

APPROVED - 12/22/15

City of Hamtramck

Receivership Transition Advisory Board Meeting Minutes

Tuesday, November 24th, 2015

Hamtramck City Hall

Council Chambers - 2nd Floor

3401 Evaline

Hamtramck, Michigan 48212

RTAB MEMBERS PRESENT:

KAREN YOUNG

PETER MCINERNEY

MARK STEMA

DEB ROBERTS

Also present:

JOHN GABOR

Assistant City Administrator

DREW VAN de GRIFT

Michigan Department of Treasury

Office of Fiscal Responsibility

Reported by:

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November 24, 2015 - 1:00 p.m.

MEETING CALLED TO ORDER

MS. ROBERTS: Hello everyone, it is Tuesday, November 24th, at 1:00. I am going to call the City of Hamtramck Receivership Transition Advisory Board meeting to order. First order of business, is, I would like to welcome ~~our~~^{our} new board member, Peter McInerney.

Peter, if you would like to say anything?

MR. MCINERNEY: I consider it an honor to be appointed to this board, and I look forward to giving it my best efforts, to follow the rules and the law. And, thank you very much.

MS. ROBERTS: Thank you. Mr. Van de Grift, will you call roll call?

MR. VAN DE GRIFT: Peter McInerney?

MR. MCINERNEY: Present.

MR. VAN de GRIFT: Deborah Roberts?

MS. ROBERTS: Here.

MR. VAN de GRIFT: Mark Stema?

MR. STEMA: Here.

MR. VAN de GRIFT: Karen Young?

MS. YOUNG: Here.

MR. VAN de GRIFT: All present.

MS. ROBERTS: Thank you. Just as a reminder to anyone from the public, if ^{^You}would like to speak, would you

1 please sign up at the podium, to speak during the public
2 comment portion of the meeting. First item on the agenda
3 is approval of the agenda. I would entertain a motion to
4 approve the agenda as presented.

5 MS. YOUNG: Motion to approve.

6 MR. STEMA: Support.

7 MS. ROBERTS: Any discussion?

8 (No response)

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

11 MS. YOUNG: Aye.

12 MR. STEMA: Aye.

13 MR. MCINERNEY: Aye.

14 MS. ROBERTS: Opposed, the same.

15 (No response)

16 MS. ROBERTS: Motion carries. Next item on the
17 agenda, is the approval of the RTAB minutes for October
18 27th, 2015. I would entertain a motion to approve the
19 October 27, 2015, meeting minutes.

20 MR. STEMA: Motion to approve.

21 MS. YOUNG: Second.

22 MS. ROBERTS: Any discussion?

23 (No response)

24 MS. ROBERTS: Seeing none, all those in favor
25 say aye. Aye.

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MS. YOUNG: Aye.

MR. STEMA: Aye.

MR. MCINERNEY: Aye.

MS. ROBERTS: Opposed, the same.

(No response)

MS. ROBERTS: Motion carries. There is no old business on the agenda. The first item of new business is approval of resolutions and ordinances for city council meetings. I would entertain a motion to approve all ordinances and resolutions from the October 13th, 2015 regular city council meeting.

MR. STEMA: Motion to approve.

MS. YOUNG: Second.

MS. ROBERTS: Any discussion?

(No response)

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

MS. YOUNG: Aye.

MR. STEMA: Aye.

MR. MCINERNEY: Aye.

MS. ROBERTS: Opposed, the same.

(No response)

MS. ROBERTS: Motion carries.

Next on the agenda is resolutions from the regular city council meeting of October 27th, 2015. I

1 would entertain a motion to approve all ordinances and
2 resolutions from the October 27th, 2015 regular city
3 council meeting, with the exception of Resolution 2015-56,
4 contract to Hydro Corp. Resolution 2015-57, vehicle and
5 equipment purchase; Resolution 2015-58, lease agreement,
6 and Resolution 2015-59, vehicle purchase.

7 MR. STEMA: I'll move that.

8 MS. YOUNG: Second it.

9 MS. ROBERTS: Any discussion?

10 (No response)

11 MS. ROBERTS: Seeing none, all those in favor
12 say aye. Aye.

13 MS. YOUNG: Aye.

14 MR. STEMA: Aye.

15 MR. MCINERNEY: Aye.

16 MS. ROBERTS: Opposed, the same.

17 (No response)

18 MS. ROBERTS: Motion carries.

19 Next on the agenda is approval of Resolution
20 2015-56, contract to Hydro Corp. Mr. Gabor, could you
21 please summarize this item for the Board?

22 MR. GABOR: And I'm trying to follow you,
23 because my agenda was slightly different than yours.

24 MS. ROBERTS: Oh, sorry.

25 MR. GABOR: I apologize.

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MS. ROBERTS: That's okay.

MR. GABOR: My tabs are numbered differently.

MR. VAN de GRIFT: Hydro Corp contract.

MR. GABOR: Now I see what Katrina has to go through.

MR. RAGSDALE: Mark Ragsdale, DPS director. So, Hydro Corp is the company that we hired to set up our performance with the DEQ, for regulations as of lead and copper rules. They also do, they do cross connection inspections for us, so these are things that are mandated by the DEQ; that is the company that we are currently using, their contract is also one of ~~one of~~ the ones to renew their contract.

MR. STEMA: Did this go out to bid?

MR. RAGSDALE: I'm sorry?

MR. STEMA: Did it go out to bid, because the contractor expired when you did this, or was it a renewal?

MR. RAGSDALE: It's -- the contract -- I will have to get with Ravi Johnson from our, with our DPW. To my knowledge, yes, it would have went out to bid. And the services that they would be performing, we are unable to perform in house.

MR. STEMA: I understand that. But, normally when you, something like this, you guys have always given us who put out the bid, to show if it was the lowest

1 contract, and things like that.

2 MR. RAGSDALE: We can certainly get that.

3 MR. STEMA: Yeah, I think we need that, before
4 we can, because, legally --

5 MS. ROBERTS: Okay. Okay.

6 MR. RAGSDALE: Not a problem.

7 MR. STEMA: Okay.

8 MS. ROBERTS: Okay. Any other questions?

9 (No response)

10 MS. ROBERTS: I would entertain a motion to
11 approve, deny, or postpone Resolution 2015-56, contract to
12 Hydro Corp.

