the other firms?

25 MS. GRIGGS: The Raymond Group. Yeo & Yeo I

1 think is how you say that. And Clark Schaefer.

2 MR. DUNLEAVY: Okay.

3 MS. GRIGGS: I think they're out of Toledo. I'm  
4 not sure if I got their names exactly right. As well as  
5 Plante Moran.

6 MS. THOMAS: I have a -- I was going to say --

7 MR. DUNLEAVY: Was this the lowest bid or --

8 MS. GRIGGS: Well, it --

9 MR. DUNLEAVY: -- or the best qualified?

10 MS. GRIGGS: Best qualified. All of the firms  
11 bid the proposals a little bit different as far as hours  
12 go, so what we had to do is do an analysis of comparative  
13 hours, so we reviewed everybody's hours and made them the  
14 same, along with the hourly fees to see where they came  
15 in. If it was just the base audit along with the single  
16 audit, Plante Moran was about \$3,000 higher. But, because  
17 we do generally require some additional hours, when you  
18 add in some of those hours, their hourly rate was lower,  
19 so then they come in lower.

20 MR. DUNLEAVY: Okay.

21 MS. GRIGGS: So it's all going to depend on where  
22 we end up, but they were within the ballpark. There was  
23 two of the firms that were quite a bit higher, so it  
24 really came down to two in the end.

25 MS. THOMAS: I have a question regarding those

1 hours, because in my experience it's not so much the base  
2 of the audit, it's those additional charges that happen  
3 and occur when there may be prior period adjustments or  
4 whatnot. So my first question is is what was the base  
5 rate prior with Plante Moran, and how much did we actually  
6 I guess get charged in additional hours for that  
7 additional work?

8 MS. GRIGGS: For the previous years?

9 MS. THOMAS: Yeah, just out of curiosity. And  
10 where do you anticipate that panning out?

11 Because although, you know, sixty-three sounds  
12 reasonable, but if you have 30,000 in additional charges  
13 in fees for different services or work that's being done  
14 to the audit, it's going to put you back at a pretty high  
15 number.

16 MS. GRIGGS: Right. Right.

17 MS. THOMAS: And I know that it was a little bit  
18 higher last year. So I guess I would like to understand  
19 how you're going to mitigate that in the future, but also  
20 get an understanding of what those additional hourly rates  
21 or charges would be.

22 MS. GRIGGS: Right. So last year there was close  
23 to 30,000 I believe in overage. I don't know exactly what  
24 the hours equate to for that. And their base fee this  
25 year includes, or for the proposal for the three years is

1           about 425 hours is what it's estimated at. So we know  
2           we've got some work to do on our end. We do have  
3           additional staff now that's helping to alleviate some of  
4           the overages that were there in the past, so we're working  
5           along with them. The plan is to work with them ahead of  
6           time and make sure that we have all of those things in  
7           line to reduce those hours. I think the first year there  
8           will still be some, but our goal is to make that much  
9           lower than it has been in the past.

10           MS. THOMAS: And I guess, again, and my question  
11           is -- I guess I'm -- I'm trying to better understand,  
12           because 30,000 is a lot. It's a significant number.

13           MS. GRIGGS: Uh-huh.

14           MS. THOMAS: And my question is is, you know,  
15           with some of the other firms, were they able to provide a  
16           better approach that didn't require as many hours?

17           I mean, because I guess that 30,000 is hefty, and  
18           that is unusual; you know, I will say that in my  
19           experience it's a bit unusual for an audit of this size,  
20           and I guess I'm just a little concerned because --

21           MS. GRIGGS: Right.

22           MS. THOMAS: -- again, that's a hefty number, and  
23           I know you have additional staff and support, but given  
24           that they've been with you for over 30 years, I would  
25           anticipate that there have been some efficiencies over 30

1 years.

2 MS. GRIGGS: Right.

3 MS. THOMAS: So I guess I'm just trying to  
4 understand the logic there. I don't know if that makes  
5 sense, but I'm just trying to sort through that, because I  
6 don't -- I'm having a hard time understanding that logic.

7 MS. GRIGGS: As far -- well, one of the things I  
8 think as time has gone on and staff has gone down, if you  
9 -- I don't have that in front of me, but if you look at  
10 traditionally the journal entries have crept up as staff  
11 has gone down. And then I think sometimes there's just a  
12 reliance on our part where we know if we don't get it  
13 done, you know, we've got that little bit of reliance, but  
14 we've already started to put things in place internally to  
15 help alleviate that.

