

APPROVED - 8/25/15

City of Hamtramck

Receivership Transition Advisory Board Meeting Minutes

Tuesday, July 28, 2015

Hamtramck City Hall

Council Chambers - 2d Floor

3401 Eevaline

Hamtramck, Michigan 48212

RTAB MEMBERS PRESENT:

MARK STEMA  
CATHY SQUARE  
KAREN YOUNG

ABSENT:

DEBORAH ROBERTS, CHAIR

ALSO PRESENT:

DREW VAN de GRIFT  
Michigan Dept of Treasury  
Office of Fiscal Responsibility

KATRINA POWELL  
Hamtramck City Manager

BHAMA CAIRNS  
City Controller

Nina Lunsford (CER 4539)  
Modern Court Reporting & Video, LLC  
SCAO FIRM NO. 08228  
101-A North Lewis Street  
Saline, Michigan 48176  
(734) 429-9143/nel/ajsn

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Called to order: 1:00 p.m.

MR. STEMA: Roll call?

MR. VAN de GRIFT: Deborah Roberts?

(No response.)

MR. VAN de GRIFT: Cathy Square?

MS. SQUARE: Here.

MR. VAN de GRIFT: Mark Stema?

MR. STEMA: Here.

MR. VAN de GRIFT: Karen Young?

MS. YOUNG: Here.

MR. VAN de GRIFT: Deborah Roberts is absent.

The quorum is present.

MR. STEMA: Can I get a motion to approve the agenda?

MS. SQUARE: So moved.

MS. YOUNG: Second.

MR. STEMA: Everybody remember our public signup. If you want to sign up and speak at end of the meeting.

MR. STEMA: Let's approve the minutes. A motion to approve the minutes.

MS. SQUARE: So moved.

MS. YOUNG: Second.

MR. STEMA: Vote?

MS. Young: Aye.

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MR. STEMA: Aye.

MS. SQUARE: Aye.

MR. STEMA: Ms. Powell could you please update the Board regarding the city's efforts to bring before previously identified audit deficiencies, where that's at?

MS. POWELL: Yes, sir, actually I will defer to our controller, Bhama Cairns. She will talk about the audit deficiencies.

MS. CAIRNS: Did you get a copy of it?

MR. STEMA: I got a copy of the letter.

MS. CAIRNS: Not the answers to the --

MR. STEMA: I didn't see that.

MS. CAIRNS: Okay. Oh, great. I apologize. That should have been included?

MR. VAN de GRIFT: Attachment 2?

MR. STEMA: Yeah. I didn't get the responses.

MS. CAIRNS: Would you like a copy of this or do you want me to discuss --

MR. STEMA: That would be great. Maybe if we don't have it we could table it to the next meeting. So we can actually review it?

MS. CAIRNS: Yes.

MR. STEMA: It might be a little bit more efficient for everybody. So why don't we table this to the next meeting.

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MS. CAIRNS: Okay.

MR. STEMA: New Business? Resolution from Regular City Council meeting. Can I get a motion?

MR. VAN de GRIFF: Is the Board -- Drew Van de Grift, Michigan Department of Treasury, I would request an addition to the new business items concerning the Open Meetings Act notice, posting authority. Is this an appropriate time to discuss that?

MR. STEMA: Sure.

MR. VAN de GRIFF: Thank you.

The Open Meetings Act in Michigan requires among other things that certain people specifically be empowered to post notice when schedules changed or when special meetings are announced. I would like to expand that list just for convenience of both the city and the state. With the Board's approval, perhaps you would entertain a motion to appoint Angela Dempkowski, administrative staff at Treasury; Penny Ducat, also from Treasury; Kristina McAlvey, lastly from Treasury; ~~DanNisha Reeder~~ DanNisha Reeder, of Hamtramck and the clerk, August Gitschlag to be authorized to post notice for your future meetings.

Is that something the Board would entertain?

MR. STEMA: Yes.

Motion to approve?

MS. YOUNG: So moved.

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MS. SQUARE: Second.

MR. STEMA: Vote? Aye.

MS. YOUNG: Aye.

MS. SQUARE: Aye.

MR. VAN de GRIFF: Thank you.

MR. STEMA: Entertain a motion to approve  
Resolution from the Regular City Council meeting on June  
9,

MS. SQUARE: So move.

MS. YOUNG: Second.

MR. STEMA: Vote?

MS. YOUNG: Aye.

MR. STEMA: Aye.

MS. SQUARE: Aye.

MR. STEMA: Entertain a motion to approve the  
Resolution from the Special City Council meeting on June  
17, motion?

MS. SQUARE: So moved.

MS. YOUNG: Second.

MR. STEMA: Vote; aye.

MS. SQUARE: Aye.

MS. YOUNG: Aye.

MR. STEMA: Entertain a motion to approve  
Resolution from the Regular City Council meeting of June  
23 with exceptions of Resolution 2015-26; budget

1 attachment and Resolution 2015-27, contract with Wayne  
2 County for distribution of the ~~CPG~~ funds. Can I get a  
3 motion? *CDBA*

4 MS. SQUARE: So moved.

5 MS. YOUNG: Second.

6 MR. STEMA: Vote?

7 MS. YOUNG: Aye.

8 MS. YOUNG: Aye.

9 MR. STEMA: Aye.

10 Ms. Powell, please summarize the budget  
11 amendment for the Board, next agenda item?

12 MS. POWELL: Yes, sir, I will defer to the City  
13 Controller as well to discuss the budget amendment.

14 MR. STEMA: Okay.

15 MS. CAIRNS: Did you receive something like  
16 this?

17 MR. STEMA: Yes, I did.

18 MS. CAIRNS: Do you have any questions on this  
19 or do you want me to do --

20 MR. STEMA: I didn't. Discussions, anybody?  
21 Questions?

22 MS. SQUARE: I don't have any questions.

23 MR. STEMA: Motion to approve?

24 MS. SQUARE: So moved.

25 MS. YOUNG: Second.

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MR. STEMA: Vote, aye.

