APPROVED - JULY 22, 2015

STATE OF MICHIGAN

CITY OF ALLEN PARK

RECEIVERSHIP TRANSITION ADVISORY BOARD

HEARING WEDNESDAY, JUNE 3, 2015

2:00 P.M.

ALLEN PARK CITY HALL

CITY COUNCIL CHAMBERS

16850 Southfield Road

Allen Park, Michigan 48101

PRESENT FOR RTAB:

R. Eric Cline, Department of Treasury

Suzanne Schafer, Department of Treasury

Kristine L. Barann

Frederick Frank

PRESENT FOR CITY OF ALLEN PARK:

William B. Matakas, Mayor

Robert E. Cady, Finance Director/Acting City Administrator

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AGENDA

	PAGE
Call to Order	3
Approval of Agenda	3
Approval of RTAB Minutes	4
Old Business	5
Capital Improvements Plan	5
New Business	7
Resolutions from City Council 4/28/15	7
Resolution 15-0428-105	9
Resolutions from City Council 5/12/15	13
Resolution 15-0512-0118	19
City Administrator Items	21
Fiscal Year 2016 Budget	21
Non-Action Items	26
Monthly Financial Report	26
City Administrator Report	26
Public Comment	26
Board Comment	31
Adjournment	33

Allen Park, Michigan

Wednesday, May 6, 2015 - at 2:05 p.m.

MS. SCHAFER: Okay, we're gonna get started.

Mr. Cline, could you please do roll call?

ROLL CALL

MR. CLINE: Yes. Suzanne Schafer.

MS. SCHAFER: Here.

MR. CLINE: Kris Barann.

MS. BARANN: Here.

MR. CLINE: Fred Frank.

MR. FRANK: Here.

MR. CLINE: Great. Joyce Parker's not present. She gave prior notice she was unavailable for this meeting; but we do have a quorum.

APPROVAL OF AGENDA

MS. SCHAFER: Thank you. The next item on the Agenda is the approval of the Agenda. I'll entertain a motion to approve the Agenda as presented.

MS. BARANN: So moved.

MR. FRANK: So - second.

MS. SCHAFER: It's been moved and seconded. All those in favor, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: All those opposed, same sign?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the Agenda has been approved as presented.

Motion by Barann, support by Frank, to approve the Agenda for the 6/3/15 RTAB meeting. Approved unanimously.

MS. SCHAFER: I just want to remind the public for Public Comment period, please sign in, otherwise, you will not be recognized. And to remember that comments from speakers must be civil and respectful.

APPROVAL OF RTAB MINUTES

MS. SCHAFER: Next item is the approval of the RTAB Minutes of the May 6th, 2015 meeting. Any discussion regarding the Minutes?

MR. FRANK: I'll move to approve and accept.

MS. BARANN: I will second.

MS. SCHAFER: It's been moved and seconded. All those in favor of approving the May 6th, 2015 RTAB Regular Meeting Minutes, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, we have approved the May 6th, 2015 RTAB Regular Meeting Minutes.

Motion by Frank, support by Barann, to approve the Minutes of the RTAB 5/6/15 meeting. Approved

1 **unanimously.**

2 **OLD BUSINESS**

3 MS. SCHAFER: Next item is under Old Business, the
4 Capital Improvements Plan, which Attachment 2 for the Board.
5 I've asked Mr. Cline to provide a summary for the - the
6 Board.

7 MR. CLINE: Yes. The - the City submitted, in
8 accordance with their - their deadline in an Emergency
9 Manager Order, a copy of their - their Capital Improvements
10 Plan. I've - I've reviewed that document. I will note that
11 there's really no set or standardized format for a capital
12 improvements plan. They're - they're sort of customized by
13 - by each community. As I recall, this - this plan for -
14 for Allen Park is either being re-instituted or - or - or
15 relatively new to their system; however, it is pretty
16 comprehensive. They have a lot of projects listed. They're
17 documented quite well. Priorities are identified.
18 Financing resources are identified. They are probably still
19 developing their - their format, but I think it is pretty
20 effective; and they have identified quite a few projects.
21 So, I have - I can find no reason not - not to see this
22 document approved. So, I think that this - this will - this
23 will suit them well as they go forward and will be very
24 useful for their budgeting process in future years as well,
25 so.

MS. SCHAFER: Okay, thank you.

Do we have any questions for Mr. Cline?

MR. FRANK: Was this approved by the City Council?