13 MR. MCINERNEY: I move we postpone it.

14 MR. STEMA: Second it.

15 MS. ROBERTS: Any further discussion?

16 (No response)

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

19 MS. YOUNG: Aye.

20 MR. STEMA: Aye.

21 MR. MCINERNEY: Aye.

22 MS. ROBERTS: Opposed, the same.

23 (No response)

24 MS. ROBERTS: Motion carries. Resolution 2015-
25 57, vehicle and equipment purchase for Public Services

1 Department. Mr. Gabor, could you please summarize this
2 item for the Board?

3 MR. GABOR: We were in the process of bringing
4 back in house some of snow removal and some other things
5 that have been contracted out in the past. We think we
6 can do it more efficiently using a cadre of some part-time
7 help. With that, we did get a grant -- or, not a grant,
8 but a special, earmarked for Act 51 money, for about
9 190,000, is that correct, Mark? 194 or something like
10 that? So we want to use a portion of those funds to
11 purchase these vehicles, and use those for snow removal
12 and other DPW-type work, okay?

13 It's a onetime purchase; we're looking at some
14 used equipment, and kind of a balance between used
15 equipment, and new equipment, depending on the pricing.
16 So that will be used to bring some work back into the
17 city. When we reviewed the last three years of contractor
18 costs to do the same type of work, we feel that we can
19 save at least 50 to maybe 60 percent of what we paid to
20 the contractor, on average, over that three years, so.

21 I can field any more questions or Mark, if you
22 want to add anything to that, you can.

23 MS. ROBERTS: Okay, any questions?

24 (No response)

25 MS. ROBERTS: I would entertain a motion to

1 approve, deny, or postpone Resolution 2015-57, vehicle and
2 equipment purchase.

3 MR. STEMA: Motion to approve.

4 MS. YOUNG: Second.

5 MS. ROBERTS: Any further discussion?

6 (No response)

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

9 MS. YOUNG: Aye.

10 MR. STEMA: Aye.

11 MR. MCINERNEY: Aye.

12 MS. ROBERTS: Opposed, the same.

13 (No response)

14 MS. ROBERTS: Motion carries.

15 Next on the agenda, Resolution 2015-58, lease
16 agreement with Detroit Machinery Center, Inc.

17 Mr. Gabor, could you please summarize this item
18 for the Board?

19 MR. GABOR: Well, we're going to purchase some
20 equipment. We had a great deal of other equipment that
21 was parked outside here, in between the buildings, and we
22 found a temporary home for. We found a piece of property
23 that we could rent at a reasonable rate, real close --
24 it's not in Hamtramck, but it's within a block of
25 Hamtramck. It's not a large building, but it's enough

1 just to get the equipment inside so that we can do some
2 maintenance on it, some storage.

3 I believe it's a two-year lease, is that
4 correct, Mark?

5 MR. RAGSDALE: Yes, it is.

6 MR. GABOR: As a test, I mean, it's not a long
7 term ^{commitment} ~~commitment~~. We have funding in the local and major
8 road funds that will more than cover that particular cost,
9 as well as we also did an analysis when we started the
10 water shutoff program, there was some fees that could help
11 offset that cost, because they're all kind of
12 interrelated. So we don't see this as a impact on the
13 general fund at all.

14 MS. ROBERTS: Okay. I would entertain a motion
15 to approve, deny or postpone Resolution 2015-58, lease
16 agreement with Detroit Machinery Center Inc.

17 MS. YOUNG: Motion to approve.

18 MR. STEMA: Support it.

19 MS. ROBERTS: Any further discussion?

20 (No response)

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

23 MS. YOUNG: Aye.

24 MR. STEMA: Aye.

25 MR. MCINERNEY: Aye.

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MS. ROBERTS: Opposed, the same.

(No response)

MS. ROBERTS: Motion carries.

Next on the agenda is Resolution 2015-59, vehicle purchase for Community and Economic Development Department. Mr. Gabor, could you please summarize this?

MR. GABOR: I'll tell you what, I'll defer that, and Kathy do you want to speak to that? Although I will say that this is capital funding that has been put away over a several year period, so it's not something that they weren't planning for, is that?

MS. ANGERER: That's correct. Okay, I'm Kathy Angerer, I'm the director of Community and Economic Development, so I also oversee the Building Department, Code Enforcement, planning, zoning. This expenditure is \$49,174.60. The bids are off of my deal, and so they have been competitively bid. Currently we have three part-time code enforcement officers that share one vehicle; the other two drive their own vehicles.

And this will increase professionalism, you know, allow them to be more efficient. Over the last two years, we've had some extreme savings in our department. We're trying to put the officers out in the field more than in the office, so we now have Ipad they use out in the field, and they're spending four and a half of their

1 five hours out in the field, versus hours in the office
2 doing fieldwork, so, we verified with the city controller
3 that we've been good with our budget and the money; the
4 funds are available.

5 MR. STEMA: Is this a -- how many vehicles are
6 we purchasing for the 49?

7 MS. ANGERER: Two.

8 MR. STEMA: Oh, two, okay.

9 MS. ANGERER: So it's -- one of them will be a
10 pickup truck, one of them will be an SUV, that will fit
11 between down alleys. We also arranged with our Rizzo
12 contract to have a dumpster out at Veteran's Park, and so
13 one of my officers will be driving a, if you approve this
14 today, the Canyon.

15 This is a picture of the two vehicles, there'll
16 be one -- we'll have them marked, with markings that will
17 resemble, you know, something professional, for like
18 police coverage, because they are officers.

19 The Canyon -- we pick up a lot of stray
20 vehicles. Currently we have to pay someone to do that,
21 and I use the ~~CDBG~~^{CDBG} budget to cover when we send someone
22 out to pick up a chair that's thrown in the alley, or,
23 items. So we now have a dumpster; my guys will be able to
24 use that truck, pick those items up, throw them in the
25 dumpster and have them picked up by Rizzo, rather than pay

1 \$300 every time we turn around, for a chair to be picked
2 up or stray garbage that isn't claimed. We have a lot of
3 illegal dumping.

