

APPROVED - 9/2/15

STATE OF MICHIGAN
CITY OF ALLEN PARK
RECEIVERSHIP TRANSITION ADVISORY BOARD
HEARING WEDNESDAY, AUGUST 5, 2015
2:00 P.M.

ALLEN PARK CITY HALL
CITY COUNCIL CHAMBERS
16330 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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1 Allen Park, Michigan
2 Wednesday, August 5, 2015 - at 2:00 p.m.
3 MS. SCHAFER: All right. I think we're gonna get
4 started. It's two o'clock. Welcome, everyone.
5 Mr. Cline, will you take roll call?
6 ROLL CALL
7 MR. CLINE: Yes. Suzanne Schafer.
8 MS. SCHAFER: Here.
9 MR. CLINE: Joyce Parker.
10 MS. PARKER: (Not present).
11 MR. CLINE: She's not in and has indicated her -
12 her absence.
13 Kris Barann.
14 MS. BARANN: Here.
15 MR. CLINE: Fred Frank.
16 MR. FRANK: Here.
17 MR. CLINE: And we have a quorum.
18 MS. SCHAFER: Thank you.
19 APPROVAL OF AGENDA
20 MS. SCHAFER: Next item is the approval of the
21 Agenda. I'll entertain a motion to approve the Agenda as
22 presented.
23 MS. BARANN: So moved.
24 MR. FRANK: Second.
25 MS. SCHAFER: Any questions or comments?

1 Hearing none, all those in favor, say "aye."
2 RTAB BOARD: Aye.
3 MS. SCHAFER: Opposed?
4 RTAB BOARD: (No response).
5 MS. SCHAFER: Hearing none, the Agenda is approved
6 as presented.
7 **Motion by Barann, support by Frank, to approve the**
8 **Agenda for the 8/5/15 RTAB meeting as presented.**
9 **Approved unanimously.**
10 MS. SCHAFER: I want to remind the public to sign
11 up for Public Comment period. The sign-up sheet is - is
12 over by the door, and just to let you know that if you
13 haven't signed up, you - you will not be recognized for
14 Public Comments; so - so please sign up.
15 **APPROVAL OF RTAB MINUTES**
16 MS. SCHAFER: The next item is the approval of the
17 RTAB Minutes from the July 22nd, 2015 meeting.
18 MS. BARANN: I would move to approve the RTAB
19 Minutes for July 22nd.
20 MR. FRANK: Second.
21 MS. SCHAFER: Any questions or discussion?
22 Hearing none, all those in favor of approving the
23 July 22nd, 2015 RTAB Regular Meeting Minutes as presented,
24 say "aye."
25 RTAB BOARD: Aye.

1 MS. SCHAFER: Opposed?

2 RTAB BOARD: (No response).

3 MS. SCHAFER: Hearing none, we've approved the July
4 22nd, 2015 RTAB Regular Meeting Minutes as presented.

5 Motion by Barann, support by Frank, to approve the
6 Minutes of the RTAB 7/22/15 meeting. Approved
7 unanimously.

8 OLD BUSINESS

9 MS. SCHAFER: The next item is Old Business. The
10 first item under Old Business is Resolution number 15-0428-
11 105, which is the taping of the RTAB meetings. We've had
12 some previous discussion about this in the past. I think
13 last - last meeting we - we tabled the issue. I just want -
14 I want to say that, at this point just for the Board
15 Members, I personally am not - I - I don't object - object
16 to the - the videotaping of our meetings; however, I - I do
17 have concerns about the - the Council resolution, which in -
18 in my opinion, frankly, amends the RTAB rules. And so, I
19 think that there are - there's a - a proper way to - to go
20 ahead and - and set up procedures for - for videotaping the
21 RTAB meetings and I would ask that the - that my fellow
22 Board Members consider that.

23 So -

24 MR. FRANK: I agree.

25 MS. SCHAFER: You agree?

1 MR. FRANK: I would say I think it would be helpful
2 if we could have the meetings taped here by the City, and
3 that, perhaps, staff and a legal advisor can determine what
4 minimum number of rules we would need to permit that to
5 happen, and whether it would be or would not be an official
6 record under the - under the Open Meetings Act.

7 MS. SCHAFER: Do you have any comments or
8 questions, Kris?

9 MS. BARANN: (No verbal response).

10 MS. SCHAFER: I think procedurally we - I - I think
11 our best route is to deny the - the resolution, but I will
12 entertain a motion to approve, deny, or postpone the
13 Resolution 15 (dash) 0428 (dash) 105.

14 MR. CLINE: May I make a - just a procedural
15 comment here?

16 MR. FRANK: Hm-hmm.

17 MR. CLINE: I think it -

18 MR. FRANK: Take -

19 MR. CLINE: - might be - if the Board wants to go
20 that direction, maybe it's easier to separate the two - the
21 two discussion points: Address the City Council's
22 resolution, and then if you want to proceed with videotaping
23 the meetings yourself, then just make a second motion to
24 that regard stating your in (sic) - your intention.