MS. SCHAFER: Mr. -

MR. CLINE: That - that was my understanding it has been, yes.

MR. FRANK: Thank you.

MS. BARANN: My only question in that, maybe Mr. Cady could respond, is - so, what's the plan and how often do you plan on reviewing this plan? 'Cause things do change.

MR. CADY: The - the plan is and has been that as departments review this, it will be incorporated into the budget each year, the 5-year budget moving forward. Any changes will be adopted into that plan and approved prior to be putting into the next year's budget. But, I - as you know, budgets, a living, breathing document as far as I'm concerned, kind of like a baby, and it always needs to be massaged and corrected; so, that's our plan moving forward.

MR. CLINE: I think what a lot - if I may - a - just to - just to add to that, a lot of communities will - will start a CIP review process immediately prior to starting their budget process. So, they - they somewhat overlap, and then one is approved, and then the other one is - then the budget will be approved; and all the projects

that are available for funding in the CIP for a given year will be then incorporated right into the budget. So, one just seamlessly flows into the other; that's - that's been my experience with these plans over the years, so.

MS. BARANN: Sounds great, and I will move to accept the Capital Improvement Plan.

MR. FRANK: And I'll second that motion.

MS. SCHAFER: Okay. All those in favor of approving the Capital Improvements Plan, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the Board has approved the Capital Improvements Plan.

MR. CADY: Thank you.

Motion by Barann, support by Frank, to approve the Capital Improvements Plan. Approved unanimously.

NEW BUSINESS

MS. SCHAFER: We move on to New Business. First item is the approval of Resolutions and Ordinances from the Regular City Council Meeting of April 28th, 2015.

Mr. Cline, could you please provide - provide the Board some information on this?

MR. CLINE: Sure. The - many of the issues that are from this meeting we actually pulled forward a - a

1 couple of them from - to the prior meeting. I've already
2 addressed them. The remaining issues were fairly
3 straightforward and - and really no - really no issues. The
4 - the only one I wanted to draw your attention to was
5 Resolution 428 (dash) 105, and this is something that - that
6 my office has already discussed with the City Administrator.
7 But, the City Council took action to authorize the recording
8 of our RTAB meetings, and what we pointed out to the City
9 was that because this is a state board, that - that is an
10 action that they don't have the authority or jurisdiction to
11 - to act on. So - and the directive that I received was
12 that the Attorney General's Office has made the statement
13 that at this time no state boards, I believe, are taped.
14 So, I don't know if it would be appropriate to - for that
15 reasoning, either deny this - this action or just postpone
16 it until such time that, perhaps, different thinking evolves
17 on that. But that was the information that we communicated
18 to the - to the City on this matter. So, I don't know if
19 there's any questions on that, so.
20 MR. FRANK: So, I would like to make a motion to
21 approve the Resolutions of the Regular City Council Meeting
22 of April 28th, 2015, with the exception of Resolution 15
23 (dash) 0428 (dash) 105, which we can deal with in just a
24 moment, which is the resolution of the taping.
25 MS. SCHAFER: And do I have a second?

MS. BARANN: I'll second.

MS. SCHAFER: Okay. All those in favor of approving all Resolutions from the Regular City Council Meeting of April 28th, 2015, with the exception of Resolution 15 (dash) 0428 (dash) 105, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, we have approved the Regular City Council and the - all Resolutions from the Regular City Council Meeting of April 28th, with the exception as noted.

Motion by Frank, support by Barann, to approve the Resolutions from the Regular City Council Meeting of April 28, 2015, with the exception of Resolution 15-0428-105. Approved unanimously.

MS. SCHAFER: Given that, I'd like to have discussion regarding the excepted Resolution 15 (dash) 0428 (dash) 105. Do you have any further questions?

MR. FRANK: I do.

MS. SCHAFER: Okay.

MR. FRANK: Perhaps, to Mr. Cline: I understand that based on your comment that the Attorney General with - said that no other - other boards don't have taping. I think if this - my view is if the City wants in its chambers