MS. YOUNG: Aye.

MS. SQUARE: Aye.

MR. STEMA: Entertain a motion to approve, deny or postpone resolution 2015-27, Contract with Wayne County Distribution of ~~CEG~~<sup>CDBG</sup> Funds. Motion?

MS. SQUARE: So moved.

MS. YOUNG: Second.

MR. STEMA: To approve, aye.

MS. SQUARE: Aye.

MS. YOUNG: Aye.

MR. STEMA: Entertain a motion to approve the Claims and Accounts from the draft minutes of the regular city council meeting of July 14, 2015?

MS. SQUARE: So moved.

MS. YOUNG: Support.

MR. STEMA: Vote; aye.

MS. SQUARE: Aye.

MS. YOUNG: Aye.

MR. STEMA: Approved.

Entertain a motion to approve, deny or postpone the Budget-to-Actual Cash Flow Reports.

MS. SQUARE: So moved.

MS. YOUNG: Second.

MR. STEMA: Vote; aye.

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MS. SQUARE: Aye.

MS. YOUNG: Aye.

MR. STEMA: Item number 6, Approval of Employment Contract for the Executive Assistant. Will you now please provide a summary of this for the Board.

MS. POWELL: Yes, sir. This position is currently a temp position of which we pay quite a bit of money for and so it would actually be a decrease in cost for making this a permanent position in the City Manager's office. This is a position that is very much needed, as Cathy Square realized back when she was here and she actually got the ball rolling in getting us a temporary employee to help us out.

MR. STEMA: Discussion?

I have a couple of questions. Is this -- just reading the contract, this is a W-2 position, not a 1099?

MS. POWELL: Correct.

MR. STEMA: Reading the contract, is At Will Employment?

MS. POWELL: Yes, it is.

MR. STEMA: Just wanted to -- there's a contract that I read it to include that after ten years she will get to elect on health benefits?

MS. POWELL: All city <sup>the City</sup> the employees --

MR. STEMA: Is that required based on, like

1 obviously not a union position, that's just like standard  
2 for all city employees?

3 MS. POWELL: That's just the standard.

4 MR. STEMA: Have you guys ever thought about  
5 adjusting that because historical cost, you know, are one  
6 of the things that really is kind of hurting the city  
7 budget in the advance and --

8 MS. POWELL: I'll defer to the H.R. director to  
9 answer.

10 MS. SCANIO: Sorry, you can't see me. Actually,  
11 we go by the MERS (sic) rules which is not when they're  
12 vested but when they reach full retirement capabilities  
13 which is 25/55 so they have to be with the city for 25  
14 years and be 55 years of age to reach -- to get the  
15 insurance for lifetime, not ten years.

16 MR. STEMA: Oh.

17 MS. SCANIO: Not ten years.

18 MR. STEMA: Oh, okay. I thought I read ten.

19 MS. SCANIO: No, you're just vested with MERS  
20 after ten.

21 MR. STEMA: Oh, okay. After ten.

22 MR. VAN de GRIFF: Could you introduce yourself  
23 for the record, please?

24 MS. SCANIO: Margaret Scanio, H.<sup>B</sup>O. director.

25 THE REPORTER: Scanlon?

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MS. SCANION: Scanio. S-c-a-n-i-o.

THE REPORTER: Thank you.

MR. STEMA: Any other questions?

MS. SQUARE: No questions.

MR. STEMA: Motion to approve?

MS. SQUARE: So moved.

MS. YOUNG: Second.

MR. STEMA: Vote?

MS. SQUARE: Aye.

MS. YOUNG: Aye.

MR. STEMA: Your Section 8, 9, Collective Bargaining. That was already done -- what do we do on those?

MR. VAN de GRIFF: You can simply acknowledge that the Board has received them and that they are received and filed. Before that you may wish to address the administrative clerk for detail specifics.

MR. STEMA: Oh, that's a different position. Ms. ~~Powel~~<sup>Powell</sup>, can you provide a summary of this item for the board?

MS. POWELL: Yes, sir. This, too, is a temporary position and has been for probably a year and a half or more. We are now wishing to post the position permanently. It was a permanent position in the beginning but that person no longer works here and so to fill in the

1 gap, the city has a temp employee filling in that  
2 position. This hourly rate and benefits will be less  
3 amount than what we currently pay our temp agency for the  
4 same employee.

5 MR. STEMA: Motion to approve?

6 MS. SQUARE: So moved.

7 MS. YOUNG: Second.

8 MR. STEMA: Vote; aye.

9 MS. SQUARE: Aye.

10 MS. YOUNG: Aye.

11 MR. STEMA: Items 8, 9 and 10, the Collective  
12 Bargaining Agreement, if you could advise us, Mr. McNeal?

13 MS. SQUARE: And 11.

14 MR. STEMA: Oh, and 11, too.

15 Item number 12, Ms. Powell, can you please  
16 provide a summary for the second for the Board, the  
17 removing of your auditor?

18 MS. POWELL: Yes. Or actually I would like the  
19 City Controller to talk about some of the issues that we  
20 had with our auditor this past year and our reasoning  
21 behind wanting to terminate the contract and put this back  
22 out to bid for another firm.

23 MS. CAIRNS: Good afternoon.

24 There are three reasons why we think the  
25 contract should be terminated. One, was the timely --

1 they never kept on time. Even when it came to signing the  
2 initial contract we gave it to them on June 26th. It  
3 didn't get signed until October 13th. It's just the same  
4 thing when it came to completing the audit.

5 For example, they were supposed to prepare all  
6 of the financial statements, basic financial statements.  
7 That's in the contract. They were supposed to complete  
8 the audit by five months after the fiscal year which is  
9 November 30th and they just started in November.