25 MS. SCHAFER: Thank you.

1 MS. BARANN: That sounds clear. So I will go ahead
2 and move to deny the Resolution 15-0425 (sic) 105.

3 MS. SCHAFER: So we should take care of that -

4 MR. FRANK: (428).

5 MS. BARANN: So we'll do that one - yeah, 428. So
6 - oh, I'm sorry. So we'll deny that motion (sic), and then
7 we'll go ahead and - yeah, let's start with doing that.

8 MR. FRANK: I'll support.

9 MS. SCHAFER: Okay. It's been moved and supported.
10 All those in favor of denying Resolution 15 (dash) 0428
11 (dash) 105, say "aye."

12 RTAB BOARD: Aye.

13 MS. SCHAFER: Opposed?

14 RTAB BOARD: (No response).

15 MS. SCHAFER: Hearing none, the - we have denied
16 the Resolution number 15 (d - dash) 0428 (dash) 105.

17 **Motion by Barann, support by Frank, to deny**
18 **Resolution 15-0428-105. Approved unanimously.**

19 MS. SCHAFER: Would the Board like to make a second
20 motion?

21 MS. BARANN: I'm fine with making a motion. I
22 guess my whole thing is I don't know who we're going to be
23 putting that burden on in terms of the cost and the
24 administration, and all of those things in terms of
25 videotaping.

1 So, Mr. Cline, if you have any advice on that one,
2 'cause I don't think anybody up here objects to it being
3 filmed.

4 MR. CLINE: Perhaps, the - the best way to do it
5 would be to direct me, as your liaison, to work with the
6 City to come up with sort of some draft - a - a draft
7 process to bring back for your review.

8 MS. BARANN: That sounds fantastic.

9 MR. CLINE: Okay.

10 MS. BARANN: I would move that Mr. Cline work with
11 the City to develop a program for videotaping the RTAB
12 meetings herein forward.

13 MR. FRANK: Support.

14 MS. SCHAFER: Now I have to repeat that; right?

15 It's been moved and supported to direct the - for
16 the RTAB to direct Mr. Cline to work with the City to
17 develop a process of - and procedures and rules. I believe
18 I captured most of that.

19 MS. BARANN: Yeah, it is -

20 MR. FRANK: Yes.

21 MS. BARANN: - pretty good.

22 MS. SCHAFER: So, all those in favor, say "aye."

23 RTAB BOARD: Aye.

24 MS. SCHAFER: Opposed?

25 RTAB BOARD: (No response).

1 MS. SCHAFER: Hearing none, the motion has been
2 approved as stated to direct Mr. Cline to work with the City
3 on the videotaping of the RTAB meetings.

4 MR. CLINE: And we will bring that back to you just
5 as quickly as we can put it together, so.

6 MS. BARANN: Thanks for doing that.

7 MS. SCHAFER: Thank you.

8 Motion by Barann, support by Frank, to direct Mr.
9 Eric Cline to work with the City of Allen Park to
10 develop rules and procedures on the videotaping of
11 the RTAB meetings. Approved unanimously.

12 MS. SCHAFER: Moving on to the 5-Year Financial
13 Plan.

14 Mr. Cady, could you please update the Board on
15 this matter.

16 MR. CADY: Thank you. If you remember last month's
17 meeting, it was asked that this be pushed back until they
18 could review - I think it was Ms. Parker that asked for a
19 copy of the original memo that went out that had all the
20 assumptions that we used to make the 5-year plan. That memo
21 was forwarded to Mr. Cline and I assume that it was directed
22 to you for review. That was the only thing holding up the
23 approval at that time.

24 MS. SCHAFER: Does the Board have any questions of
25 Mr. Cady?

1 I have one. Given the - the collective bargaining
2 agreements, have all the costs of the Police Department been
3 accounted for in that 5-year plan, or is that something that
4 would need to be amended?

5 MR. CADY: The - we - we will bring forward
6 amendments. We know we - there's amendments anyways 'cause
7 we're working on changing health care, which will be a big
8 savings to the City. So, probably, the - the - I guess it'd
9 be our end year - end of the calendar year, but mid-year,
10 we'll bring forward to Council and to the RTAB budget
11 amendments.

12 A lot of the changes that are in the police
13 contract are in the budget already, for example, the raises.
14 The big item that's not in there is the holiday pay, which
15 is about a hundred and twenty thousand, ^{dollars} a hundred and thirty
16 thousand; ^{dollars} but, it'll be more than offset by the changes that
17 we hope to make in health care. So, we'll - we'll have
18 those to you at the mid-year budget adjustment time.

19 MS. SCHAFER: Okay. Thank you.

20 MS. BARANN: To that, can I move to approve the 5-
21 Year Financial Plan for the City?

22 MR. FRANK: I will support.

23 MS. SCHAFER: Any further questions or discussions?

24 All those in favor of approving the 5-Year
25 Financial Plan, say "aye."

1 RTAB BOARD: Aye.
2 MS. SCHAFER: Opposed?
3 RTAB BOARD: (No response).
4 MS. SCHAFER: Hearing none, the Board has approved
5 the 5-Year Financial Plan.
6 Motion by Barann, support by Frank, to approve the
7 5-Year Financial Plan. Approved unanimously.
8 NEW BUSINESS
9 MS. SCHAFER: Moving onto New Business, we have the
10 approval of Resolutions and Ordinances for City Council
11 Meetings. First item is the Resolutions from the Regular
12 City Council Meeting of June 23rd, 2015, which is attachment
13 3 for the Board. I noted going through the - the minutes
14 that the - the budget amendments that are in the - the
15 resolutions require State Treasurer approval, so I suggest
16 to the Board that we handle those - that resolution
17 separately.
18 So, does the Board have any questions or comments?
19 MR. CADY: Were these already approved and pulled
20 forward at a previous meeting?
21 MR. CLINE: I don't believe so, no.
22 MR. CADY: Okay.
23 MR. FRANK: 'Cause this is the - is it -
24 MS. BARANN: I would move - I'm sorry. Do you have
25 a - I would move to approve the Resolutions from the Regular