1 to tape our meetings, personally, I have no objection, and I
2 don't know if we need the approval of the Board or not. If
3 we need some other discussion, perhaps, we will want to
4 postpone it to the next meeting. I don't know if - if that
5 - I would - it'd be fine with me also if we heard from a
6 representative of the City has to their belief. I'm not
7 sure if I was clear.
8 MR. CLINE: No, I believe I - I understand what
9 you're saying. Really, the only response that - that I can
10 - I can give is that the - I understand that - that we're
11 meeting here in their chambers, and - and everything - and -
12 but we are a board of the State of Michigan and this is a -
13 a state procedure. And I don't know precisely the origins
14 of those processes; that would - that would take some - some
15 research. So if we wanted to postpone this until we can get
16 a little more clarity on that, that would be fine I suppose.
17 It doesn't - you know, that's to the discretion of the
18 Board. We just simply communicated back to the - back to
19 the City what - what we were informed of at - at the level
20 of the Treasury and - and how these are handled in a - other
21 areas.
22 MS. BARANN: So who would make that call or who
23 would give us that input at the state level then? Like you
24 said, do you - are you talking to the Attorney -
25 MR. CLINE: I -

1 MS. BARANN: - General or -
2 MR. CLINE: - I would - I would have to - I would
3 have to go back and have some discussion on that. It could
4 be the Attorney General's Office. There could be another
5 office that - that maybe I'm not aware of at this point. So
6 - but that's something I could certainly look into if that's
7 - if that's the direction the Board would like to go.
8 MS. BARANN: I'm fine with that being investigated.
9 MR. FRANK: So are you making a motion to postpone
10 or table?
11 MS. SCHAFER: Are you making a motion to -
12 MS. BARANN: I am making a motion to postpone until
13 we get more information. I apologize. I don't have the
14 resolution number in front of me. Well, it's a little - or
15 it's - oh, it's in 105.
16 MR. FRANK: Zero-five-five (sic).
17 MS. SCHAFER: Zero - yeah, 0428-105.
18 MS. BARANN: So, it's what I -
19 MR. FRANK: I'll second that.
20 MS. SCHAFER: Okay. All those in favor of
21 postponing Resolution 15 (dash) 0428 (dash) 105, say "aye."
22 RTAB BOARD: Aye.
23 MS. SCHAFER: Opposed?
24 RTAB BOARD: (No response).
25 MS. SCHAFER: Hearing none, the decision to

postpone Resolution 15 (dash) 0428 (dash) 105 has been adopted - or approved; I'm sorry.

Motion by Barann, support by Frank, to postpone Resolution 15-0428-105 for further information. Approved unanimously.

MR. FRANK: May I ask the Chair if I can make a comment?

MS. SCHAFER: Yes.

MR. FRANK: So I think - I think we can get some clarification from the Attorney General. I mean I'm not sure that this is any different than in the performance of a police function there being a dashboard camera, or a - something else like that. We're in a public meeting. If somebody else wants to tape it, I don't know, but I'd like to hear from the AG's Office.

MR. CLINE: Right, and I -

MR. FRANK: And I'll appreciate -

MR. CLINE: - if - if -

MR. FRANK: - you contacting them -

MR. CLINE: Right.

MR. FRANK: - as you did.

MR. CLINE: If they are the ones that - that have jurisdiction over this. I believe that is where the conversation that - that my office had originated from; but, I don't know if there's another area that has jurisdiction.

But - but as soon as we can trace that down, we will - we will convey that back to the Board.

MS. BARANN: Thank you.

MR. FRANK: Thank you.

MS. SCHAFER: Okay. The next item is Resolutions from Regular City Council Meeting of May 12th, 2015. And I am going to ask Mr. Cline to provide some information to the - the Board on this matter as well.

MR. CLINE: Yes. Just one item to draw your attention to, which is Resolution 0118, which is the starting pay scale for the police department. Again, my office had a conversation with the - with the City Administrator when we became aware of this issue. But, just in summary, the - the City Council took action to eliminate the starting wage scale for newly hired police officers and accelerate - which accelerates the time that it takes for a newly hired officer to - to start in at a wage and then reach the maximum on the - on the pay scale. It reduces it by one year. The concern that my office raised on this is not really so much as to whether this is an issue that's affordable or this is an issue that is good administrative policy. That - that is somewhat a separate discussion from this point, but my - our - our point was at the time that the current contract of - with the police department was imposed by the Emergency Manager and set forth an Emergency