4 MS. ROBERTS: Any other questions?

5 MR. MCINERNEY: Pardon my newness.

6 MS. ANGERER: No, that's fine.

7 MR. MCINERNEY: I have background in community
8 development.

9 MS. ANGERER: I've read that.

10 MR. MCINERNEY: But -- and I'm aware in some
11 cities, apparently like Hamtramck, you've got under that,
12 a much more broader functions in terms of building.

13 MS. ANGERER: Correct.

14 MR. MCINERNEY: You said building and safety, as
15 well as code enforcement?

16 MS. ANGERER: These vehicles will be used by
17 code enforcement officers.

18 MR. MCINERNEY: Right.

19 MS. ANGERER: We have one vehicle -- we had two,
20 and then one, Mr. Ragsdale drafted for his department. So
21 we have one Durango that the three officers share at this
22 time. These are code enforcement officers, so things like
23 driving the alleys to make sure that residents are keeping
24 their properties clean and up to date, things like that.
25 Not -- this is not a Community Economic Development, that

1 was put on the agenda improperly.

2 MR. MCINERNEY: And then, that's helpful. And
3 tell me about the CDBG part of it? I'm familiar with
4 CDBG, and with CDBG for code enforcement, so that sounds
5 like a --

6 MS. ANGERER: That's one of our categories. One
7 of our categories is neighborhood cleanup and code
8 enforcement, so we subsidize a lot of the salaries for the
9 code enforcement officers, out of the CDGB annual budget.
10 That's how we were able to buy iPad for them, to take
11 pictures, and log in BS&A in software, and you know, write
12 tickets from the field and print letters from the field.

13 And so that's increased our time in the field,
14 efficient wise. With three part-time officers in a city
15 that's this dense, it's very difficult to get all over the
16 city, so we use CDBG funds for code enforcement and for
17 cleanup. When there's illegal dumping, you know, we clean
18 that up, we have a competitive bid that we did earlier.

19 And we're using one or two contractors,
20 depending on the content of the trash that's dumped. If
21 it's tires, I have, I default to a certain one. If it's
22 just a mess, I have another one. And so then I use CDBG
23 dollars, I do a reimbursable for cleanups.

24 MR. MCINERNEY: And is any part of this 49,000
25 CDBG funds?

1 MS. ANGERER: No, this is all straight out of
2 the budget. But it's money that we've got relief from,
3 because we have, you know, brought some grants into the
4 department.

5 MR. MCINERNEY: Thank you.

6 MS. ANGERER: You're welcome.

7 MS. ROBERTS: I would entertain a motion to
8 approve, deny, or postpone Resolution 2015-59, vehicle
9 purchase.

10 MR. STEMA: Motion to approve.

11 MR. MCINERNEY: Support.

12 MS. ROBERTS: Any further discussion?

13 (No response)

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

16 MS. YOUNG: Aye.

17 MR. STEMA: Aye.

18 MR. MCINERNEY: Aye.

19 MS. ROBERTS: Opposed, the same.

20 (No response)

21 MS. ROBERTS: Motion carries.

22 MS. ANGERER: Thank you.

23 MS. ROBERTS: Next on the agenda is claims and
24 accounts from the regular city council meeting draft
25 minutes of November 10th, 2015. I would entertain a

1 motion to approve, deny or postpone claims and accounts
2 from the regular city council meeting draft minutes of
3 November 10th, 2015.

4 MR. STEMA: Motion to approve.

5 MR. MCINERNEY: Support.

6 MS. ROBERTS: Any discussion?

7 (No response)

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

10 MS. YOUNG: Aye.

11 MR. STEMA: Aye.

12 MR. MCINERNEY: Aye.

13 MS. ROBERTS: Opposed, the same.

14 (No response)

15 MS. ROBERTS: Motion carries.

16 Next part of the agenda is the city
17 administrator items. Approval of city council minutes
18 were done in new business.

19 Approval of budget to actual and cash flow
20 reports -- I don't see Bama?

21 MR. GABOR: She's not here, she's off. They
22 were submitted. I will probably, unless there's a
23 specific question on the expenditure side; I know it's a
24 rather large file, especially if you print it, but I can
25 answer any questions on that. And I believe when you look

1 at the cash flow side of it, and that's what I'm looking
2 for right now -- that she was showing a fund balance of
3 just over \$2.4 million, I believe, it is, or 2.2 in total.

4 And when you look through the budget to actual,
5 everybody's running in this 30 to 38 percent, which is
6 right on target, when you look at where we should be
7 within the budget year. The only thing that skews a
8 couple of small areas, is if they have a onetime
9 expenditure that's early in the year, versus spreading
10 that out over the months.

11 But, we're on target with regards to that.
12 Revenue collections are on target; the tax bills have been
13 sent to the printer, so they will be out on December 1st.
14 So we're moving right along. We don't -- at this point in
15 time, we see no issues with regards to the expenditure or
16 cash flow.

17 MS. ROBERTS: Okay, thank you. I would
18 entertain a motion to approve, deny, or postpone the
19 budget to actual and cash flow reports.