1 City Council Meeting of June 23rd, with the exception of
2 Resolution 15 (dash) 0623 (dash) 0157.

3 MR. FRANK: Support.

4 MS. SCHAFER: Any further questions or comments?

5 All those in favor of approving the Resolutions
6 from the Regular - Regular City Council Meeting of June
7 23rd, 2015, with the exception of Resolution number 15
8 (dash) 0623 (dash) 1057 (sic), the Fiscal Year 2015 Year-End
9 Budget Amendments, say "aye."

10 RTAB BOARD: Aye.

11 MS. SCHAFER: Opposed?

12 RTAB BOARD: (No response).

13 MS. SCHAFER: Hearing none, we have approved the
14 Resolutions from the Regular City Council Meeting of June
15 23rd, 2015, with the exception of Resolution 15 (dash) 0623
16 (dash) 0157.

17 Motion by Barann, support by Frank, to approve the
18 Resolutions from the Regular City Council Meeting
19 of June 23, 2015, with the exception of Resolution
20 15-0623-0157. Approved unanimously.

21 MS. SCHAFER: So, we would like to handle that -
22 that resolution separately.

23 And perhaps, Mr. Cady, you could give us an update
24 on the - the fiscal year '15 year-end budget amendments.

25 MR. CADY: Unfortunately, the packet was so large,

1 I didn't get a chance to download it; so I'll see if I can
2 get it from the Mayor's here.

3 MS. BARANN: I have it if you need it.

4 MR. CADY: You have it up there? Sorry.

5 MS. BARANN: The two pages?

6 MR. CADY: Thank you.

7 Yes, in accordance with the Un - Uniform Budgeting
8 Act, these are the amendments that we need at year-end. And
9 as you'll see, most of 'em are additions to the budget, in
10 other words, the plus side for things, like the - the grant
11 we got for Park Street, the adjustments to actual for major
12 and local streets. It - when the bud (sic) - original
13 budgets were done on the Act 51 Funding there, they just
14 underestimated. Rubbage, we needed - we had, actually, a -
15 captured more money for taxes than was budgeted.
16 Brownfield, what you see there is to record the payment that
17 we have to make per the Brownfield agreement to Clay Park
18 and to Meijer for the repayment of the - the development of
19 that property. And the Building Fund, that was an
20 adjustment to actual. We did better than we expected.
21 Library, that was to record penal fines and property taxes
22 that was - when the estimates were done on original property
23 taxes, was underestimated. Community Center Debt, we are
24 actually adjusting budget to actual. There were - again, we
25 captured more in property taxes than was estimated. So

1 these are all - and the Southfield Lease Properties, that's
2 to record the sale last year, if you remember, of that
3 property to the Time Equities Group. A budget amendment was
4 necessary to record that sale. They are all, basically,
5 adjustments to bring us to actual.

6 MS. SCHAFER: Are there any questions for Mr. Cady?

7 MR. FRANK: Oh, I have one. So on the Brownfield
8 Redevelopment Authority adjustment, which is \$2.3 million,
9 which seems like a large adjustment not to have been in the
10 budget before.

11 MR. CADY: Well, it - it's actually - there's
12 actually about 3 or 4 years of payments. There was a
13 dispute going on, and so the money was accumulating until a
14 new agreement could be brokered, which Ms. Parker did while
15 she was here with Ford Clay Park. Once that deal was
16 finally finished, the distribution was made. Normally, the
17 distribution was five to six hundred thousand ^{dollars}, which is the
18 excess funds.

19 MR. FRANK: Thank you.

20 MS. SCHAFER: Any further questions?

21 I'll entertain a motion to approve, deny, or
22 postpone a recommendation to the State Treasurer to approve
23 the FY '15 Year-end Budget Amendments.

24 MR. FRANK: I move to recommend to the State
25 Treasurer that the State Treasurer approve the Fiscal Year

1 '15 Year-end Budget Amendments, which is Resolution 15
2 (dash) 0623 (dash) 0157 in the Council minutes.

3 MS. BARANN: I support.

4 MS. SCHAFER: Any further questions or comments?

5 Hearing none, all those in favor of approving a
6 recommendation to the State Treasurer to approve the Fiscal
7 Year '15 Year-End Budget Amendments, which is Resolution 15
8 (dash) 0623 (dash) 0157, say "aye."