1 Manager Order, and that there are certain legal provisions
2 that come into play that it's somewhat unclear if the City's
3 even in a position at this time to make that change. My
4 understanding is that there's been no negotiation on this
5 issue with the police - the police bargaining unit. So, I
6 know that the City was looking into this and was having some
7 conversation with their legal counsel. So I think it - it
8 would be worth the Board considering just postponing action
9 on this issue until those lines could be clarified so we
10 don't inadvertently put the - the City in the position that
11 it doesn't want to be in because we are sort of prematurely
12 acting on - on things. So, you need to draw your attention
13 on that issue, so.
14 MR. FRANK: If I may ask a question of Mr. Cline?
15 So, seems there are - hearing this - I mean three
16 items or issues. One is what has happened with the
17 bargaining unit if - with whether any discussions have been
18 held with the bargaining unit for these - or to result in an
19 agreement. Two is since a change is an agreement that was
20 imposed by the Emergency Manager, I'm wondering if that
21 would require a - and if it's by order, whether that would
22 require the Treasurer to also approve besides this Board.
23 And the third question would be does it make economic and
24 policy sense for the City to do it, which - which - which -
25 and I think on one and three, the City can address that.

1 MR. CLINE: Regarding the - if the City has
2 completed negotiations, I know that there have been some
3 conversations on a number of issues. I'm not privy to the
4 details of their collective bargaining agreements, and
5 that's probably something that they're not necessarily in a
6 position to - to give a lot of detail on as well. My
7 understanding is that there's no written agreement on this
8 specific point.
9 As far as amending an emergency manager order, any
10 time an emergency manager order would be amended it would
11 require the State Treasurer approval. That is one of the
12 points as to in - at least in my mind, needs to be ironed on
13 is would this be an amendment or would this be something
14 different? Would this be a negotiated change? Exactly, how
15 will the legality of that - that would work, and - and when
16 can that be done because this is - this is a contractual
17 issue. So, I'm - I'm afraid I don't have a - a good answer
18 at this point beyond that. So - and I'm sorry, what was
19 your - what was your third point?
20 MR. FRANK: Well, the third was whether - whether
21 it makes economic and policy sense for the City -
22 MR. CLINE: Right, and -
23 MR. FRANK: - which I think - I assume they review
24 on.
25 MR. CLINE: Right. And while I agree, just my

sense of it, just for whatever the Board wants to - to think of this, I agree that that is also another - another point of consideration as the economic and the policy sense; but I think the other two points need to be addressed before we are even in the position to discuss that third one, so.

MS. SCHAFER: Any further questions?

MS. BARANN: Well, what -

MR. FRANK: I wonder if we could hear from the City as to whether they've ironed out any of that.

MS. SCHAFER: Mr. Cady?

MR. CADY: Thank you. To - to address one of your points, the City has been in negotiations with both police unions. As a matter of fact, we had a negotiation session this morning. We've had four or five sessions to date with police. You - we have no agreement as of yet. We are continuing to - to talk to them, but there has been no progress to date.

As far as the starting salary, I can tell you that it's a real problem to recruit anyone to this city because our pay is - is forty-five hundred dollars below the nearest community to us. And you got to remember we're not just competing against those communities but every community in Southeast Michigan. The last time we advertised, I think we had eight applicants. This is a city that used to get over a hundred applicants when we'd advertise. Of those eight,

1 after the backgrounds were done, we were - we were down to
2 one that we could actually offer a position to. So, it's -
3 and at - from an administrator's position, and I'm sure if
4 you'd like to hear from the Chief, he can talk about it
5 also, it's desperate that we - that we try to get this
6 changed here. I - I would agree with Mr. Cline, though,
7 that there needs to be some discussion regarding how this
8 process needs to work with the order in place. We
9 definitely don't want to do anything to violate that. I
10 hope I've answered your questions.
11 MS. BARANN: So are we in the process of
12 understanding whether - again, there needs to be state
13 approval before any of this can - so can we -
14 MR. CLINE: They'll -
15 MS. BARANN: - pull this motion out?
16 MR. CLINE: I - I believe you could -
17 MS. BARANN: But not -
18 MR. CLINE: - pull this - this particular action
19 out, and if you wanted to say postpone it. When we became
20 aware of this, I can just tell you that we - we were
21 speaking to Mr. Cady shortly thereafter once we became aware
22 of it. I know that the - the City's having some
23 conversations on that and we're kind of - we're waiting to -
24 to kind of re-confer on that as they - they investigate
25 that. So, this happened not that many days ago, so this is