10 They did not work the audit. They never  
11 contacted me although I had left several messages to kind  
12 of review our accounting records because even the previous  
13 auditor would show up back in July and look at the way our  
14 accounting records are kept. And especially if it's a new  
15 audit you kind of want to get something from your eyes so  
16 with the operations, especially went beyond the emergency  
17 manager and had all kinds of financial issues.

18 The other, we found some errors in their audit  
19 report; specifically to do with the district court.

20 The district court is a separate legal entity.  
21 That's how it was always presented by the previous  
22 auditors as well as other audit firms. But for some  
23 reason this particular audit firm insists upon saying it's  
24 not a legal separate entity. So, first they wanted me to  
25 give them the Articles of Incorporation and I said you

1 don't need the Articles of Incorporation because it's  
2 under statute. It's created by a state statute. But they  
3 kept insisting upon it so I had to contact the State Court  
4 Administrator's Office, got all the documentation, sat  
5 with the court administrator. We also got samples from  
6 other audit firms that district courts are supposed to be  
7 legally separate. With all of that they still wouldn't  
8 define that as a separate legal entity.

9 The problem when they say something like that  
10 that they are not legally separate which means the city is  
11 now in overall charge of the financial operations of the  
12 court which is clearly a violation of the state statute.

13 So that's one of the second reason.

14 Third reason is they doubled their fees but we  
15 did not get a quality audit. They were also -- in the  
16 audit fees was supposed to award themselves for  
17 consultation with the city. I would leave messages that  
18 will go unanswered for months. Those are my frustrations.

19 MR. STEMA: So they did no quarterly testing if  
20 that dropped a year or anything like that?

21 MS. CAIRNS: No.

22 MR. STEMA: No advance testing to minimize at  
23 the end of the year?

24 MS. CAIRNS: No.

25 MR. STEMA: I mean I -- I mean I'm still under

1 the impact because at least I don't know when the times  
2 have changed from when I was in public. Normally, your  
3 first year audit is the most expensive.

4 MS. CAIRNS: Yes.

5 MR. STEMA: Because they have to be able to dig  
6 into all that, they have to look at more numbers and look  
7 at more stuff. So, going into a new auditor next year,  
8 how that effect -- was that accounted for by the potential  
9 cost savings in the second year audit?

10 MS. CAIRNS: They were given a three-year  
11 contract.

12 MR. STEMA: Okay.

13 MS. CAIRNS: And it started with ~~28~~-5, ~~29~~-5, ~~30~~-  
14 ~~5~~ for the three years.

15 MR. STEMA: Okay.

16 MS. CAIRNS: The other auditors were slightly  
17 higher except our previous auditor was lower. But by the  
18 time they doubled -- almost doubled the fee because we  
19 ended up paying ~~52~~-5, <sup>\$28,500, \$29,500, \$30,500</sup> that put us above all the other  
20 audit fees.

21 MR. STEMA: You guys approve all the cost  
22 changes from those advance fees? In advance?

23 MS. CAIRNS: Yes.

24 MR. STEMA: Okay, you did kind of know about  
25 them?

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MS. CAIRNS: No. It wasn't --

MR. STEMA: Not up front but at the time when they were raising --

MS. CAIRNS: Yes, they after -- like in December they told us they can't complete the audit unless we pay this extra fees and then even when it came to the fees, the increase, they were supposed to complete the audit before they get the additional \$34,000 but they were still holding onto the audit incomplete, insisting upon us paying, paying that amount. I think we had a lot -- and they would also make promises like, "Oh, we will be there on February 10th to do the presentation," and on the 10th I would get an email saying, "Well, I hope you didn't put us on the agenda because we won't be able to finish it." And by the time they issued the audit it was eight, at least four months and eight days past the audit deadline.

When they do something like that our Ford funds (sic) were withheld; our grants, we were scrambling to get our grants including the financially distressed grant which we were applying for. They were waiting for us to make sure that those audit reports were in.

The ~~SR~~<sup>SRF</sup> project (sic) which we have, that got delayed. So there are whole reasons.

MR. STEMA: I actually just have one more question. I don't know if anybody else has. My question

1 is what happens when you go to hire the new auditors?

2 MS. ~~BAMA~~ <sup>Cairns</sup>: Say that again?

3 MR. STEMA: Say you get a new auditor.

4 MS. ~~BAMA~~ <sup>Cairns</sup>: Yes.

5 MR. STEMA: Auditors coming next year. They  
6 find the same exact thing with the courts and they say,  
7 and they you know, they rule the same way as everyone  
8 else. Would you want to get rid of them and find another  
9 one the next year?

10 MS. ~~BAMA~~ <sup>Cairns</sup>: I don't think they are going to say  
11 the same thing.

12 MR. STEMA: That's one of the reasons she said,  
13 so.

14 MS. POWELL: It is one of the reasons but that's  
15 not really the primary reason. The primary reason is that  
16 we haven't had a timely audit. They were very difficult  
17 to deal with to the point that I had to send a very  
18 strongly worded email just to get our audit released.  
19 They basically held our audit hostage while this whole  
20 thing was going on when we clearly said, "Okay, we  
21 understand your position and we're okay with it. Now  
22 complete our audit." It was still another month and a  
23 half, two months after that before we got our audit. And  
24 even then when I sent the <sup>email</sup> ~~mail~~ and said, "We really need  
25 our audit now because you're holding up our funds, you're

1 doing all this." Their response back to me was, "Everyone  
2 in the office is on vacation." And I said, "I don't care  
3 if the entire office is on vacation, we need our audit and  
4 I need it by Friday." And so it was basically the fact  
5 that they prolonged the entire audit and because they  
6 didn't do a pre-audit it caused problems at the end.

7 MR. STEMA: Are you going to put that in the  
8 contract if you get a new one saying you have to do some  
9 pre-audit work?

10 MS. POWELL: Oh, absolutely.

11 MR. STEMA: Same time.

12 MS. POWELL: Well, and I think that that was in  
13 the original bid document that said these are sort of the  
14 things that we're looking for, so.