9 RTAB BOARD: Aye.

10 MS. SCHAFER: Opposed?

11 RTAB BOARD: (No response).

12 MS. SCHAFER: Hearing none, we have approved a
13 recommendation to the State Treasurer to approve the Fiscal
14 Year '15 Year-end Budget Amendments.

15 **Motion by Frank, support by Barann, to approve to**
16 **recommend approval of Resolution 15-0623-0157 to**
17 **the State Treasurer. Approved unanimously.**

18 MS. SCHAFER: Next item is Resolutions from the
19 Regular City Council Meeting of July 14th, 2015. A - again,
20 in - in my review of - of these items, if the Board agrees,
21 I believe we should address the several items that had a
22 budgetary impact or had a high level of importance. So, I
23 would - if you have any questions for Mr. Cady or Mr. Cline?

24 MS. BARANN: No.

25 MS. SCHAFER: No.

1 MR. CLINE: Just - just as a - a procedural point,
2 two resolutions from this meeting, the lighting improvements
3 and the Park Street improvements, we addressed at our last
4 meeting a couple of weeks ago. Those were pulled forward at
5 the request of the City. So, those - those have already
6 been making (sic) - excuse me - those have already been
7 addressed, so.

8 MS. SCHAFER: Okay. Thank you.

9 MS. BARANN: So given that, I would move to approve
10 all Resolutions from the Regular City Council Meeting of
11 July 14th, with the exception of Resolutions 15 (dash) 0714
12 (dash) 182, which relates to the Ordinance Officers, and 15-
13 0714-185, which is the Contract between the City of Dearborn
14 and the City of Allen Park for Detainee Lodging. And we
15 have one more resolution we're gonna pull out: 15-0714-192,
16 the tentative Collective Bargaining Agreement with both
17 Police Bargaining Units.

18 Do I have to mention the lighting or can we just
19 let that one go?

20 MR. CLINE: No, that's -

21 MS. BARANN: Okay, thanks.

22 MR. CLINE: - that's fine.

23 MR. FRANK: Support.

24 MS. SCHAFER: Any further questions or comments?

25 All those in favor to approve the Res -

1 Resolutions from the Regular City Council Meeting of July
2 14th, 2015, with the exception of Resolution 15 (dash) 0714
3 (dash) 182, which is the Hiring of Two Additional Ordinance
4 Officers within the Building Department, Resolution number
5 15 (dash) 0714 (dash) 185, the Contract between the City of
6 Dearborn and the City of Allen Park for Detainee Lodging,
7 and Resolution da (sic) - number 15 (dash) 0714 (dash) 192,
8 the tentative Collective Bargaining Agreements with both
9 Police Bargaining Units, say "aye."

10 RTAB BOARD: Aye.

11 MS. SCHAFER: Opposed?

12 RTAB BOARD: (No response).

13 MS. SCHAFER: Hearing none, we have approved the
14 Resolutions from the Regular City Council Meeting with those
15 exceptions.

16 Motion by Barann, support by Frank, to approve the
17 Resolutions from the Regular City Council Meeting
18 of July 14, 2015, with the exception of
19 Resolutions 15-0714-182, 15-0714-185, and 15-0714-
20 192. Approved unanimously.

21 MS. SCHAFER: So then we'll take each exception
22 individually. The first of those is Resolution number 15
23 (dash) 0714 (dash) 182, which is the Hiring of Two
24 Additional Ordinance Officers with the Building Department.
25 And I'm going to ask Mr. Cady to provide us a summary of

1 this.

2 MR. CADY: It was - it was asked for by Council and
3 agreed by the Director of the Building Department that we
4 look at hiring two more part-time ordinance officers that
5 could also do some - some inspection that are not state -
6 not state licensed-required inspection, like on cement. The
7 problems that we're having in the Building Department is
8 there - it's summertime. Everybody's trying to improve
9 their homes and we just don't have enough people. These
10 would be two part-time people that would be paid for out of
11 the building fund, not the general fund; and their fund
12 balance is more than adequate to cover this expense.

13 MS. SCHAFER: Any questions for Mr. Cady?

14 Hearing none, I'll entertain a motion.

15 MS. BARANN: I - I move to approve Resolution 15-
16 0714-182, the Hiring of Two Additional Ordinance Officers
17 within the Building Department.

18 MR. FRANK: Support.

19 MS. SCHAFER: Any further questions or comments?

20 Hearing none, all those in favor of approving
21 Resolution number 15 (dash) 0714 (dash) 182, the Hiring of
22 Two Additional Ordinance Officers within the Building
23 Department, say "aye."

24 RTAB BOARD: Aye.

25 MS. SCHAFER: Opposed?

1 RTAB BOARD: (No response).

2 MS. SCHAFER: Hearing none, we have approved
3 Resolution number 15 (dash) 0714 (dash) 182, the Hiring of
4 Two Additional Ordinance Officers within the Building
5 Department.

6 MS. SCHAFER: The next item on the Agenda is the
7 Resolution number 15 (dash) 0714 (dash) 185, which is the
8 Contract between the City of Dearborn and the City of Allen
9 Park for Detainee Lodging.