16 MS. THOMAS: Okay.

17 MS. GRIGGS: I don't know if I answered your  
18 question.

19 MR. BONDS: Any other discussion?

20 MS. THOMAS: Yes, I -- I do get it, but I am  
21 still concerned about those hours. I think that 30,000 is  
22 -- that's huge. That is more than half, or just about  
23 half of what you're paying and, you know, you budget the  
24 sixty-three, and you know, the question is are you  
25 budgeting more; how much more are you budgeting over that

1           sixty-three, because if it comes in at thirty as what it  
2           has been in the past, you're already thirty grand over  
3           budget.

4                   MS. GRIGGS: Right.

5                   MR. BONDS: Mr. Zech.

6                   MR. ZECH: Thank you, Mr. Chair.

7                   You've indicated you've been able to add some  
8           staff in the finance area?

9                   MS. GRIGGS: Yes.

10                  MR. ZECH: Full or part-time?

11                  MS. GRIGGS: Full-time.

12                  MR. ZECH: Full-time. And the people that you're  
13           able to hire come with experience in terms of, are they  
14           kind of entry level employees, or are they more seasoned  
15           so that they could actually help with some of those  
16           journal entries and other things so you don't have to rely  
17           on your auditor to do that part of the job --

18                  MS. GRIGGS: Right.

19                  MR. ZECH: -- plus do the audit.

20                  MS. GRIGGS: Yeah, so they are going to help in  
21           that area, but the main goal is that, for instance, my  
22           assistant who would normally be helping prepare audit  
23           schedules and do those entries was doing accounts payable  
24           last year as well as water billing. So we have a full-  
25           time -- we've added full-time in both water and finance so

1           that she's more available to actually do what her prime  
2           role is and, you know, assist in those things that we were  
3           not able to get to.

4                   MR. ZECH:   Because I share Ms. Thomas' concern.

5                   MS. GRIGGS:  Uh-huh.

6                   MR. ZECH:  If the budget is 60,000 or 63,000 and  
7           you've got \$30,000 in additional charges, but your goal it  
8           seems that you are devoting people to be able to do the  
9           work so that the auditors don't have to do it.

10                   MS. GRIGGS:  Right, and we're --

11                   MR. ZECH:  Over and above just doing the audit.

12                   MS. GRIGGS:  Right, because we've already spoke  
13           with them about it as well.  So we're going to meet with  
14           them ahead of time and get things, you know, have  
15           deadlines that are well ahead of the audit so that if  
16           there are things that come up before then, there's still  
17           time to get those done on our end.

18                   MR. ZECH:  Prior to the EM, did you have, for  
19           instance, a clerk or someone that did the water billing  
20           and someone who did this sort of thing, and then your  
21           staff was significantly reduced because of the situation?

22                   MS. GRIGGS:  The reductions --

23                   MR. ZECH:  And so you're kind of --

24                   MS. GRIGGS:  -- actually started prior to the EM  
25           coming in both water and finance.  Some of those employees

1 that were traditionally full-time went down to part-time.  
2 There's a lot of turnover throughout the years. So it  
3 goes back probably a good five to six years where that  
4 staff started to reduce.

5 MR. ZECH: Are you closer to sort of what you  
6 used to have in terms of staff than -- or are you still a  
7 little below what you used to have in the way of staff, or  
8 are you above what you used to have some years ago?

9 MS. GRIGGS: We're definitely not above. We're  
10 still below what we were at one point in time, but that  
11 goes back closer to ten years. So we are now back to  
12 where we were about five or six years ago.