15 MS. BAMA: <sup>Cairns</sup> The auditing standards ask for  
16 planning the audit, all of that.

17 MR. STEMA: Yeah.

18 MS. BAMA: <sup>Cairns</sup> But they didn't follow ~~in~~ <sup>it</sup>.

19 MS. SQUARE: I have a question. Is there a  
20 termination provision in the contract.

21 MS. BAMA: <sup>Cairns</sup> Yes.

22 MS. SQUARE: And what does it say?

23 MS. BAMA: <sup>Cairns</sup> Failure to file on time, a whole list  
24 of --

25 MS. SQUARE: So we can meet all of the

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termination provisions?

MS. BAMA: <sup>Cairns</sup> Yes.

MS. SQUARE: Okay.

MS. POWELL: We ran it past legal.

MS. SQUARE: And you are going to be putting out a new RFP?

MS. POWELL: Yes. Tomorrow.

MS. SQUARE: As soon as possible.

MR. STEMA: Just one last quick question. So, let's say that they got everything done on time in that and you guys come to an agreement on the courts. Would you be looking to get rid of them? If everything was done on time?

MS. POWELL: No.

MR. STEMA: Okay. I just wanted to make sure. If it was one of the points, I just wanted to make sure that that's not one of the major factors.

MS. POWELL: No, it wasn't. It was the timing of all of that and the fact that they just wouldn't let it go.

MR. STEMA: Okay.

MS. YOUNG: I have a question. You mentioned that the previous audit firm, their bid was lower.

MS. BAMA: <sup>Cairns</sup> Yes.

MS. YOUNG: Than this current audit firm. Other

1 than finances, what's the reason we didn't stay with the  
2 previous audit firm.

3 MS. BAMA: <sup>Cairns</sup> Usually it's a good idea to change  
4 auditors after five years. If they do a long-term auditor  
5 then they don't catch what they're supposed to catch.

6 MS. YOUNG: Okay.

7 MR. STEMA: Entertain a motion to approve, deny?

8 MS. SQUARE: So moved.

9 MS. YOUNG: Second.

10 MR. STEMA: To approve, aye.

11 MS. SQUARE: Aye.

12 MS. YOUNG: Aye.

13 MR. STEMA: Approval of Resolution 2015-33,  
14 "Tentative Construction Contract to Liquiforce Services  
15 for Wastewater System Improvements." Ms. Powell, can you  
16 explain or is there any discussion for this?

17 MS. POWELL: Our city engineer is here, John  
18 Hennessey. He can answer any questions that you may have  
19 regarding this tentative contract.

20 <sup>Mr.</sup> MS. HENNESSEY: Good afternoon. This contract  
21 for Liquiforce is for \$2,145,256 and it is part of the  
22 continuation of the SRF project that we've done and it  
23 involves remediation of the sewer system throughout the  
24 city. It's city wide in the sense that it involves lining  
25 sewer systems, entire lining systems and then doing spot

1 repairs as well and it's really -- comes out of the study  
2 work that was done under the S-2 contract through their  
3 nine bidders picked up contracts and three bids came in.  
4 The top two bids were very close in price, \$2.2 million so  
5 we're real happy with that. And actually even the third  
6 bidder is not that far off. And we are recommending  
7 approval of the Liquiforce contract.

8 MS. SQUARE: When would they start?

9 MR. HENNESSEY: They're looking to start in  
10 October of this -- but they're looking to do this work  
11 through the calendar year, through the winter months.

12 MS. SQUARE: And it's city-wide?

13 MS. HENNESSEY: Correct, yeah.

14 MS. SQUARE: So it's not just in the  
15 concentrated area, Joseph Campau, that whole area?

16 MR. HENNESSEY: No, this is throughout the whole  
17 city, yeah.

18 MR. STEMA: Any other questions?

19 Motion to approve?

20 MS. SQUARE: So moved.

21 MS. YOUNG: Second.

22 MR. STEMA: Vote? Aye.

23 MS. SQUARE: Aye.

24 MS. YOUNG: Aye.

25 MR. STEMA: Approval of Resolution 2015-34,

1 "Tentative Construction Contract to Dan's Excavating for  
2 Wastewater System Improvement."

3 MS. POWELL: Once again, our city engineer is  
4 here to discuss that part of the project.

5 MR. HENNESSEY: Yes. This is a little bit of a  
6 different project. This still falls under the SRF work as  
7 well, though. But as opposed to lining, this is actually  
8 the construction of a release sewer on Joseph Compeau that  
9 runs from Goodson to Denton Street. Denton is the main  
10 sewer that collects the -- that transfers the sanitary  
11 flows into the city of Detroit. The backbone of the  
12 city's system is really down Joseph Campau what this is,  
13 is to construct a 60 inch relief sewer underneath Joseph  
14 Campau and connecting into the Denton sewer through there.  
15 There were three bids; eleven contractors picked up the  
16 bid package. Three bids were turned in. Again, there's a  
17 very tight pairing of the bids from \$3.2 million to \$3.4  
18 million. We did have a pre-bid meeting through there and  
19 walked through with all the contractors to walk through  
20 what needed to be done with the project. And I will tell  
21 you the reason there is 11 contractors is some contractors  
22 would have to do some sub-work to this because it's a  
23 somewhat complicated project through there and they  
24 wouldn't be able to sole source it and that's why we had  
25 11 contractors pick up the bids but only three turning the

1 bids in. The low bid was Lawrence Clark. We did some  
2 reference checks with Mr. Ragsdale through there and we  
3 did find that Lawrence Clark did have some unfavorable  
4 references with consideration of timing, of cleaning up.  
5 There was discussion of paying sub-contractors and things  
6 along those line through there. And so we are  
7 recommending that Dan's Excavating get the contract at  
8 \$3.3 million -- or \$3,379,130.12. We did call Dan's  
9 Contracting. We've gotten a lot of favorable references  
10 from them and candidly there is probably no other  
11 contractor in the state with as much horsepower as Dan's  
12 Contracting. They will sole source the entire project.  
13 They do their own earth retention, their own bridge work  
14 and things like that. They do their own tunneling so.