10 And, Mr. Cady.

11 MR. CADY: Thank you, again. This contract has
12 been going back and forth for a long time between the City
13 and Dearborn. The big hangup wasn't actually the insurance
14 requirements. The League was okay with that. The big
15 problem was is Dearborn wanted total indemnity for any
16 prisoner that we turned over to them so that they weren't
17 liable, as they're self-insured. We were finally able to
18 hammer out an agreement which the League has agreed to, and
19 now it's before you for approval. If you approve it, it'll
20 go before the Dearborn Council approval in the next week to
21 10 days my understanding is.

22 MS. SCHAFER: Any questions for Mr. Cady?

23 MS. BARANN: I would move to approve the Contract
24 between the City of Dearborn and the City of Allen Park for
25 Detainee Lodging, Resolution 15-0714-185.

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MR. FRANK: Support.

MS. SCHAFER: Any further discussions?

Hearing none, we have - oh, I'm sorry. All those in favor of approving Resolution number 15 (dash) 0714 (dash) 185, the Contract between the City of Dearborn and Allen Park, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, we have approved Resolution number 15 (dash) 0714 (dash) 185, the Contract between the City of Dearborn and the City of Allen Park for Detainee Lodging.

Motion by Barann, support by Frank, to approve the Resolution 15-0714-184, the Contract between the City of Dearborn and the City of Allen Park for Detainee Lodging. Approved unanimously.

MS. SCHAFER: The next resolution is Resolution number 15 (dash) 0714 (dash) 192. This is the tentative Collective Bargain Agreement with both Police Bargaining U - Units.

Mr. Cady, can you update the Board on this matter?

MR. CADY: Thank you, again. Back in March, the City Council, at the recommendation of the law firm that was handling labor negotiations under Ms. Parker, recommended to

1 the Council that they pass a resolution offering the Police
2 Department parody with the Fire Department in return for
3 settling past grievances and a contract moving forward. We
4 - we started in earnest with the Police Department to
5 negotiate an agreement that was within those guidelines.
6 Last month, we were on - finally able to reach an agreement
7 which gives the firemen (sic) as close as we can get to
8 parody with the fire union. It does not exceed the
9 firemen's contracts.

10 It's a 4-year deal that offers 2 1/2 percent each
11 year to the - to the policemen. It also give - restores
12 their holiday pay and - and some of their other things as
13 far as FAC. Some of the things that we did to assure that
14 the contract stays in focus was we put caps on pension, and
15 we did a few other things. The biggest cost, obviously, is
16 the actuary to take them to 2.5-percent on their multiplier;
17 and also to reduce their contribution from 8-percent to 7-
18 percent, which currently all the other employees are paying
19 in the City. Those items would cost the City about \$60,000
20 a year more for their - for the actuary cost that we pay to
21 PNC for the pension. The other big item is the restoring
22 the holiday pay, which is seven days, if they work them, and
23 10 days paid once a year, the same as fire. That's about a
24 hundred and twenty thousand dollars a year, I believe.
25 There are some other things that are if-come that are hard

1 to cost, like sick days and those things; but, a lot of the
2 - the - other than the - other than the holiday pay, most of
3 these things I think are gonna be within the contract or
4 already costed out to a certain extent. For example, the 2
5 1/2 percent raise is already in the 5-year budget. It's
6 been already budgeted for. The other items would be
7 adjusted and - and brought forward as I mentioned earlier
8 when we do our mid-year budget adjustments.

9 MS. SCHAFER: Any questions for Mr. Cady?

10 MR. FRANK: So as I understand, you're say (sic) -
11 you - you mentioned earlier the - this is within the fi
12 (sic) - 5-year budget plan, except for about a hundred,
13 twenty-seven thousand dollars.

14 MR. CADY: There - there are a -

15 MR. FRANK: Oh -

16 MR. CADY: - few things - there are a few things
17 in there that also -

18 MR. FRANK: About -

19 MR. CADY: - like it - it restores the 10/20/30
20 drug card, but our TPA who didn't finish costing this
21 indicated that that wouldn't be a big item. It would be
22 easily absorbed into the budget in the health care savings I
23 mentioned earlier. Some of the other calculations I think
24 are if-come. It depends on the size of their banks and when
25 they build them up. Most of these things in here are - are

1 restrictions mostly on the employees that have been here.
2 For the newer employees that are hired, these things just
3 don't exist anymore. The - they're not an issue, so.

4 The other thing this contract does, I got to
5 mention, is it removes the - the last tier of wages so that
6 we can be more competitive in hiring new officers. As I
7 think I mentioned once before, it - when we brought a
8 resolution before you, we were not able to hire new officers
9 because our pay is just so low. We're not competitive with
10 the surrounding communities. This contract will allow us to
11 start recruiting new officers. We're currently at least two
12 officers down right now.

13 MS. SCHAFER: Any further questions?

14 I'd like to give Mr. Cline an opportunity to
15 provide any additional information that you may have to the
16 Board.

17 MR. CLINE: Thank you. I did provide an analysis
18 of the information that we received from the City on this
19 contract. Did not actually receive the - the actual text of
20 the tentative agreements; received sort of a summary of
21 them; did not actually receive the documents until
22 yesterday. Had been trying to - to go through it. A couple
23 things to note: Just by the numbers provided by the City, by
24 adding them up, I identify \$237,000 in new funding year one
25 - or new expenses for this - related to this contract. I

1 know they've indicated some - some changes that could -
2 could generate funds and cost savings to pay for that. Most
3 of that is absorbed year one, and this is a 4-year
4 agreement.