1 something that is still relatively fresh in terms of the
2 amount of time that's been spent on it. So, I think that's
3 still all being worked through; but if the Board - just as
4 they did in - in the prior meeting (sic), could adopt
5 everything with the exception of this particular item, and
6 then if it was your desire, you could - you could postpone
7 that until more information is available for action.
8 MS. BARANN: So I think it's a valid point, like
9 you said, if we want to attract talent, we're gonna need to
10 have a competitive scale. But, again, I want to do it in
11 context of the fact that we still have an EM Order in place,
12 and that it does make economic sense going forward. So,
13 hopefully, again, if we postpone that, it won't be causing
14 any undue harm to the City. So with that, I'm gonna move.
15 Unless - do you have more?
16 I would go ahead to move to sup (sic) - accept the
17 Resolutions from the Regular City Council Meeting of May
18 12th, 2015, with the exception 15 (dash) 0512 (dash) 0018
19 pending further information.
20 MR. FRANK: Second.
21 MS. SCHAFER: Okay. All those in favor of
22 approving all Resolutions for the Regular City Council
23 Meeting of May 12th, 2015, with the exception of Resolution
24 15 (dash) 0512 (dash) 0118, say "aye."
25 RTAB BOARD: Aye.

MS. SCHAFER: Opposed -

MR. FRANK: Aye.

MS. SCHAFER: - oh, sorry. Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the Board has approved all the Resolutions from the - the Regular City Council Meeting of May 12th, 2015, with the exception noted.

Motion by Barann, support by Frank, to approve the Resolutions from the Regular City Council Meeting of May 12, 2015, with the exception of Resolution 15-0512-0118. Approved unanimously.

MS. SCHAFER: So we still will need to address Resolution 15 (dash) 0512 (dash) 0118. Is there any further discussion? Hearing -

MR. FRANK: Oth - other than we hope that at the next meeting all this will be resolved. And I trust that that won't im - impair the City's ability between now and then.

MS. SCHAFER: Anything further?

MS. BARANN: No.

MS. SCHAFER: I'll entertain a motion to either approve, deny, or postpone Resolution 15 (dash) 0512 (dash) 0118.

MR. FRANK: I'll move to postpone.

MS. BARANN: Second.

MR. FRANK: Does the City have any response, if I may ask, now that it's on the table? As to whether that will work? Work for our people? Thank you.

MR. CADY: We - just - just to back this up a little bit more. The police will tell you that - that definitely the starting salary's an issue. But, you know, it's - it's the pay scale up and down the board. So, we're hoping to - to get resolution with - with the command and patrol units and, hopefully, get a new contract in place. But, we will continue to discuss that. We've also started the process of discussing our options with the imposed contract with outside legal counsel so that we can get some resolution. And we've also worked with Eric and some of the attorneys on staff at the State to try to move this issue forward. So, it's - it's something that we will definitely continue to work on.

MS. SCHAFER: Any further discussion?

Okay. All those in favor of postponing Resolution 15 (dash) 0512 (dash) 0118, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, we have postponed Resolution 15 (dash) 0512 (dash) 0118.

Motion by Frank, support by Barann, to postpone

Resolution 15-0512-0118 for further information.

Approved unanimously.

MS. SCHAFER: The next item on the Agenda are the City Administrator Items, the Fiscal Year 2016 Budget. This item was approved at the City Council's May 26th, 2015 meet - meeting, which is outside the Board's standard review for this meeting. However, the City has - is asking for approval of this item before the beginning of the next fiscal year. I am going to ask the Board if this is something that we want to discuss at this time?

MR. FRANK: Yes.

MS. SCHAFER: Okay. Mr. Cady, could you please summarize for us?

MR. CADY: Thank you, again.

Item 6a is my cover memo that basically addresses the changes we're asking for from the imposed 2-year budget from Ms. Parker. What we've tried to do is take things that have happened in the last 2 years that we know have changed and correct those items so that we do not go over budget in the next fiscal year. We've taken into account things like the drop in taxable value; the - the pay for Council, which was not part of Ms. Parker's budget when she basically wrote or did it, be restored. We have to make an adjustment for that. There's a transfer to major and local streets to help with the repairs which are willfully needed. There's also -

we're also bringing in the 2010 bonds from Southfield Lease Properties now that that's gonna be refinanced and sold. We're in - we're keeping the C-bonds, if you remember. Those bonds will not be refinanced. Those need to be brought into the general fund to be paid. As you can see from my list, there's also changes that are required with the new BS&A Software for assessing. The - there's also an adjustment for the new contract assessor, which was part of the Agenda from the last meeting in April, that was approved. That definitely was a little bit more money than Ms. Parker was paying for the previous assessor. There's also the animal control agreement that - that Ms. Parker had signed with the Downriver communities that was not part of the original budget that was - that was imposed; overtime adjustments; the - the software maintenance of the systems which is in there. Also, in this budget, we'll also include the capital requests that were approved by this Board today which were not part of the original budget, obviously, we didn't have 2 years ago. And we've also included an investment of $500,000 to help start funding our GASB 45 liability, which is - you know, is a fairly large number.