15 MS. SQUARE: How much lower was the low bid?

16 MR. HENNESSEY: It was approximately \$150,000  
17 lower. It was \$3 million through there. It is a very  
18 complicated project. Just to give everyone an idea of the  
19 scope, we're basically putting a chamber over an existing  
20 sewer to allow that water to flow out of that sewer system  
21 into a newer chamber. It's about 23 feet deep, that  
22 chamber. And then we're connecting into a seven foot  
23 tunnel on Denton Road which is about 30 feet deep through  
24 there. So it's a complicated project through there.

25 MS. SQUARE: I have another question. Do both

1 of these contracts have liquidated damages in them in case  
2 they don't do what they're supposed to do?

3 MR. HENNESSEY: You have to have a two-  
4 maintenance and guarantee program through there and they  
5 have liquidated damages but under state law we have to  
6 demonstrate what our damage is. But on a project like  
7 this we certainly can then if there is a damage we can  
8 demonstrate it through -- if they take a long time or you  
9 know, don't finish it within their calendar days.

10 MS. SQUARE: And my third question is inspection  
11 services. Who is going to inspect this work?

12 MR. HENNESSEY: We will. We will inspect this  
13 work. We are overseeing this inspection.

14 MS. SQUARE: All right. Okay.

15 MR. STEMA: Any other questions?

16 (No response.)

17 MR. STEMA: Motion to approve, deny or postpone.

18 MS. SQUARE: So moved.

19 MS. YOUNG: Second.

20 MR. STEMA: Vote, aye.

21 MS. SQUARE: Aye.

22 MS. YOUNG: Aye.

23 MR. STEMA: "Approval of Citywide Overtime  
24 Report for June 2013" (sic).

25 MR. VAN de GRIFT: Did you wish to ask a

1 question?

2 MR. STEMA: Any questions?

3 MS. SQUARE: Is the police chief here? ---

4 MS. BAMA: <sup>Cairns</sup> Do you need any questions for him?

5 MS. SQUARE: No, I just, you know, it's the  
6 overtime is always the police overtime.

7 MS. BAMA: <sup>Cairns</sup> Yes.

8 MS. SQUARE: And are we in line with -- I know  
9 it's over the budget because I know we didn't budget  
10 enough in the beginning but where are we compared to a  
11 previous year? Maybe that's a good analysis? Because I  
12 know the previous year it was very high.

13 MS. BAMA: <sup>Cairns</sup> I think we were almost as close to  
14 previous year although this time it's full-time  
15 employment. In other words, these salaries' budget will  
16 increase but the overtime was also equally high. But  
17 starting this new fiscal year I think that's going to be a  
18 number one.

19 MS. SQUARE: That's ongoing then?

20 MS. BAMA: <sup>Cairns</sup> Yes.

21 MR. STEMA: Just a, the police chief probably  
22 can answer this better, what's the strategy involved to  
23 lower the (indiscernible)? Hire more police and so you  
24 would lower that?

25 MS. BAMA: <sup>Cairns</sup> Lower that. He may have to come here

1 to answer the question.

2 MR. STEMA: I was just curious because she said,  
3 you know, the goal is obviously to lower and I'd like to  
4 know what strategies are being thought of to actually  
5 bring down the overtime for the police department.

6 MS. POWELL: And I apologize that the chief is  
7 not here. I wasn't aware that there would be questions  
8 about that. I know that she's taking steps to look into  
9 the overtime in the police department as we all are.  
10 We're also still trying to find someone to conduct a  
11 police study to come in and look at the overall police  
12 department. We're still actively looking for someone and  
13 unfortunately everyone is booked up at this point in the  
14 year so we're hoping to get on some waiting lists. To  
15 have a study done. But I know that the chief is on top of  
16 it and she's handling it.

17 MS. SQUARE: I just want to make a comment that  
18 that study has to happen because you know, one of the  
19 reasons why we have high police overtime is because the  
20 police have a fairly active police operation that involves  
21 if you look at this chart, FBI, traffic, DEA, auto theft.  
22 And really the purpose of that study is to just really  
23 make a determination as to whether or not we really need  
24 to be doing all that. And so I think that you know, as  
25 soon as we can get this study, I thought we had some

1 commitments from a couple of providers but I think that we  
2 need to -- that needs to happen ASAP because again, we are  
3 doing a lot of activities that you know, stress the  
4 overtime budget. I know the argument is, well, you know,  
5 we make money from a lot of these enterprises but you  
6 know, until we get a report done that we can actually look  
7 at and see whether or not all that's true, you know, we're  
8 going to be in this overtime situation and so I think it's  
9 a large enough part of our budget that we have to really  
10 just find somebody. There are a lot of private  
11 individuals, retired police officers, retired professional  
12 police organization members. I mean we've got to find  
13 somebody. And I thought that we had a couple names but  
14 that may have gotten lost in some of the transition that  
15 we've had at the police department but we've got to get  
16 that. Because that's an ongoing problem.

17 MS. POWELL: The company that was actually  
18 written about in the final orders they did not receive a  
19 contract to sign and so he got booked up for the year and  
20 he gave me names of several companies that do it and when  
21 I reached out to them they were completely booked up this  
22 year as well. I've reached out to IC <sup>ICMA</sup> May, I've reached  
23 out to various groups that the state has given me names to  
24 contact. They are unfortunately because of the timing  
25 they're all booked.

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MS. SQUARE: Right.

MS. POWELL: So hopefully that's why we're hoping that we can get on someone's list next year to get this year and the state is pushing it actively as well. We're all out here looking for someone who is available to do it. We want to do it. It's not that we're trying not to do it. It's that we've got to find someone that can actually come in and complete the study.