5 There are a number of items in - in my analysis
6 that - that could have some potential cost impact that have
7 not been sort of expensed out to see - to see what - what
8 potential costs could be. Those in Treasury that - my
9 superiors that - that have looked at this, we have some
10 concerns simply because we haven't had the information
11 really long enough to really - to really work through it
12 about whether or not this is a sustainable agreement. We
13 don't really have any objections over parts of it. We don't
14 have any objections over the fact that the City di -
15 discussed - you know sat down with the police union. But as
16 - as we do in our office when working with distressed
17 communities, financially distressed communities, we want to
18 make sure that the decisions that they're reaching are
19 sustainable. I don't believe that, you know, we're totally
20 comfortable in - in sitting here and telling the Board that
21 we - we believe that's the case at this point. It's, you
22 know, up to the Board how you wish to handle this.
23 Certainly now that I have all the documentation, I believe,
24 you know, more time would give me an opportunity to go back
25 through it and - and - and look at this, and - and follow up

1 with the City a little further; however, you know, that's up
2 to you. So if you have any specific questions, I'll be
3 happy to answer it, but -

4 MS. BARANN: I guess one of my questions would be
5 who is ultimately - has the final say? Is it the Treasury
6 or is this RTAB?

7 MR. CLINE: The Board -

8 MS. BARANN: So -

9 MR. CLINE: - the Board has the - the final say on
10 the Collective Bargaining Agreement.

11 MS. BARANN: Hm-hmm.

12 MR. CLINE: We go through, my office - and not only
13 when they provide this at the city level to look at it so we
14 can understand it and - and help provide better information
15 to you, but also, at times to go through and - and I'm not
16 saying this is the case here, but it has been in the past
17 where, perhaps, something was missed, perhaps, something was
18 - was miscalculated or something, and we've been able to
19 catch it and bring that to the community's attention, say,
20 "You need to look at this; you need to address this," or
21 whatever the case may be. We have had some information
22 provided by the City over the past couple weeks, and then
23 the rest of it has - has kind of followed here. So, it has
24 been kind of quick. You have an initial analysis, but, you
25 know, more time is always helpful in this case; but, it is -

1 it is a this - discretion of the Board.

2 MR. CADY: If I may make just a couple of final
3 comments before you guys decide on this one. First off,
4 when the Council and the RTAB approved the agreement that -
5 that Council originally did on parody, it kind of set the
6 bar what the contract would be. This contract contains
7 nothing that's in the fire contract that it was agreed to as
8 far as parody. Further, I just want to point out that,
9 basically, under the terms of this agreement, after 4 years
10 when it expires, the police will have exactly what they had
11 2 years ago. So, it's - it's - although - I - I got to
12 point out that anything we approve is gonna be a cost
13 because of how much the police were cut and - and imposed on
14 2 years ago. So, like I said, there's - there's nothing new
15 in this contract. It's, basically, giving them back what
16 they had over time. So, I just want to point that out.

17 MS. SCHAFER: Mr. Mayor, would you like to add some
18 comments?

19 MAYOR MATAKAS: I would. Thank you. The reason I
20 think necessary for RTAB to act is that we have been unable
21 o - over this year, last year, and the year before, we've
22 had approved (sic) - approval to hire four officers. We
23 don't have them because the pay that we were offering under
24 the imposition order just made it impossible to attract the
25 people that we want working in our police force. So, we

1 tried just moving that bottom item, as you remember, and
2 said, "No, we can't do that because if we violate the EM
3 order, then we go way back to another contract which would
4 have very harsh consequences to the City's budget." So, we
5 negotiated in good faith. We did the resolution requested
6 by the Emergency Manager's labor attorneys to try and help
7 problems in that contract that were being arbitrated. We
8 need to do this to get forward to get these officers.
9 Currently, we have seven officers, one off on family leave,
10 and another six off on disability. It's a 37-man force that
11 should have been at 41 at this point, and it's now operating
12 at a level of about 30. And we're getting complaints from
13 citizens that they feel that we do not have enough police
14 presence in our city to do the job that they've come to
15 expect provided by our force. To delay this for certain
16 numbers, and I can only point out that if you look at our
17 fund balance in the general fund, which a lot of members of
18 this community are very upset that it's - it - that it looks
19 so good, I don't see that the cost that - that we put into
20 this contract in any way create an unsustainable situation
21 for the City's budgets going forward. And certainly, yes,
22 '19, '20 budget years are probably gonna have some real
23 changes as we look at how the personal property tax finally
24 shakes out 'cause that is gonna affect us on what we
25 actually get reimbursed. But it seems to me that giving

1 everything that has been done, in good faith, we negotiated;
2 in good faith, we followed the EM's rules; and in good
3 faith, I think it shouldn't really be put off and that the
4 police force suffer. Thank you.

5 MS. SCHAFER: Do you have any questions or
6 comments?

7 MS. BARANN: I'm gonna move to approve Resolution
8 15-0714-192, the tentative CBA with both Police Bargaining
9 Agreements (sic) - Units; sorry.