20 MS. YOUNG: Motion to approve.

21 MR. STEMA: Second it.

22 MS. ROBERTS: Any further discussion?

23 (No response)

24 MS. ROBERTS: Seeing none, all those in favor
25 say aye. Aye.

1 MS. YOUNG: Aye.
2 MR. STEMA: Aye.
3 MR. MCINERNEY: Aye.
4 MS. ROBERTS: Opposed, the same.
5 (No response)
6 MS. ROBERTS: Motion carries. Next item on the
7 agenda is approval for the invoice register and
8 preapproved expenditures. I would entertain a motion to
9 approve, deny, or postpone the invoice register and
10 preapproved expenditures list.
11 MR. STEMA: Motion to approve.
12 MR. MCINERNEY: Support.
13 MS. ROBERTS: Any discussion?
14 (No response)
15 MS. ROBERTS: Seeing none, all those in favor
16 say aye. Aye.
17 MS. YOUNG: Aye.
18 MR. STEMA: Aye.
19 MR. MCINERNEY: Aye.
20 MS. ROBERTS: Opposed, the same.
21 (No response)
22 MS. ROBERTS: Motion carries. Next on the
23 agenda is approval to terminate contract with ADR
24 Consultants. Mr. Gabor?
25 MR. GABOR: I will discuss that. We put in a --

1 I tried to put enough information in there that would give
2 you a good grounding. But when we reviewed the current
3 contract and expenditures over the last three and a half
4 to four years, that basically this contractor had
5 provided, the time and material contract that is currently
6 in place, we feel, is -- it probably worked very well
7 under an emergency manager condition, where you need to
8 get someone in. And you have some control over it.

9 We think there's some opportunity to build a
10 relationship with a contractor, get it out for bid, and
11 maybe cut that by about 30 to 40 percent, potentially.
12 With a fixed monthly contract, okay? Now granted, that
13 doesn't cover capital improvements, but it covers the
14 labor that it takes to maintain the city.

15 We're also looking at kind of going through a
16 stabilization period, where we would get whatever
17 documentation is available to us from our current
18 contractor. And then improve that to the point that we
19 can put an RFQ out, so that we can get an actual good
20 quote. We have something that can -- is quotable.

21 Right now, there isn't any of the leadership in
22 the city that really understands where everything is and
23 how it interconnects, and what's going on. That
24 documentation, at least, is not available to us at this
25 point. So we would try to collect that documentation, and

1 then put our arms around it, and then have an RFQ written,
2 so that we can get a good quote in the future.

3 Our estimate is probably six to eight months, to
4 make that process happen. We have a plan in place, or at
5 least on paper, that we can execute, to insure that we
6 don't miss anything, and that we accomplish what we say
7 we're going to accomplish. And get it out for a good --
8 get a good bid package up.

9 This would be -- we need to terminate the
10 current contract. I've reviewed it with our attorney, and
11 basically we have to give at least 30 days' notice. There
12 ^{are} ~~is~~ no conditions other than, in the best interests of the
13 city or however either party feels.

14 So, we have a letter drafted that needs just a
15 little touchup, but it basically says to the contractor,
16 we're terminating you, and you need to provide this kind
17 of information by this date, ~~this kind of information by~~
18 ~~this date, and this kind by this date,~~ and then your
19 contract is done.

20 We think it's going to be a savings and an
21 improvement overall to the city. We're looking to find a
22 contractor that will have somebody here at least 32 hours
23 a week. Three eight hour days, working on the problems,
24 working with the people in here, doing any training that
25 we need on any of the systems.

1 So, we think it's time to build a long term
2 relationship with somebody, as well as save some money for
3 the city at the same time. With that, I will field any
4 other detailed questions you want.

5 MR. STEMA: I have a question, you said you
6 think that you're going to save. Did you actually do a
7 study?

8 MR. GABOR: Yeah, we actually -- I say, I think
9 we're going to say -- the transition plan, or the
10 stabilization plan, is cost neutral. We're not going to
11 spend any more than we currently are. When you look at
12 what we've spent over, the average over three years, and
13 that's the first six or eight months.

14 We get it out for bid, but even based on the
15 contractor that we have talked to, we're talking about
16 maybe 60 grand a year total. And we have somebody
17 actually on site. I mean, that's just a ballpark, so we
18 looked at that, compared to the 80 to 90 that we're
19 spending.

20 MR. STEMA: So, if the contract is cancelled,
21 who's -- you guys have somebody in place that's going to
22 run it for six to eight months?

23 MR. GABOR: We have somebody in place that will
24 be cost neutral to the current contract that we have.

25 MR. STEMA: Somebody on staff?

1 MR. GABOR: That will stabilize and write the
2 RFQs.

3 MR. STEMA: Somebody that's currently on staff?

4 MR. GABOR: No, it's somebody that we've worked
5 with in the past.

6 MR. STEMA: So it's somebody that's going to be
7 an outside contractor?

8 MR. GABOR: Right.

9 MR. STEMA: So you'll have a contract with them?

10 MR. GABOR: Yeah.

11 MR. STEMA: But before you can hire them, that
12 contract has to go before the city council and us,
13 correct?

14 MR. GABOR: That's correct, yes.

15 MR. STEMA: Okay.

16 MR. GABOR: Which will happen soon.

17 MR. STEMA: So how do you time --

18 MR. GABOR: Well, the time would be, if approved
19 at this board, we have 45 days before we would terminate
20 the current contract with our current supplier, okay? And
21 during that time, we're expecting to see certain
22 documentation supplied to us, and then sometime in early
23 January, we would move over to the stabilization
24 contractor for around six to eight months at best.

25 And then send it out for bid, to get a three to,

1 three year contract, probably, with at least a one to two
2 year renewal option on it.

3 MR. STEMA: So the person that would come on
4 would be like a month to month contract?

5 MR. GABOR: On a month to month, that's correct.
6 And we've set up the schedule --

7 MR. STEMA: And they have stabilized costs, with
8 the, doing the same, delivering the same type of services
9 and all that, that you're currently receiving?

10 MR. GABOR: Actually, they're going to deliver
11 more services, because the initial plan is for the first
12 six to eight weeks is to have two people here 40 hours a
13 week. And then back that off as we get the system
14 stabilized, and get the documentation in. So.

15 MR. MCINERNEY: I need -- my question is, I'm,
16 think I'm satisfied as to the procedures, but
17 substantively, what are these core services that are the
18 subject of all this?

19 MR. GABOR: IT. The IT support.

20 MR. MCINERNEY: Okay.

21 MR. GABOR: Which is the back -- the
22 infrastructure backbone that we're using, the server, the
23 server room, how that, you know, what that looks like.
24 What kind of shape that's in. And general condition of
25 each of the PCs, and how the software functions on each of

1 those. Does that help, now?