MR. STEMA: So you're currently actively trying to get on -- already nail down the date. The time, you're not waiting until next year to start working on this project?

MS. POWELL: Oh, no, sir.

MR. STEMA: So you're trying to get a date and time already locked up.

MS. POWELL: We're still trying.

MR. STEMA: So you are.

MS. POWELL: Yes.

MS. SQUARE: Can we get a date with the guy who said that his schedule was full? Was that not Mr. Knotley (phonetic)?

MS. POWELL: Yes. That was Mr. Knotley.

MS. SQUARE: Can we get on his calendar so that we know?

MS. POWELL: He is booked up until the end of

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next year.

MS. SQUARE: To the end of 2016?

MS. POWELL: '16.

MS. SQUARE: So he just doesn't want to do it.

MS. POWELL: I tried.

MS. SQUARE: Well, can you run, issue, run an ad, run an ad. The police have to have a police journal of America or something, a periodical or something. Can you put an ad in maybe there's somebody in another state that can could come in and provide some assistance. Maybe nationally advertise. Some consultant might take the job, come in, schedule it. That needs to happen ASAP because this overtime will kill us.

MR. STEMA: Entertain a motion to approve, deny or postpone the Citywide Overtime Report.

MS. SQUARE: So moved.

MS. YOUNG: Second.

MR. STEMA: To approve, aye.

MS. SQUARE: Aye.

MS. YOUNG: Aye.

MR. VAN de GRIFT: That was a motion to approve?

MR. STEMA: Yes.

Mr. Van de Grift, please provide a summary of the items for the Board?

MR. VAN de GRIFT: Item 15 concerns a

1 communication that the Board has received that there's  
2 been some confusion, consternation about what a specific  
3 provision of Former Emergency Manager Square's Final Order  
4 means for the education requirements of the City Council.  
5 I don't presume to understand the intent behind this order  
6 as well as Ms. Square does but certainly it does say that  
7 the section C of the final order, the section applies to  
8 the mayor of the city, manager and the city council.  
9 Within that motion of the order all of those persons are  
10 supposed to receive annual training on the open meetings  
11 act, leading management, parliamentary procedures,  
12 council/manager relations, and general fiscal literacy.  
13 Most interestingly in addition all of those parties are to  
14 complete level one of the Michigan Municipal League, the  
15 MML, their core courses so there are like different levels  
16 of training that, you know, civil servants can take to get  
17 to be certified in. The question as I understood it was  
18 whether or not it applies to all council members or not.  
19 It seems clear that it does apply to all the council  
20 members as well as the mayor and the city manager unless  
21 the Board were to determine otherwise.

22 Ms. Square, do you agree with that?

23 MS. SQUARE: I agree with it. One of the  
24 functions of the council is to provide leadership and  
25 educated approach to running the city and that knowledge

1 is not common knowledge. And for example we have an  
2 election coming up soon, this year, and you'll probably  
3 have new council members and I think that to keep the city  
4 on track and focused on the city's business, I think it's  
5 wise to provide training and my intent was to provide the  
6 training to keep the council up to speed and to provide  
7 refresher training and to help them manage the city. I  
8 think they should know how to read the financial  
9 statements; I think they should know what are violations  
10 of the Open Meetings Act. I think they should understand  
11 parliamentary procedure. I think that they should  
12 understand the charter and their role in the city and  
13 without that training they don't know it. And the city  
14 has been in receivership twice and in order to avoid a  
15 third time I think that the elected officials, the city  
16 manager and the mayor should be trained annually or at  
17 least have refresher training annually so that they keep  
18 up to speed with what they're required to do for the city.  
19 That was my intent. And I support its continuation.

20 MR. VAN de GRIFT: To resolve the question  
21 perhaps the Board would like to adopt a resolution  
22 determining which council members or if all council  
23 members should obtain a level one training.

24 MS. SQUARE: What is the level one training,  
25 exactly? What is level one, parliamentary procedure and

1           then --

2                   MS. POWELL: It is an entire overview of local  
3 government and it takes over a year to become certified in  
4 level one training. You have to attend conferences, you  
5 have to attain -- you have to visit webinars, you have to  
6 -- there's an entire plethora of courses that have to be  
7 taken over the course of a year. It's not something that  
8 you can just fluff. It's something that you have to  
9 actually go there and do.

10                   MS. SQUARE: How much is it, what's the cost of  
11 it?

12                   MS. POWELL: It's very minimal for us because  
13 we're in receivership.

14                   MS. SQUARE: Okay. And have we budgeted for that  
15 training for each of the councilmembers?

16                   MS. POWELL: Yes, ma'am, we have.

17                   MS. SQUARE: And is there a proficiency  
18 certificate or is it pass/fail? Can they do it online, do  
19 they have to take off work and physically go?

20                   MS. POWELL: There are -- they have to do all of  
21 that. You have to physically go. They can't do it  
22 online. There are -- there is sessions that happen  
23 periodically around the state. They do receive a  
24 transcript. They do receive a certificate. Currently the  
25 mayor and one other council member have already completed

1 level one, the rest of them have not. And we're just  
2 looking for -- we had a council member who requested that  
3 the RTAB Board direct the council to attend these  
4 trainings because it's written in the final order that the  
5 Board will -- the Board may determine which persons must  
6 complete this training. So we're looking for overall  
7 directive for the entire council to be trained in all of  
8 these.

9 MS. SQUARE: Or at least trained during the  
10 period of one year during their four-year or two-year  
11 term? I mean do they really have to go every year for the  
12 training or can they go --

13 MS. POWELL: They just need to complete level  
14 one.

15 MS. SQUARE: For during their term?

16 MS. POWELL: Yes. During their term they need --  
17 -- according to the --

18 MS. SQUARE: I think it should be during their  
19 term and not every year.

20 MS. POWELL: Well, level one, if they are able  
21 to complete everything within a year --

22 MS. SQUARE: Right.

23 MS. POWELL: -- then yes. But it depends on how  
24 often they are available and what trainings they can go  
25 to. It may take two years, it may take three years.