10 MR. FRANK: I will support.

11 MS. SCHAFER: It's been moved and supported to
12 approve Resolution number 15 (dash) 0714 (dash) 192, the
13 tentative Collective Bargaining Agreement with both Police
14 Bargaining Units. All those in favor, say "aye."

15 MS. BARANN: Aye.

16 MR. FRANK: Aye.

17 MS. SCHAFER: Opposed?

18 Aye.

19 By majority, the Resolution number 15 (dash) 0714
20 (dash) 192 has been approved.

21 (Applause)

22 **Motion by Barann, support by Frank, to approve the**
23 **Resolution 15-0714-192. Approved by majority.**

24 MS. SCHAFER: From there, we'll move onto the City
25 Administrator Items. The first item is Approval to Place a

1 Local Road and Sidewalk Referendum on the November 3rd, 2015
2 Ballot.

3 Mr. Cady, could you please provide a summary to
4 the Board?

5 MR. CADY: Thank you. The Mayor and Council in an
6 effort to speed up the process and put a little bit more
7 money into the roads, which are - are really needed
8 everywhere in the state, not just Allen Park, has - has
9 approved a amendment to ask the voters in November to take
10 us back to our Headlee Amendment. Basically, they're asking
11 for an override of 1.9015 mills to take us back to 12 1/2
12 mills, and that would be dedicated to roads for the next 10
13 years. And we're asking this body to approve this to be on
14 the November ballot.

15 MS. SCHAFER: Any questions for Mr. Cady?

16 MR. FRANK: Yes. So, this is for roads or roads
17 and sidewalk?

18 MR. CADY: Roads; sidewalks was taken off.

19 MR. FRANK: Are you able to enlighten this Board as
20 to why it started as road and sidewalk and ended up as road,
21 same amount of money?

22 MR. CADY: It - it was felt that there was - it was
23 unclear as to how we were doing it in the past. It -
24 typically, right now, the residents are responsible. We -
25 we mark the flags and it's up to the resident to replace

1 their flags. And it was felt that if we're gonna do a
2 millage for this that it still should be the residents'
3 responsibility to replace their own flags. So, we - we just
4 removed that language, so we didn't have any issue with it.
5 That way, all of the money is going to roads. We still have
6 money in the budget to replace sidewalk where it's our
7 responsibility and not the residents, and we feel that's
8 sufficient at this time moving forward.

9 MR. FRANK: Are you able to enlighten us as to the
10 rules for the bus (sic) - is it - excuse me. Are the rules
11 the same for businesses which front on the -

12 MR. CADY: I believe they are.

13 Mayor, do you know if that's - if businesses are
14 responsible for their flags?

15 MAYOR MATAKAS: That I don't because I thought on
16 the - on the DDA approved areas we took on the maintenance
17 responsibility.

18 MR. CADY: Yeah.

19 MR. MENSINGER: Yeah, we - we take care of the
20 parts on Southfield. The City takes care of the city
21 building flags, the six on Southfield, Champagne Park, and
22 then the center, inboard and outboard.

23 MR. CADY: The City, but the question I think was
24 the business sections.

25 MR. MENSINGER: We don't do any business sections.

1 MR. CADY: Other business sections other than DDA?
2 MR. MENSINGER: That - that - right.
3 MR. FRANK: DDA.
4 MR. MENSINGER: Yeah, we don't -
5 MR. CADY: It's the - it's the owner's
6 responsibility?
7 MR. MENSINGER: Correct; they -
8 MR. CADY: Okay.
9 MR. MENSINGER: - take care of their own.
10 MR. CADY: It's the owner's respon (sic) - that's
11 what I thought.
12 MS. BARANN: I'd go ahead - I - do you have any
13 more questions, Frank?
14 MR. FRANK: No.
15 MS. BARANN: Okay. I would approve the placing of
16 a Local Road and Sidewalk Referendum on the November 3rd,
17 2015 ballot.
18 MR. FRANK: Support. For the road improvement;
19 right? Only.
20 MS. BARANN: Road only.
21 MS. SCHAFER: Any further questions or discussions?
22 MS. BARANN: Okay.
23 MS. SCHAFER: Okay, all those in favor of - of - of
24 approving the placement of a Local Road Referendum on the
25 November 3rd, 2015 ballot, say "aye."

1 RTAB BOARD: Aye.

2 MS. SCHAFER: Opposed?

3 RTAB BOARD: (No response).

4 MS. SCHAFER: Hearing none, the Board has approved
5 the placing of a Local Road Referendum on the November 3rd,
6 2015 ballot.

7 MR. CADY: Just - just for the record, I want it
8 known that that'll generate about an extra \$1.4 million a
9 year to go to roads.

10 Motion by Barann, support by Frank, to approve the
11 placement of a Local Road Referendum on the
12 November 3rd, 2015 ballot. Approved unanimously.

13 MS. SCHAFER: The - the next item on the Agenda is
14 a request to request a recommendation to the State Treasurer
15 to amend EM Order number 15, the Permit - or to Permit a
16 Rebidding of Coverage for Retiree Health Care.