13 MR. ZECH: Okay, thank you.

14 MS. GRIGGS: You're welcome.

15 MR. BONDS: Thank you.

16 MR. COPPLER: And if I could add?

17 MR. BONDS: Yes, sir.

18 MR. COPPLER: You know, as we looked at this  
19 situation, and I know that Ms. Thomas and I have talked  
20 about that particular overage and what the audit is  
21 costing, you know, we have two choices: we can either try  
22 to bring in a higher level staff, or we can use the higher  
23 level staff we have to do the higher level thing that  
24 we're paying them to do. You know, when staffing was  
25 reduced, they started doing multiple things. And so as we

1 looked at it, if we get the basic pieces taken care of, a  
2 lot of those issues that were developing over time that  
3 ultimately the auditors came in and fixed for us can be  
4 fixed by the people that we're paying a lot more money to.  
5 And quite frankly, you know, we're just financially not in  
6 the marketplace to get that more midlevel experience,  
7 knowledgeable, financial person, where I think we're set  
8 up well to get the lower level that could do those tasks  
9 that, again, both the finance director and the deputy have  
10 been doing.

11 So we'll be spending money the way it should be  
12 spent on a higher level task with higher level people, and  
13 a lot of the more labor-intensive work will be done by the  
14 lower level individuals that we're bringing on who we can  
15 afford. So it was, you know, that kind of decision that  
16 was made to do that. It's not optimal, not the way that I  
17 would like to do it, but I understand financially that's  
18 the best option that the city had at its disposal.

19 MS. THOMAS: I just have a quick question. So  
20 just for clarification though, so what we have budgeted is  
21 63,000 or are you factoring in that cushion of those  
22 additional hours --

23 MR. COPPLER: Yeah.

24 MS. THOMAS: -- that you anticipate?

25 MR. COPPLER: Do you remember what the number

1 was?

2 Yeah, I think it was about 80,000 is what in  
3 total was budgeted throughout the different funds.

4 MS. THOMAS: Okay.

5 MR. BONDS: Okay.

6 MR. COPPLER: You know, my hope, as well I as I  
7 think the desire of our staff is that, you know, we're not  
8 going to be spending that amount of money, but as Ms.  
9 Griggs said, you know, there's no doubt there's going to  
10 be some again this year. I mean, we know that there's  
11 going to be some. But we think it's going to be a lot  
12 better than what we did, you know, the way we performed  
13 this past year.

14 MR. BONDS: Any further discussion?

15 (No response.)

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

18 MR. ZECH: Aye.

19 MS. THOMAS: Aye.

20 MR. DUNLEAVY: Aye.

21 MR. BONDS: Aye.

22 Motion passes.

23 Alrighty. Items 7 through 8. While action on  
24 Items 7 through 8 occurred during a council meeting  
25 outside the normal review for today's board meeting, the

1 city manager is requesting to bring them forward for early  
2 review.

3 I need to make sure, and I just want to confirm,  
4 these were approved at the June 19th council meeting?

5 MR. COPPLER: Yes. Yes.

6 MR. BONDS: Okay. All right.

7 MR. COPPLER: I'll look at them real quick just  
8 to make sure. Yep, 12 and 13.

9 MR. BONDS: All right.

10 MR. ZECH: So just last night?

11 MR. COPPLER: Yes.

12 MR. BONDS: Yeah, these are some fast  
13 turnarounds. I need to make sure of a couple things. The  
14 first item is Resolution 2017, but I don't have the  
15 number. This is the collective bargaining agreement for  
16 the FOPLC agreement.

17 MR. COPPLER: It's 212. I mean of the three  
18 resolutions I gave to you --

19 MR. BONDS: The original one.

20 MR. COPPLER: -- that'd be the first one, yes.

21 MR. BONDS: Okay. Thank you very much. And Mr.  
22 Coppler, I don't know if we need a summary because I think  
23 we've read it. So the Chair will entertain a motion to  
24 approve or deny Resolution 2017-212, which is a collective  
25 bargaining agreement for FOPLC.

1 MR. DUNLEAVY: Move approval.

2 MR. BONDS: It's been moved. Is there a second?

3 MS. THOMAS: Second.

4 MR. BONDS: Any discussion?

5 Is there anything you want to add? We see the  
6 impact statement.

7 MR. COPPLER: Yeah.

8 MR. BONDS: Any questions of the board?

9 (No response.)

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

12 MR. ZECH: Aye.

13 MS. THOMAS: Aye.

14 MR. DUNLEAVY: Aye.

15 MR. BONDS: Aye.

16 Motion passes.

17 Next item will be Resolution 2017-213, which is  
18 the collective bargaining agreement for the TPOAM-Fields.  
19 Chair will entertain a motion to approve, deny, or  
20 postpone Resolution 2017-213 for the collective bargaining  
21 agreement for TPOAM-Fields.