In the Water & Sewer Fund, we're amending that to include a judgment of a hundred and thirty-four thousand, four hundred dollars for basement flooding that was awarded this - this last February. Other than that, the budget that

1 - that Ms. Parker imposed is pretty much left in place.
2 So, we're asking for approval to include these in
3 the '15-'16 fiscal year budget.
4 MS. BARANN: So, Mr. Cline, can I just ask you if
5 your office has had a chance to review it?
6 MR. CLINE: We - we have had some opportunity to
7 review this. We have noted that our analysis - let's see -
8 I'm trying to find the - there's an overall change in
9 revenue of, I believe, $457,000, approximately, increase in
10 revenue; and the increase in expenditures of, I believe it
11 is in the neighborhood - I can't find the exact number -
12 but, approximately, $600,000 in the general fund I think?
13 MR. CADY: Yeah, I - I - the - the other issue
14 here, if you read the bottom line in my memo is - is the
15 budget that was imposed was not a balanced budget. There
16 was - it was revenue heavy. So, I've taken the - the
17 liberty of putting what's leftover into the contingency fund
18 to balance the budget, is basically the plug. So, it's - it
19 is a balance budget per the Budget Act.
20 MR. CLINE: And I believe the - the City is
21 projecting an ending fund balance next year of,
22 approximately, 30-percent. I don't remember the precise
23 dollar amount, but -
24 MR. CADY: By the end of next year, by the
25 calculations I've given you in the 5-year budget, I believe

1 there's a cover page to that that shows the requirements
2 under Order 37 and what we'll be at. By the end of next
3 fiscal year, we should be at that 15-percent, plus, the 1.2
4 debt coverage that is required under Order 37, if all goes
5 according to plan.
6 MR. CLINE: Just as a - I don't know to what degree
7 the Board has had an opportunity to review this; but just as
8 a - a procedural point, because this is the 2-year budget
9 that was put in place by the Emergency Manager, the - the
10 changes that the City would like to implement would come
11 from this Board as a recommendation to the State Treasurer
12 for final approval. I just wanted to note that
13 procedurally. So, it would - it would come in the form of a
14 recommendation from this Board, so.
15 MR. FRANK: Thank you.
16 MR. CADY: You're welcome.
17 MS. BARANN: You need a motion?
18 MS. SCHAFER: Looking for a motion.
19 MS. BARANN: I will move -
20 MS. SCHAFER: To?
21 MS. BARANN: - to accept the Fiscal Year 2016
22 Budget as presented.
23 MR. FRANK: And recommend to the - to the
24 Treasurer?
25 MS. BARANN: Right. We - I mean it's - it can only

1 be a recommendation -

2 MR. FRANK: Right.

3 MS. BARANN: - to the Treasurer.

4 MR. CLINE: Yeah, you -

5 MS. BARANN: Yes.

6 MR. CLINE: - you - it would be - our other boards

7 have - have phrased it as, you know, approval with a

8 recommendation to the State Treasurer. So, how - what -

9 however you -

10 MS. BARANN: I will do - I will move to approve

11 there's a recommendation to the State Treasurer.

12 MR. FRANK: Second.

13 MS. SCHAFER: Okay. It's been moved and seconded.

14 Any further questions or discussions?

15 All right. All those in favor of approving the

16 Fiscal Year 2016 Budget and recommend to the State Treasurer

17 final approval - approval of the amendments to the 2-year

18 budget for the Fiscal Year 2016, say "aye."

19 RTAB BOARD: Aye.

20 MS. SCHAFER: Opposed?

21 RTAB: (No response).

22 MS. SCHAFER: Hearing none, the Board has approved

23 the Fiscal Year 2016 Budget and recommendation to the State

24 Treasurer final - a final approval of the amendments of the

25 2-year budget for Fiscal Year 2016.

Motion by Barann, support by Frank, to approve the FY 2016 Budget and recommend to the State Treasurer final approval of the amendments of the 2-year budget for FY 2016. Approved unanimously.

NON ACTION ITEMS

MS. SCHAFER: Okay, with that, we go to the Non-Action Items, the Monthly Financial Report of April 2015.