2 MS. YOUNG: But is this all based on city
3 council approving this plan?

4 MR. GABOR: Well, to terminate the contract, it
5 has to come here first, so --

6 MS. ROBERTS: It's a step thing because you have
7 to have a 30 day notice.

8 MS. YOUNG: Right.

9 MS. ROBERTS: So they have to do the first step,
10 which is get the approval to cancel the contract.

11 MR. GABOR: Right.

12 MS. ROBERTS: And you have to give that
13 contractor 30 day notice. And then the next step would be
14 bringing, to council, the new contract --

15 MR. GABOR: Yeah, the temporary one --

16 MS. ROBERTS: Then that will come to us --

17 MR. GABOR: The temporary one that we're going
18 to actually build a bid package off of, and to stabilize
19 the system.

20 MS. YOUNG: Okay. So we're not acting in
21 advance of council having an opportunity to talk to that?-

22 MR. GABOR: No, the termination comes here based
23 on our review of the final orders.

24 MS. YOUNG: Okay.

25 MR. GABOR: The termination request.

1 MS. ROBERTS: Okay. Anything else?

2 MR. GABOR: Any other questions?

3 MR. MCINERNEY: No.

4 MS. ROBERTS: I would entertain a motion to
5 approve, deny or postpone the approval to terminate the
6 contract with ADR Consultants.

7 MR. STEMA: Motion to approve.

8 MR. MCINERNEY: Support.

9 MS. ROBERTS: All those -- oh. Any further
10 discussion?

11 (No response)

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

14 MS. YOUNG: Aye.

15 MR. STEMA: Aye.

16 MR. MCINERNEY: Aye.

17 MS. ROBERTS: Opposed, the same.

18 (No response)

19 MS. ROBERTS: Motion carries.

20 MR. GABOR: Thank you.

21 MS. ROBERTS: Next on the agenda is approval to
22 create a DPS foreman position. Mr. Gabor, would you
23 provide a summary?

24 MR. GABOR: I'll open by saying that we have an
25 opportunity to, again bring some stuff back in house. And

1 this funding would be primarily over the savings that we
2 expect to generate, and it appears that we will generate,
3 with regards to the amount of money we've spent for snow
4 removal on outside contracts. However, with that
5 grounding, then I'll ask Mark, our DPW director, to come
6 up and explain the position and answer any other questions
7 in detail.

8 MS. ROBERTS: Thank you.

9 MR. RAGSDALE: So, I've --

10 THE REPORTER: Your name, please?

11 MR. RAGSDALE: Mark Ragsdale.

12 THE REPORTER: Thank you.

13 MR. RAGSDALE: So I had the pleasure of taking
14 Mr. Stema out for a tour of the city. And show him our
15 operation, the things that we've been able to accomplish,
16 with the approval from the RTAB of the part-timers that we
17 have hired. Originally, we put in to hire five part-
18 timers; we are going to stick with three. So the money
19 that we were already approved for, ~~for the two extra part-~~
20 ~~timers,~~ will be going to help fund the foreman position as
21 well.

22 With that being said, ^{with all} ~~with all~~ the work that
23 we're bringing back in house, all the work that's going on
24 in the city by outside contractors, such as DTE and
25 Infosource, and the fact that the city has been non

1 compliant in a lot of things, such as Miss Dig stakings,
2 that we are now compliant with.

3 It makes it almost impossible for me to do my
4 duties, as well as supervise and do all this on the
5 outside, as well. This position would be a working
6 foreman position, so there would be no overtime, it would
7 be salary. And the funding would be, 75 percent would
8 come from Act 51; 25 percent would be coming from the
9 water budget.

10 So, it's -- I think it's going to be a great
11 thing, and not to mention the fact that with the current
12 services that we pay for by outside contractors, this
13 would give the city a better, much better, opportunity of
14 seeing what we're actually paid for. I mean what we're
15 paying for, what we're actually getting. Because somebody
16 would be out there onsite. And it's just -- right now,
17 it's just impossible for me to do what I have to do as a
18 director, and be the foreman on the outside, so.

19 ~~MR. GABOR:~~ One thing that you approved in the
20 past was the three heads that he's using to do water
21 shutoffs and some other work within the water function
22 there. I only rolled over \$100,000 in delinquent water
23 bills. Last time, we rolled over almost \$400,000. So,
24 we're living up to what we said we thought we could do
25 with.

1 MR. RAGSDALE: With our new shutoff program, we
2 went from \$1.2 million unpaid receivables, and we're
3 roughly at \$350,000. So, it's working.

4 MS. ROBERTS: Okay.

5 MR. STEMA: A couple of quick questions, just so
6 I can clarify. You have three but, I know there's five
7 part-time positions approved.

8 MR. RAGSDALE: Yes, sir.

9 MR. STEMA: Correct? And, you currently have
10 three filled.

11 MR. RAGSDALE: Yes, sir.

12 MR. STEMA: So is it going to -- and then,
13 you're going to hire the foreman, so it's going to be one
14 foreman, three part-time, that's going to kind of fill
15 those positions of the five, or is --

16 MR. GABOR: Yes.

17 MR. STEMA: -- one of those part-times going
18 away, two part-times, one foreman?

19 MR. GABOR: It will probably be three part-time,
20 one foreman, in addition to the two full-timers that have
21 been here for many years.

22 MR. STEMA: So the only part that really won't
23 be covered, because you're taking those two part-time
24 positions, taking the salaries for those two there.
25 There'll be a portion, obviously, for the foreman, that

1 won't be covered yet by budget as based on the savings,
2 correct?

3 MR. GABOR: That's correct. But, it'll be
4 coming out of either the local and major water fund, or
5 the water fund. It's not a general funding act.

6 MR. RAGSDALE: Absolutely.

7 MR. STEMA: Okay.

8 MR. MCINERNEY: So you had -- you have the
9 approval for the five part-timers.

10 MR. RAGSDALE: Yes, sir.

11 MR. MCINERNEY: And you got to three, and
12 decided there was a better way to do it?

13 MR. RAGSDALE: Yes, sir.

14 MR. MCINERNEY: You could have found five if
15 you'd wanted to?

16 MR. RAGSDALE: Yes. And it eventually, we will
17 push for the two that we have, two of those to go
18 fulltime. But that will come with when we show, when we
19 show the savings. And we come to you and say, this is
20 what we've done with this program, and this is what we
21 saved. And this is where, you know, money's in the
22 budget.