22 MR. ZECH: So moved.

23 MR. BONDS: It's been moved. Is there a second?

24 MR. DUNLEAVY: Second.

25 MR. BONDS: Any discussion?

1                   Yes, sir, Mr. Dunleavy?

2                   MR. DUNLEAVY: Just on the bottom here it shows  
3 the same people voting yes who voted no and who abstained.  
4 Is that -- I'm sure it's a typo.

5                   MS. THOMAS: Right here.

6                   MR. BONDS: Yeah. We're trying to understand,  
7 the question is on the city's Resolutions you've got the  
8 same people are voting yes and the same people voting no.  
9 Is that a --

10                  MS. THOMAS: And abstaining.

11                  MR. BONDS: And abstaining. Is that negating the  
12 Resolution? How does that -- how is this --

13                  MR. DUNLEAVY: I think it's probably a typo, but  
14 -- I assume.

15                  MR. COPPLER: Which -- I -- I am not quite --

16                  MR. BONDS: The actual Resolution --

17                  MR. COPPLER: Yeah, I'm looking at it. What --

18                  MR. DUNLEAVY: On the bottom here, on the bottom  
19 page.

20                  MR. ZECH: Below the black line.

21                  MR. DUNLEAVY: It says who voted yes --

22                  MR. ZECH: Yes, no, and abstain.

23                  MR. DUNLEAVY: -- who voted no, and who  
24 abstained.

25                  MR. COPPLER: Okay, so yeah, so what that --

1 MR. DUNLEAVY: They're all the same.

2 MR. COPPLER: Yeah, that is the Resolution that  
3 we prepared going into the meeting.

4 MR. DUNLEAVY: Oh.

5 MR. COPPLER: And so when you get the certified,  
6 which is what I handed out earlier today --

7 MR. DUNLEAVY: Okay, I didn't see it.

8 MR. COPPLER: -- the certified actually shows  
9 what the vote was on that. That's just kind of the  
10 template we use --

11 MR. ZECH: Boilerplate.

12 MR. COPPLER: -- so the clerk can follow along  
13 and take roll call.

14 MR. DUNLEAVY: I apologize. I don't have a copy  
15 of that.

16 MS. THOMAS: Yeah, I don't either.

17 MR. ZECH: Do you want it? Here you go Brenden.  
18 Pass this down to Brenden.

19 MS. THOMAS: Oh, I have it, too.

20 MR. DUNLEAVY: Fantastic.

21 MR. BONDS: Okay.

22 MR. DUNLEAVY: Thank you.

23 MS. THOMAS: This one doesn't have the names --

24 MR. BONDS: Yeah, there we go. Yeah. Good  
25 catch.

1 MR. COPPLER: Yeah, so when I --

2 MR. DUNLEAVY: I was kind of interested if  
3 anybody voted no.

4 MR. COPPLER: But I put the packet together if  
5 they hadn't voted on it yet --

6 MR. DUNLEAVY: That's fine.

7 MR. COPPLER: -- you'll get the template that  
8 shows the --

9 MR. DUNLEAVY: I just wanted to see --

10 MR. COPPLER: -- pre-council.

11 MR. DUNLEAVY: -- if anybody voted no, or if  
12 there was a close call.

13 MR. COPPLER: There was only one person absent at  
14 that point in time.

15 MR. BONDS: Okay.

16 MR. COPPLER: The rest was unanimous.

17 MR. BONDS: Any further discussion?

18 (No response.)

19 MR. BONDS: Hearing none, all those in favor of  
20 approving Resolution 2017-213 signify by stating aye.

21 MR. ZECH: Aye.

22 MS. THOMAS: Aye.

23 MR. DUNLEAVY: Aye.

24 MR. BONDS: Aye.

25 Motion passes.

1                   Items 9 through 12. These are the financial  
2 reports that are received and filed.

3                   Any questions or comments? Which is the budget  
4 to actual cash flow and budget sheet, the check  
5 disbursement, overtime report, tax collections, and the  
6 monthly reports.

7                   Any question for Mr. Coppler and/or staff?

8                   MR. ZECH: Mr. Chair?

9                   MR. BONDS: Yes, sir, Mr. Zech.

10                  MR. ZECH: I just wanted to comment on your  
11 question that you asked about the three top priorities for  
12 the capital improvement plan.