Mr. Cady, did you have anything that you wanted to - along with your City Administrator Report?

MR. CADY: I'll - I'll just -

MS. BARANN: Just stay up here.

MR. CADY: I - I - I won't take up a lot of your time. It's - I - I just report that to date we've collected about - through the end of May, about 97-percent of the general fund revenue, and expenses have been only at about 85-percent. So, we're - we're doing very well. All taxes and settlements from the County have been received. All payments to the pension plans have been made. We are running no outstanding balances in accounts payable, and all but one department is under budget. So, everything's looking very good.

MS. SCHAFER: Thank you. So, the Monthly Financial Report is considered received and filed.

PUBLIC COMMENTS

MS. SCHAFER: The next item is Public Comment.

1 Mr. -

2 MR. CLINE: I'm sorry.

3 MS. SCHAFER: That's okay.

4 (Brief pause)

5 MR. CLINE: Just three individuals. First one is

6 Bill Matakas.

7 MAYOR MATAKAS: For the record, Bill Matakas from

8 Allen Park, Mayor, and I want to speak about the pay scale

9 on our police officers. They - the Council did take action

10 and asked to move on that. As you heard, we had one officer

11 went through - we were willing to hire her. She took the

12 higher paying job at West Bloomfield at a considerable

13 distance for her to drive. But, when you're looking at five

14 thousand or more dollars, which amount to 15-16 percent

15 difference in pay, that's a - a big item. But, we've got -

16 and it seems to me that we've got a couple problems that we

17 need to get this matter going forward. We have to be able

18 to improve the bottom pay scale for officers to get the

19 people we need.

20 The state act now on negotiations says we're not

21 allowed to retroactively create pay raises. So, if the

22 other side doesn't negotiate a settlement quickly, then

23 we're stuck not being able to do anything with the - the

24 lower pay on these officers. And then I think the state has

25 taken a position that - and on Act 436, Section 27, says

1 that we're not - we don't have an imposition power, which
2 we've been advised by our labor counsel that we do have an
3 imposition power. So, if - if - and, or course, the State
4 stands over us. So if they disagree and rule against, we're
5 kind of stuck absent litigation; and litigation the City
6 can't afford nor does it want, but it doesn't get resolved
7 easily. I guess our counsel can talk to Attorney General or
8 whatever on that issue.
9 But, this is a really big problem. We have lost
10 about four officers over the last 90 days. If you saw the
11 newspapers last weekend talking about the increase in drugs
12 throughout Southeast Michigan, one of the two officers -
13 (2-minute warning sounds)
14 MAYOR MATAKAS: If we (sic) just give me one
15 moment, I'll go as fast as I can.
16 One of the officers was needed - was for the
17 DRANO, which is the local drug interdiction units that many
18 communities have. And we don't have an officer there
19 because we don't have an officer in place to put in there
20 and train to go there; and we need that to really - sooner
21 rather than later. This is a position - a problem that
22 Southeast Michigan is - is trying to deal with, and
23 everybody's concerned about it. So, we - we need - we need
24 some help and we need it sooner, not later. We have to be
25 able to hire people and we can't be held hostage by the

1 labor group if we can't negotiate that contract. Thank you.
2 MS. SCHAFER: Thank you.
3 MR. CLINE: Ray Magusin.
4 MR. MAGUSIN: Ray Magusin, citizen of Allen Park.
5 I got - I got three questions. First of all, I'd like to
6 thank our two reps here from Allen Park for the questions
7 that they brought up today because in the past, I have asked
8 questions and a number of citizens have come up and asked
9 questions and we don't get no answers. I would like to go
10 ahead and please have you guys - please answer some of our
11 questions during your comments. It's very important that we
12 get answers.
13 Now according to the guide - according to the Open
14 Meetings Act, which I understand that maybe the State
15 doesn't feel like we are, this is an open meeting. You got
16 the citizens behind us. You got us up here. We're asking
17 your (sic) questions, and it is an open meeting. And
18 according to the Open Meetings Act, we're allowed to go
19 ahead and videotape and record. And you are our last resort
20 to go ahead and authorize payments or to run our city. This
21 is where you - we have to come to to you.
22 The next thing I'm gonna ask is I'd like to know
23 why we did not receive any grant money from the state. We
24 spent $500,000 already out of our general fund to pay for
25 upgrades on IT and everything else, when we could have very

easily got that money. I know we asked for $2 million, and I'm gonna ask again: Why did we not get any grant money? We are a distressed city, maybe not as bad as some other cities over here, but we're still distressed. We needed that money; we did not get it.