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MS. SQUARE: Right.

MS. POWELL: For them to completely be certified in level one. But according to the final order, it says they must complete the core courses of level one.

MS. SQUARE: What other core courses? That doesn't say all the courses. It just says the core courses.

MS. POWELL: Which is all of level one.

MS. SQUARE: And what's the time period?

MR. VAN de GRIFT: One year from December 18 of 2014. So it may not even be possible for councilmembers that have not begun the process to complete it on time. The final aspect may be -- there's going to be an annual review. There's going to be an annual evaluation. If you could look through your appointment letter from Governor Snyder, those were the three things that he empowered the Board to do in addition to the final order. And so, the order as we close the end of this calendar year there will be a process for annual evaluation. One of the -- elements of that evaluation is whether in all the terms of the final order have been complied with. Perhaps this will not be one to that is going to be met but the Board is well within its authority to modify that time period. If you wish to make a custom motion and resolution now for something that's more obtainable for the council you'd be

1 well within your authority to do that.

2 MS. SQUARE: I think that they should have to  
3 complete it within their term. Some council members have  
4 a two-year term, some council members have a four-year  
5 term. I think that if they complete it within their term,  
6 and I guess the whole point of this and the whole point of  
7 having that in the final order is so that when it's time  
8 for the Board to reach its sunset, we can say the public  
9 officials in Hamtramck have been trained, they have gone  
10 through these competency courses. They know how to read  
11 financial statements. They know how to -- you know, they  
12 know the rules. So that would be one of the things that  
13 would determine whether or not they could govern  
14 themselves. So, I think that they need to complete this  
15 during their term in office.

16 MR. STEMA: I actually disagree. I think you'd  
17 want it done in the first year because somebody completing  
18 an education in year three after three years of not doing  
19 it and doing it the fourth year, how much do they really  
20 do properly? I would want them educated for the whole  
21 term. You know, within the first year because if you  
22 don't start until year three so yeah, you're educated in  
23 year four but you have three years where you didn't know  
24 what you were doing.

25 MS. SQUARE: But it would have to be the first

1 year that they're elected.

2 MR. STEMA: Yeah.

3 MS. SQUARE: In this sense, that's their people  
4 who are at the end of that term when that order took  
5 place.

6 MR. STEMA: Yeah. It's not feasible for them.

7 MS. SQUARE: They're not going to be able to but  
8 so going forward, I think, and if you look at the schedule  
9 and this is, you know, one of the problems here is that  
10 the council really doesn't have a structure. In some  
11 cities the clerk actually manages the council. In this  
12 city the clerk really doesn't manage the council. I think  
13 the intent of that provision was to get them some  
14 training. I know while I was here for the 18 months  
15 training was provided to council; how to read financial  
16 statements; how to get along, how to interact with the  
17 city manager. One of the problems is that once the  
18 charter was changed and they went from a strong mayor to a  
19 city manager form of government they really all thought  
20 that they had a strong mayor. So you had a lot of  
21 interference. And so the whole purpose is to give them  
22 tools so that they can manage better. But also  
23 recognizing that they have lives and they have other jobs  
24 and some of this education that they have to travel to and  
25 I think that -- I think it could be fine-tuned. I think

1 that perhaps they should have some basic training when  
2 they first get in office. They should learn parliamentary  
3 procedure when they first get in office. But I would  
4 leave it in the final order and just manage it.

5 MR. VAN de GRIFF: So that there's not more  
6 confusion on the issue, is there a motion to --

7 MR. STEMA: We'll see. I mean, me personally, I  
8 would like to see an actual written resolution, you know,  
9 so I know we're voting on this. Because we're really  
10 going to come to a decision.

11 MS. SQUARE: We can table it until next month.

12 MR. STEMA: Can we actually get a formal  
13 resolution or something from the state or direction so we  
14 can yes, and city council can be involved and all that and  
15 in that way and they can make a decision. But me,  
16 personally, I think it should be within the first year of  
17 office so they're more educated. If they're not dedicated  
18 enough to put in the education your first year you  
19 shouldn't run for council then. If you don't have the  
20 time. And as a citizen that's what I want.

21 MS. YOUNG: And that certainly may cause others  
22 to decide whether or not they want to run given that  
23 provision that they know that they would be accountable  
24 to.

25 MS. SQUARE: But that's not in there. That's

1 not in the final order.

2 MR. STEMA: Yeah.

3 MS. SQUARE: So I think we should look at it  
4 further.

5 MR. STEMA: Yeah.

6 MS. SQUARE: I want to leave it in there for  
7 now. I think we should look at it further. We should  
8 table it until next month, get some clarification.  
9 Because again, you've got two-year terms and four-year  
10 terms and I guess the Board would benefit from seeing what  
11 the core competencies are, what are the courses, how are  
12 they delivered. Because right now, you know, if it's  
13 going to take a lot of time and travel and all of that,  
14 that's also a big commitment. And it was -- when I was  
15 here I had the MML and the various groups come here. They  
16 came to the city for training at council workshops.  
17 Council didn't have to go travel somewhere unless they  
18 wanted to. Some people want to go and learn things.  
19 Others don't. But a lot of the training came here.

20 MS. POWELL: The level one courses the MML will  
21 not come to do those courses. Those courses are done in  
22 larger groups. They will not come to the city to provide  
23 those courses. They have to actually go to the courses  
24 that are provided by the MML. They will for Open Meetings  
25 Act and all of those other things, yes, they absolutely

1 will. But not the level one core courses. I already  
2 looked into that.