23 But for right now, we desperately need the
24 foreman position, to make all this work.

25 MS. ROBERTS: I would entertain a motion to

1 approve, deny or postpone the creation of a DPS foreman
2 position.

3 MR. STEMA: Motion to approve.

4 MS. YOUNG: Second.

5 MS. ROBERTS: Any further discussion?

6 (No response)

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

9 MS. YOUNG: Aye.

10 MR. STEMA: Aye.

11 MR. MCINERNEY: Aye.

12 MS. ROBERTS: Opposed, the same.

13 (No response)

14 MS. ROBERTS: Motion carries.

15 MR. RAGSDALE: Thank you.

16 MS. ROBERTS: Just as a reminder, you'll need to
17 come back to the board for the hiring of the position.

18 MR. RAGSDALE: Okay.

19 MS. ROBERTS: Approval of Medicare group benefit
20 and rate renewal summary was addressed in new business.
21 Approval of vehicle and equipment purchase for Public
22 Services Department was addressed in new business.

23 Approval of vehicle purchase for Community and
24 Economic Development, but I heard it wasn't really
25 Community and Economic Development. But that was

1 addressed in new business. Approval of the lease
2 agreement for Public Services Department was addressed in
3 new business.

4 Next on the agenda is approval of a settlement
5 of B-O-I-A -- no, B-O-I-R-A-G-E-E versus Hamtramck. Mr.
6 Gabor?

7 MR. GABOR: I will have our city attorney speak
8 to that.

9 MS. ROBERTS: Okay. Could you please provide a
10 summary of this item to the Board?

11 MR. MIHELICK: Sure, this is Boiragee --

12 THE REPORTER: Your name, please?

13 MR. MIHELICK: Travis Mihelick, I'm the city
14 attorney. This is Boiragee vs the City of Hamtramck.
15 This was a trip and fall case on the sidewalk. It was
16 snow and gravel covered; it was a 17-year-old, he tripped
17 and fell, he broke his ankle. Two surgeries later, this
18 was something that went to case evaluation, an independent
19 ~~panel with mediators determined that a reasonable~~
20 settlement value for both parties would be \$23,500.

21 We believe that based on the injuries, the
22 medical bills, the forum that we're in, and a variety of
23 other factors, it's a reasonable settlement. So we'd ask
24 that the Board approve settlement in the amount of
25 \$23,500.

1 MR. STEMA: I have just a general question on
2 this. This money -- is this coming out of general fund,
3 do you guys already budget for a certain amount, that
4 lawsuits -- is this covered by insurance and we're allowed
5 to litigate it, are they going to use their own insurance?

6 MR. MIHELICK: It -- this -- the city's
7 insurance has an SIR, self-insured retention; this does
8 not work like that.

9 MR. STEMA: Okay.

10 MR. MIHELICK: So this would be all city money.
11 As to a budget it would come out of?

12 MR. GABOR: It would be out of the general fund,
13 primarily.

14 MR. STEMA: Did he budget a certain amount at
15 the -- before the beginning of the year?

16 MR. GABOR: There's a certain amount put in
17 there that just kind of covers it; it's not a huge, I
18 mean, it's not hundreds of thousands of dollars.

19 MR. STEMA: Yeah.

20 MR. GABOR: But there is some money that's
21 budgeted in there for --

22 MR. MCINERNEY: Risk management?

23 MR. GABOR: I'm sorry?

24 MR. MCINERNEY: Risk management?

25 MR. GABOR: Yeah, it would fall underneath that,

1 but it -- I'm not sure what the exact description of the
2 line item number. But I know that there is some money put
3 away just for these kind of, it's like a contingency fund
4 for that.

5 MR. STEMA: Okay, yeah, it's -- you use it.

6 MR. MIHELICK: I want to say it's 100K.

7 MR. STEMA: 100K? So there's a point
8 eventually, when settling cases, that you're going to have
9 to make budget adjustments and all that if they go over a
10 certain amount?

11 MR. MIHELICK: Correct.

12 MR. STEMA: Okay.

13 MR. MCINERNEY: What's the deductible, on the
14 insurance?

15 MR. MIHELICK: It's different for the different
16 types of cases. This is a general liability case, and
17 it's my understanding that general liability self-insured
18 retentions are \$100,000 for the city. This, we're not
19 even ballpark to \$100,000.

20 MR. STEMA: Yeah.

21 MR. MCINERNEY: I'll move the approval of the
22 proposed settlement.

23 MS. ROBERTS: Okay.

24 MR. STEMA: Second it.

25 MS. ROBERTS: Any further discussion?

1 (No response)

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

4 MS. YOUNG: Aye.

5 MR. STEMA: Aye.

6 MR. MCINERNEY: Aye.

7 MS. ROBERTS: Opposed, the same.

8 (No response)

9 MS. ROBERTS: Motion carries. Next on the
10 agenda is the approval of settlement of D-U-K-A-J, clear
11 title action.

12 MR. MIHELICK: Dukaj.

13 MS. ROBERTS: Dukaj?

14 MR. MIHELICK: Dukaj. This is, I guess I'd say
15 a quiet title action. This is actually, the -- after the
16 Complaint was filed, we immediately engaged in settlement
17 discussion, so we spent very, very little in attorney fees
18 here. This is a quiet title action. The plaintiffs have
19 ~~been living in their residence since 1970; they've lost~~
20 the house a couple times prior for failure to pay property
21 taxes.

22 However, the city's never kicked them out,
23 they've just been living there continuously. Recently,
24 they were able to resecure ownership based on foreclosure.
25 They still owe the city about \$7,000 in back taxes. They

1 are willing to settle the case, and the city's agreed to
2 take \$3500, basically 50 cents on the dollar, in exchange
3 for that settlement payment. The city would issue the
4 plaintiffs a quit claim deed, and, which would give them
5 clear title to the house.