13                  MR. BONDS: Yes.

14                  MR. ZECH: I was glad to hear the word "roof" in  
15 reading your packets and talking about the police roof,  
16 this roof, that roof. I'm glad that you're -- I know the  
17 roads are very important, water/sewer are very important,  
18 but if you're going to stabilize the buildings, you've got  
19 to start with the roof.

20                  MR. COPPLER: Yep.

21                  MR. ZECH: And the heating and cooling system,  
22 and I'm glad you're in a position to put somebody there.

23                  MR. COPPLER: All right. Thank you.

24                  MR. BONDS: Thank you.

25                  Any other questions or comments?

1 MR. DUNLEAVY: No.

2 MR. BONDS: Okay, we will move right into the  
3 city administrator report.

4 MR. COPPLER: I have no report.

5 MR. BONDS: All right. We're going to move right  
6 into public comment.

7 MR. DOSTINE: Mr. Chair, the first request comes  
8 from Councilman Larry Kelsey.

9 MR. KELSEY: Good afternoon.

10 MR. BONDS: Good afternoon.

11 MR. KELSEY: Jee, I don't know what I'm going to  
12 do with my Tuesdays at 1:00. I'm going to have to find a  
13 hobby or drive through the city, you know, my sister  
14 cities a little bit and do something.

15 MR. BONDS: Come to Lansing.

16 MR. KELSEY: Oh, no; I don't want to get nowhere  
17 near Lansing. Thank you, but no thank you.

18 MR. ZECH: You're welcome to come south of  
19 Goddard.

20 MR. KELSEY: Yeah, I've been down there.  
21 Heritage Days was this past weekend I see.

22 I'm just going to make a couple observations, not  
23 really negative, but I think you have to consider them,  
24 because like Board Member Jessica said, you're only one  
25 step away from something happening, okay. Unfortunately,

1 we live in a cosmopolitan organization. We have the  
2 state, the county, and all that works with us, supposed to  
3 work with us anyways, okay. I know last year I come up  
4 here and I complained about I-75 and digs in the grass. I  
5 don't know who they're hiring or who they're not hiring,  
6 but I don't think they know how to cut grass, okay, and if  
7 I had my way, I'd send my people out there to cut the  
8 grass and send the state a bill, but I can't do that  
9 because they're the state and I'm just a city, okay, but  
10 you drive by there and it's half done and half not done,  
11 and it's been that way for two weeks. And the county was  
12 so concerned they sent us a letter saying, "Hey, it's not  
13 us; don't be yelling at us. It's the state, because we  
14 don't want to put our name out there." So, you know, if  
15 you're going to work with somebody, work with them. I  
16 don't think it's that hard to ask for something to be  
17 done, and patience is two, three weeks. I mean, come on;  
18 you're cutting grass. I used to do it at Ford Motor  
19 Company. It's not that hard. It's not impossible, it's  
20 not that hard.

21 And the other thing is is that, you know, it's  
22 fortunate, and like I say, take this in the grain it's  
23 said, is that we're stuck with what kind of money we can  
24 get. The state has the luxury of robbing -- excuse me --  
25 taking money out of the tobacco fund, taking -- and this

1 comes all from the newspaper, so it's nothing I'm making  
2 up, okay, and if you read the newspapers you're well aware  
3 of where I'm going with this, and some other issues where  
4 the state took some money from unemployment people and now  
5 they're getting flack for that, okay?

6 We don't have that luxury. We're bound by a  
7 different monetary as far as our county. And it's great  
8 to be accountable, but I think accountability goes across  
9 the board, okay? What the state does doesn't necessarily  
10 dry me, but it does impact me, okay? Some things that  
11 happen up there, I could care less what they do. It  
12 doesn't bother me. But other things do, and if I'm  
13 diligent in my job and I'm not looking in the rearview  
14 mirror and something comes down, it's a little hard to say  
15 that, well, you were driving the car real nice, but that  
16 person rear-ended you, and I don't know what happened; you  
17 should have been looking in all kinds of ways.