And I also want to bring this up. I firmly believe that we should in - investigate our past city administrator for malfeasance or unfeasance (sic). Look up unfeasance and see what it's - or what it - what it is. Thank you very much. Have a great day.

MR. CLINE: Finally, Dennis Hayes.

MR. HAYES: I'd like to associate myself with Mr. Magusin's remarks. I think if you read the statute that empowers you it says very clearly you are subject to the Open Meetings Act, and you can read it yourself. And I don't think any attorney general can change that law.

The other thing I would mention is I - I agree with the Mayor that we must be competitive with our wages. It was a seven to nothing vote, but there are threshold questions that you will kick down the road meeting after meeting, as you've done typically. The question being - first of all, there is no contract with the police. There was imposed terms. That's not a contract because a contract implies bilaterality. There was no bilateral negotiation. We may be entering in negotiations; that begs another

1 question. Are we even permitted under the orders or under
2 the current receivership to engage in negotiations? I
3 believe we should be; however, I can foresee Mr. Cline and,
4 perhaps, Mr. Byrne, who joined us today - and thank - thank
5 you for being here, Mr. Byrne - coming back next week
6 saying, "Well, we're still studying that," because you guys
7 do an awful lot of studying while our people down here are
8 asking for assistance. As said, these matters were passed
9 by a seven to nothing vote by the Council; but, do we have
10 the actual authority given the orders, given your powers,
11 given the thing - there's a lot of confusion in the
12 community. We have people telling us that, "Well, we just
13 go ahead and do it; it's okay," but we've just proven today
14 for those doubting Thomases that you hold all these
15 decisions in your hands - or you don't, really. You don't
16 have anything to do with it, but your bosses up in Lansing
17 do. And I feel sorry for our two friends from Allen Park
18 because they have to sit here month after month to watch
19 things get pushed down to the next meeting.
20 So, Mr. Cline, I hope you'll go back and implore
21 your superiors to make some decisions once and for all.
22 Read the law, understand it, determine what we're to do
23 here. Thank you.
24 MR. CLINE: That's all the names.
25 **BOARD COMMENTS**

MS. SCHAFER: Okay. Next item is Board Comments. Does the Board have any comments?

MS. BARANN: I do. I do. First of all, I'd - I would like to join - make sure that we do get the information back, obviously, on the poli (sic) - the police pay scale issue; so, I'll look forward to hearing about - on that issue and getting that resolved as quickly as possible.

The second thing I'd like to do, and I - I try to do it, but I need to do it in a public way is just to thank the employees of the City and the staff. I know that you're going through a move, which is never easy in any circumstance, and it's been an incredibly tumultuous year for everybody. But I just wanted to tell you "thank you" from me and my family for all that you do. It's appreciated.

MS. SCHAFER: Mr. Frank, any comments?

MR. FRANK: I would like to join in the comments that were just made. I'm pleased that we will shortly be in the building that I know the employees, including our police department who with - and featured on Facebook time after time in the last few days. And also to thank the employees who are gonna go through a - just mentioned some difficult time as we - as you all gear up again. The citizens appreciate it. I, for one, will not miss meeting in this building where every time I walk into, every other room,

it's "watch out for a wet floor." Thank you.

And I would like to thank those who came out to speak and to be here at this meeting.

MS. SCHAFER: Thank you.

I have one final comment. The - the 5-year budget that has been submitted by the City will likely be addressed at the - the July meeting. So, just to kind of give you some notice that we are. We have - or Mr. Cline has taken a look at it and we'll be addressing it at that point.

Any further questions or comments?

ADJOURNMENT

BARANN: I would like to move to adjourn.

MS. SCHAFER: Okay.

MR. FRANK: Second.

MS. SCHAFER: All those in favor of adjourning the - the meeting, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the meeting is adjourned. Thank you very much for attending.

Motion by Barann, support by Frank, to adjourn the RTAB meeting of 6/3/15. Approved unanimously.

(At 2:47 p.m., meeting concluded)

STATE OF MICHIGAN

COUNTY OF WAYNE:

I, Marcia Ann Tomkiewicz, certify that this transcript, consisting of 34 pages, is a true, complete and correct transcript, to the best of my ability, of the minutes of the hearing of the City of Allen Park Receivership Transition Advisory Board on June 3, 2015.

I also certify that I am not related or associated with any of the parties in this hearing.

June 11, 2015

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