6 MR. GABOR: If we spend any more time on it,
7 it's diminishing returns rapidly.

8 MR. MIHELICK: The city takes a \$3500 haircut,
9 but it's a quick, easy end settlement that you don't pay
10 us to do.

11 MS. ROBERTS: Okay. I would --

12 MR. MCINERNEY: Sounds good, but how'd the city
13 get involved, other than the taxes?

14 MR. MIHELICK: They filed a lawsuit.

15 MR. MCINERNEY: The city's not in the chain of
16 title, though.

17 MR. MIHELICK: Yeah, the city has a lien on the
18 property.

19 MR. MCINERNEY: A lien? A tax lien?

20 MR. MIHELICK: Yeah.

21 MR. MCINERNEY: Okay.

22 MR. MIHELICK: There's a lot of unpaid taxes, so
23 they filed a lawsuit against the city to clear the title.

24 MR. MCINERNEY: So the city never exercised its
25 right to pull it out of the Wayne County auction, or

1 anything?

2 MR. GABOR: No.

3 MR. MIHELICK: And that's what we couldn't
4 explain, why the city never did that. So, the city --

5 MR. GABOR: We could not find any documentation
6 in that --

7 MR. MCINERNEY: Well, I'm not suggesting the
8 city should have. So the city's not been in that -- the
9 city's interest in it is, you said, through a tax lien,
10 not through being a grantor or grantee in this?

11 MR. MIHELICK: Correct.

12 MR. MCINERNEY: All right.

13 MR. STEMA: So does this mean Wayne County never
14 is releasing their lien, then, because like, Wayne County
15 would have a lien unless they were just paying Wayne
16 County taxes, not paying city taxes.

17 MR. GABOR: I believe the property ended up --
18 the city got their name on the property somehow.

19 MR. STEMA: Oh, okay.

20 MR. GABOR: Don't know how, but they got their
21 name on it, so that took it out of the foreclosure process
22 at Wayne County.

23 MR. STEMA: Okay.

24 MR. GABOR: But once the city got their name on
25 the property, there was a lack of follow up on what we do

1 with that --

2 MR. STEMA: Okay.

3 MR. MCINERNEY: Well, there's a procedure after
4 a couple of the auctions, where it could be deeded to the
5 city. You could reject it.

6 MR. GABOR: Yeah.

7 MR. MCINERNEY: But, it can come to you from the
8 county as a grantee.

9 MR. GABOR: And it just kind of fell through the
10 cracks.

11 MR. MCINERNEY: If there are no bidders.

12 MS. ROBERTS: Okay, I will entertain a motion to
13 approve, deny or postpone approval of settlement.

14 MR. MCINERNEY: I'll move to propose settlement.

15 MR. STEMA: Second it.

16 MS. ROBERTS: Any further discussion?

17 (No response)

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

20 MS. YOUNG: Aye.

21 MR. STEMA: Aye.

22 MR. MCINERNEY: Aye.

23 MS. ROBERTS: Opposed, the same.

24 (No response)

25 MS. ROBERTS: Motion carries. Next on the

1 agenda is approval of the citywide overtime report. Mr.
2 Gabor, would you provide a summary of this item for the
3 Board?

4 MR. GABOR: I will. We have the monthly summary
5 with regards to overtime hours by department, is 1,021
6 hours. The majority of that is coming out of the police
7 department first, and then the fire afterwards. All of it
8 is related to contractual issues, okay?

9 I know we are working on attempting to change
10 some of those contractual issues. But right now, we're
11 trying to minimize the impact of them. And Ann, I don't
12 know if you want to speak to anything else other than
13 that? I know it's a contractual statement.

14 MS. MOISE: I'll introduce myself as Ann Moise.

15 MR. GABOR: She's our police chief.

16 MS. MOISE: The only thing I know is when I
17 talked to Katrina, Ms. Powell, last week, that she said
18 the overtime in the police department was way down. It
19 was considerably less than what it has been in the past.
20 That brings us back to the traffic program procedure,
21 which is contractual.

22 MS. ROBERTS: Mm-hm.

23 MS. MOISE: There was some, you know, our
24 manpower hours are down due to the hiring that you've
25 allowed. We did do, so, I know things are -- we're

1 starting to see a dramatic difference in the police
2 overtime in general.

3 MS. ROBERTS: Okay.

4 MR. GABOR: And it's something you just, you
5 have to watch daily.

6 MS. ROBERTS: Mm-hm.

7 MR. STEMA: Yeah.

8 MR. GABOR: I mean, that's the only way to,
9 otherwise, it gets out of hand.

10 MS. ROBERTS: We had talked a few months ago
11 about a police study. Are we any further on that, on
12 getting those completed?

13 MS. MOISE: I know Ms. Powell was having some
14 issues with the company that was originally slated to do
15 it by the final orders. There was some issues with them
16 not scheduling us like they were supposed to do. So to my
17 knowledge, I don't know if she has found anybody since
18 then. That's certainly something when she comes back, I
19 can sit down and address with her. We have not had
20 another conversation about that.

21 MS. ROBERTS: If you could, please.

22 MS. MOISE: Yes, I will.

23 MR. MCINERNEY: So the city's looking to do a
24 study on this? That's why we're talking about it?

25 MS. MOISE: Yes.

1 MS. ROBERTS: The emergency manager when she
2 left, requested that a study be done.

3 MR. MCINERNEY: Thank you.

4 MR. GABOR: We'll make sure that you get at
5 least a follow up note as to where we're at with that.

6 MS. ROBERTS: Okay.

7 MR. STEMA: You know, also, I know I had talked
8 to Bama about it. In the future, I see the column here
9 but nothing in it... That, because a lot of these monies
10 are being reimbursed and actually doesn't hit the general
11 fund whether it's OT or not. To show which amounts are
12 actually going to be affecting the general fund, by
13 showing amounts that are being reimbursed.

14 I know when we talked about that last month, if
15 she could start doing that, that kind of shows what's
16 really affecting the general fund, and what's not. Yeah,
17 no, I see that she wrote it up top. I just don't see any
18 numbers and that.