18 So I take the job seriously, I always have, and I  
19 want to put that quite out that there's more involved than  
20 just the city, when cities go into problems, okay? It's  
21 not all the city, it's not all the county, it's not all  
22 the state; we all work together, okay? And when you have  
23 people that don't work together, somebody suffers, okay?  
24 And I want to make that quite clear because I think the  
25 citizens watching this need to know that. It's a

1 composite; you have to work together. The road out here  
2 is the county fixing it; we had nothing to do with that,  
3 okay? But we get complaints if it ain't done and somebody  
4 hit something, because they could care less whether it's  
5 the county; it's the -- we're the city. We're the ones  
6 that come up here because we don't drive to Lansing 90  
7 miles one way. They come right up here and says, "Hey,  
8 what are you guys doing," okay?

9 So just keep that in mind, and I'm just saying  
10 that as the person down on this end of the food chain so-  
11 to-speak, is that you have to remember sometimes is that  
12 when you're telling somebody that you have to be  
13 responsible, that's fine. But look at the position you  
14 put them in. You can't run a race with both legs tied  
15 behind you. I mean you've got to have one leg at least to  
16 hop around on, okay? And all I'm saying is being in the  
17 position for the last four or five years I find sometimes  
18 it's very hard to be responsible when you have other  
19 things affecting you that you have no control over.  
20 That's all. Nothing more than that.

21 Sorry to see you -- like I say, maybe one of  
22 these days the golf course will be open; you never know.  
23 Thank you.

24 MR. BONDS: Thank you very much.

25 Under board comment, I want to just make sure

1           again, for the record, we -- with the report going to the  
2           Governor, we will need to do an exit interview, or to  
3           approve the exit. And so I want to make sure the board  
4           knows to be ready when that comes in, because that will  
5           require a special meeting.

6                     MR. DOSTINE: That's correct.

7                     Okay. The next request comes from Mayor Thomas  
8           Karnes.

9                     MR. BONDS: My apology, Mayor.

10                    MAYOR KARNES: That's all right, Mr. Chairman.

11                    Members of the board. When we went out to look  
12           for a city manager, the EM, Brad Coulter, initiated a  
13           nationwide search, and we had a couple of candidates, and  
14           then the decision was made -- Mr. Zech said that it was my  
15           decision, but it was actually, and I'll take credit for  
16           it, but it was actually all of the council that agreed on  
17           Mr. Coppler. And as we went in and we received Order  
18           Number 60 and saw the requirements that were there for the  
19           city manager, not only do you have to try to lead this  
20           city out of from the depths of receivership, but then you  
21           also had to go through the requirements of what the RTAB  
22           was asking for. And that in that order was very large.  
23           And I would have to say that we had the right person  
24           there. He did an admirable job with this, and his team,  
25           and it was his team that he put together. So he's worked

1 very hard for us to get to that position, and I think that  
2 we would not be where we are, and I'm hoping that we're  
3 coming to the end of receivership, not to put you guys out  
4 of work, but --

5 MR. BONDS: That's okay.

6 MAYOR KARNES: -- without the work of Mr.  
7 Coppler.

8 But I want to also thank you ladies and gentlemen  
9 for the work that you have done with this. This has not  
10 been an easy job for you to do, and there's been tough  
11 decisions that you've had to do. So I just wanted to  
12 share my appreciation for everything that you've done.

13 MR. BONDS: Thank you very much. Thank you.

14 MR. DOSTINE: Mr. Chair, that concludes public  
15 comments.

16 MR. BONDS: Thank you.

17 Sorry I was out of order.

18 Any other comments from the board?

19 (No response.)

20 MR. BONDS: All right, then we're at move for  
21 adjournment.

22 MR. DUNLEAVY: Motion to adjourn.

23 MS. THOMAS: Support.

24 MR. BONDS: All those in favor signify by stating  
25 aye.

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MR. ZECH: Aye.

MS. THOMAS: Aye.

MR. DUNLEAVY: Aye.

MR. BONDS: Aye.

Meeting adjourned. Thank you all.

(At 2:13 p.m., meeting adjourned; off the record)

STATE OF MICHIGAN  
COUNTY OF WASHTENAW ) .ss

I certify that this transcript is a complete, true, and correct transcript to the best of my ability of the RTAB meeting held on June 20, 2017 at the City of Lincoln Park.

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

RESPECTFULLY SUBMITTED:

June 28, 2017

*s/Amy Shankleton-Novess*

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Amy Shankleton-Novess (CER 0838)

Certified Electronic Reporter