3 MS. SQUARE: Well, I'd like to see what the  
4 level one core courses are.

5 MR. STEMA: Motion to table until next month?

6 MS. SQUARE: So moved.

7 MS. YOUNG: Second.

8 MR. STEMA: To approve, aye.

9 MS. SQUARE: Aye.

10 MS. YOUNG: Aye.

11 MR. STEMA: Mr. Van de Grift, anybody sign up  
12 for public comment? It's up to two minutes.

13 MR. VAN de GRIFT: Councilman Zwolak?

14 COUNCILMAN ZWOLAK: Members of the Board, good  
15 afternoon. I want to thank you for postponing that  
16 decision on the last resolution there, or the last  
17 consideration, what you were speaking to, and inasmuch as  
18 my experience with the city having gone to the Municipal  
19 Court's Association or institute and being a clerk for  
20 eight years, councilman for five years and having had some  
21 of the Open Meetings Act and also record keeping and  
22 dealing with the budgets, being on the budget board for  
23 eight years for the city of Hamtramck, I was going to ask  
24 and I'll probably ask for somewhat of an exemption or  
25 variance at the next meeting. I have no problem, I agree

1 with what you've said in terms of having elected officials  
2 prepared to do their job. And I have no problem in  
3 attending workshops and seminars that would upgrade my  
4 particular skills. Hopefully I can survive this primary,  
5 this election and be back for another four years and  
6 engage in getting upgraded. But I feel that it is  
7 somewhat restricted and for those who have that  
8 ~~i~~nexperience. But I do wholeheartedly agree that  
9 especially first year. It's a long learning process.  
10 Inexperience, especially as often as we meet, dealing with  
11 the complications of the city, the various departments and  
12 everything that we have to decide on, so I do believe that  
13 yeah, it's needed for those first term people. I would  
14 wholeheartedly concur with that.

15 That's about all I have to say. Thank you.

16 MR. STEMA: Thank you.

17 MR. VAN de GRIFF: Ms. Cathy Gordon.

18 MS. GORDON: Good afternoon.

19 Thank you for the opportunity of allowing me to  
20 speak.

21 I have one honorable request of this TAB Board.  
22 Why do you always have public comment at the end? How can  
23 we as residents lobby you to make your decisions if you  
24 don't let us speak until you make your decisions? So I'm  
25 going to respectfully ask and maybe you'll move comments

1 to the beginning so we can at least lobby you and tell you  
2 our feelings before you make these decisions? I think  
3 that's how democracy is supposed to work?

4           Anyway, I'm going to go on. I only have two  
5 issues to make. One is the overtime report. I don't know  
6 why we're hiring all these contractors. Traditionally,  
7 the police chief we had was doing an excellent job. We  
8 were getting those reports every six months. Now we're  
9 getting crim work expense (sic) to go outside of the  
10 police chief because maybe she doesn't know how or maybe  
11 she doesn't have access. I don't know what the problem  
12 is. But now we've got to hire somebody to do this  
13 examination of overtime feasibility?

14           Number two, the issue I have with the water.  
15 There was a \$7 million bond passed. My understanding is  
16 that this will not, under any circumstances, alleviate any  
17 of the flooding and that was the original point of that  
18 lawsuit was the flooding. Now, when is this flooding  
19 issue ever going to get resolved since you've now passed a  
20 \$7 million bond which ropes us residents into a 30-year  
21 bond issue? How are we ever going to get the flooding  
22 resolved? I mean, we'll have lawsuits every other year.  
23 Anybody could sue, I know that. And they may not win.  
24 But we still have to dish out money for legal fees. And I  
25 don't understand why we're using Hennessey. Why he made

1 this presentation? You have a DPW director with an S-1.  
2 You have Mr. Johnson with an S-1. Why are we paying  
3 exorbitant fees to an engineering company when you have  
4 two in-house employees that have S-1 certificates?

5 MR. VAN de GRIFT: That's two minutes.

6 MS. GORDON: Thank you.

7 MR. VAN de GRIFT: That concludes public  
8 comment.

9 MR. STEMA: Actually I just have one question.  
10 It's something I actually recently read in the paper, in  
11 *The Review*. It was about that new change in the way that  
12 the contracting is going to be approved. And that's the  
13 only thing and I just wanted to make sure that that wasn't  
14 true, or what was changed or what it was. Because it  
15 confused me as a resident, as if, hmm, that doesn't seem  
16 right. You know what I'm talking about.

17 MS. POWELL: Yes.

18 MR. STEMA: Yes.

19 MS. POWELL: It was reported that the city was  
20 changing its policy in recommending contractors which is  
21 not true. The city did not recommend to the city council  
22 who they should select for a specific bid. Our  
23 recommendation was that we would not go with the lowest  
24 bidder. But the Board would have the opportunity to  
25 choose between the other two people, the other two vendors

1 of their choice. We did not recommend specifically for  
2 this vendor for a lot of reasons that I won't go into  
3 because they've been covered by the city engineer.

4 MR. STEMA: All right.

5 MS. POWELL: And so we did not come out and  
6 actually make a recommendation to go with the lowest  
7 bidder. Our recommendation was that we do not go with the  
8 lowest bidder, based on information that we received in  
9 doing reference checks.

10 MR. STEMA: So this isn't going to change or  
11 anything?

12 MS. POWELL: No. We're still going to --

13 MR. STEMA: It's just -- because of the lowest.  
14 Okay.

15 MS. POWELL: Yeah.

16 MR. STEMA: The department head is still going  
17 to make recommendations on that and all that, too. Just  
18 this is us. Singular case.

19 MS. POWELL: Each case.

20 MR. STEMA: Okay. That answered my question.

21 MS. YOUNG: Move to adjourn.

22 MR. STEMA: Move to adjourn. Second it first.

23 MR. STEMA: Aye.

24 MS. SQUARE: Aye.

25 MS. YOUNG: Aye.

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(At 1:50 p.m. meeting concluded.)

\* \* \* \* \*

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 July 29 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.

RESPECTFULLY SUBMITTED:

August 4, 2015

*S/ Amy Shankleton-Novess*

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Amy Shankleton-Novess (CER 0838)  
Certified Electronic Reporter