19 ~~It just makes it a lot easier for us to see~~
20 ~~what's actually impacting the general fund negatively.~~
21 ~~And if it's being reimbursed --~~

22 MR. GABOR: Well, yeah, if it's really a problem
23 or it's, it's --

24 MR. STEMA: -- you know, it's fine, it's not
25 that big of a --

1 MR. GABOR: It's kind of a normal problem.

2 MR. STEMA: Yes.

3 MS. ROBERTS: Thank you. I would entertain a
4 motion to approve, deny, or postpone the citywide overtime
5 report.

6 MR. STEMA: Motion to approve.

7 MS. YOUNG: Second.

8 MS. ROBERTS: Any further discussion?

9 (No response).

10 MS. ROBERTS: Seeing none, all those in favor
11 say aye. Aye.

12 MS. YOUNG: Aye.

13 MR. STEMA: Aye.

14 MR. MCINERNEY: Aye.

15 MS. ROBERTS: Opposed, the same.

16 (No response)

17 MS. ROBERTS: Motion carries. The last item on
18 the agenda is the district court revenues; that's for
19 information only.

20 Next is public comment.

21 Mr. Van de Grift, is there anybody signed up for
22 public comment?

23 MR. VAN de GRIFT: Indeed there are. Mr. Robert
24 Zwolak.

25 MR. ZWOLAK: Good afternoon.

1 MS. ROBERTS: Good afternoon.

2 MS. YOUNG: Good afternoon.

3 MR. ZWOLAK: Although I may be a lame duck
4 councilman, I still have one more month, so, I'll make my
5 pitch here and maybe in the future, too.

6 But I just kind of, bringing back some of our --
7 my common complaints, and that is, and I think I brought
8 up some issue also of having maybe public comment at the
9 beginning of the meeting and giving us an opportunity to
10 speak on some of the agenda items.

11 I would certainly, from my standpoint, I'd like
12 to have had some comment on some of the decisions that
13 were made. As much as coming to a meeting, and this
14 meeting, and finding information made available to the TAB
15 board that has not been available to the council, is kind
16 of concerning.

17 And I think I've raised this issue in the past,
18 that gave a scheduling problem. The TAB board meets
19 before the council. In some cases, the TAB board is
20 making decisions that the council isn't even aware of.

21 So hopefully, we can, you know, remedy that,
22 especially when we have a relationship with the council.
23 And I think the question's always been asked, if this is a
24 transition board, an advisory board, just, what does that
25 mean, in terms of the relationship between the elected

1 officials and the TAB board, relevance to the State of
2 Michigan.

3 So hopefully we can get some of the bugs out,
4 especially in communication. And we have a new
5 councilman, who's been just recently appointed, and I'm
6 sure he's been well informed to you also by the
7 proceedings here, so, hopefully we can work on a little
8 bit more of information being forwarded to the council
9 before you ^{get it} get -- you know. Thank you again, and have a
10 happy holiday.

11 MS. YOUNG: Thank you, happy holiday.

12 MR. VAN de GRIFF: Ms. Kathy Angerer.

13 MS. ANGERER: No, she had me to sign in in the
14 event I spoke. I won't at this time.

15 MR. VAN de GRIFF: Very good.

16 MR. GABOR: And Mark?

17 MR. VAN de GRIFF: Same, Mr. Ragsdale? All
18 right.

19 MR. RAGSDALE: Yup.

20 MR. VAN de GRIFF: All right. Then, Ian
21 Perrota.

22 MR. PERROTA: Well, Ian Perrota. As Bob
23 mentioned, I was the new, newly appointed city council
24 member, so I just wanted to come by and introduce myself
25 to you guys. And say that I'm looking forward to working

1 with you, but I'm looking more forward to you guys getting
2 out of here. No offense. But we're --

3 MS. ROBERTS: None taken.

4 MR. PERROTA: We're happy that, to do what we
5 have to do, to satisfy the conditions of the RTAB board,
6 so, feel free to talk to me or whatever's legal. ~~So~~
7 ~~whatever the ropes is,~~ Travis has informed me as I go,
8 so, just wanted to say hi, introduce myself, and that's
9 it. Nice to meet you guys.

10 MS. ROBERTS: Thank you.

11 MS. YOUNG: Thank you.

12 MR. STEMA: Congrats.

13 MR. PERROTA: Thank you.

14 MR. VAN de GRIFF: That concludes public
15 comment.

16 MS. ROBERTS: Okay, board comment?

17 MS. ^{ROBERTS} YOUNG: I just have one item, because it
18 keeps coming up. This RTAB board does not make decisions
19 prior to the council seeing things. Council has to
20 approve items before they get on our agenda.

21 Those few times when things have been asked to
22 be placed on our agenda, we postpone them until council
23 sees them, or if they're items that need our approval
24 because of timing, we give it contingent on council. So I
25 just wanted to make that point. Other than that, I don't

1 have anything.

2 MR. STEMA: Just one small clarification on
3 that, the only time we approve something before the
4 council, is when it's a directive when the emergency
5 manager left. So everything goes in front of the council
6 first, they vote it through, unless it's personnel,
7 cancelling contracts, which the directives of the
8 emergency manager stated. Should come to the Board to
9 make those decisions.

10 MS. ROBERTS: Thank you.

11 MR. STEMA: You're welcome.

12 MS. ROBERTS: Okay. Seeing no other board
13 comment, I would entertain a motion to adjourn the
14 meeting.

15 MR. MCINERNEY: So moved.

16 MR. STEMA: Seconded.

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

18 MS. YOUNG: Aye.

19 MR. STEMA: Aye.

20 MR. MCINERNEY: Aye.

21 MS. ROBERTS: Motion adjourned at 1:41 on
22 November 24th. Thank you.

23 (Meeting adjourned at 1:41 p.m.)

24

25

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 November 24, 2015, City of Hamtramck. I also certify that I am not a relative or employee of the parties involved and have no financial interest in this case.

s/ Amy Shankleton-Novess

Amy Shankleton-Novess

Dated: December 7, 2015

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