17 Mr. Cady, could you provide the - a summary to the
18 Ba (sic) - to the Board?

19 MR. CADY: Yes, thank you. Last - last month, or
20 almost five weeks ago now, we received an increase notice
21 from Blue Cross that effective October 1, health care in the
22 City would be going up for some of the groups as much as 23-
23 percent, and for the plus-65 retirees that we're talking
24 about here that are on the Medicare Advantage Plan, it'd be
25 4-percent. We asked our TPA to go to the market to see what

1 they could find. They brought back ~~Umano~~ *Humana*, which is an exact
2 apples-to-apples policy, same co-pays, deductibles,
3 everything as Medicare - Medicaid Advantage Plan, and it
4 would save the City about a hundred and seventy-six thousand
5 dollars a year over what Blue Cross is proposing with their
6 increase.

7 When we talked to Eric and the State about this,
8 we realized that we had Order 15 in the way which basically
9 says it will be Blue Cross and nothing else. So at this
10 time, we're asking that the order be amended so that we can
11 - we can go with the low vender and put this in the proper
12 place.

13 MS. SCHAFER: Any questions for Mr. Cady?

14 MS. BARANN: My question would be for Mr. Cline in
15 terms of does the State need to weigh in on this or is this
16 something again the RTAB has the authority to go ahead and -

17 MR. CLINE: No, the - the State Treasurer to amend
18 the EM order has the final say-so on this.

19 MS. BARANN: So we're just - it's just a
20 recommendation.

21 MR. CLINE: It - it is a recommendation. It is one
22 that the - the - the time that we've spent discussing this
23 with Mr. Cady has been - and, you know, the actual change to
24 the order itself is actually quite simple. It's been all
25 the ramifications and understanding all the moving parts

1 that need to be addressed in this.

2 The only thing - the only question, if I may
3 direct it to - to Mr. Cady, that I had is I know they've had
4 some ongoing litigation with - with some of their retirees
5 over this issue; if there's been any conversations with
6 legal counsel pertaining to these changes and - and what
7 that information may be. Because, as - as he and I
8 discussed, we don't want to have a situation where in order
9 to save a million ^{dollars} - and I - I - I have no idea that - that
10 this would occur, but, you know, in order to save money we
11 end up costing money on the other end. We want to make sure
12 that doesn't - a situation like that doesn't develop. So,
13 that's been - that's been the focus for our conversation,
14 and as I said, the - the actual change in the order, the
15 language itself, we'll have to - to draft up what reflects
16 the - the intent of the Board here. But it's a - it's a
17 fairly simple - simple correction for that to permit them to
18 - to rebid for equivalent coverage.

19 And, we also did some research and - and we
20 haven't been able to figure out any specific reason as to
21 why the order didn't include that to begin with; but I am
22 satisfied, perhaps, that could have just been an oversight
23 or something. But, I think if the Board wishes to move
24 forward, then we'll take that to the State Treasurer and -
25 and proceed from there, so.

1 MR. FRANK: So, I'll move to recommend to the State
2 Treasurer that the Treasurer amend Emergency Manager Order
3 number 15 and Permit a Rebidding of Coverage for Retiree
4 Health Care.

5 MS. BARANN: I'll support.

6 MR. CADY: Just as a followup as to what Eric was
7 saying, it's - and I don't want to leave anything out, we
8 have been in contact with the attorney who's defending us in
9 the lawsuit against the retirees and he understands the -
10 why the change is needed. He does not feel there'll be a
11 problem. He has another attorney by the name of Manquin
12 (phonetically), I think, with his firm who's - specializes
13 in looking at these policies to make sure it's apples-to-
14 apples. I have not been able to get anything in writing
15 from him yet because he's on vacation this week and - but he
16 doesn't feel that it should be an issue. And if something
17 does come up between now and the time the State gets the
18 order changed, we will - we will deal with it at that time.
19 Thank you.

20 MR. CLINE: Yes, we'll - we'll stay in close
21 coordination on this issue, so.

22 MR. FRANK: Thank you.

23 MS. BARANN: Motion and support.

24 MS. SCHAFER: I'm sorry; did you support?

25 MS. BARANN: He moved; I supported.

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MR. FRANK: I moved.

MS. SCHAFER: You support; okay. Thank you.

All right. All right. With no further discussion, all those in favor of approving a recommesh (sic) - a recommendation to the State Treasurer to amend EM Order number 15 to Permit a Rebidding of Coverage for Retiree Health Care, say "aye."

RTAB BOARD: Aye.

MS. SCHAFER: Opposed?

RTAB BOARD: (No response).

MS. SCHAFER: Hearing none, the Board has approved a recommend - recommendation to the State Treasurer to amend EM Order number 15.

Motion by Frank, support by Barann, to approve the recommendation to the State Treasurer to amend EM Order 15 to Permit a Rebidding of Coverage for Retiree Health Care. Approved unanimously.

MS. SCHAFER: The next item under City Administrator Items is the approval of Resolution 15 (dash) 0714 (dash) 192, which is the tentative Agreement -

MR. CLINE: No.

MS. BARANN: We have -

MR. CLINE: Sorry, we've already covered that.

MS. SCHAFER: Right; I was -

MR. FRANK: We already covered 3 and 4.

1 MS. SCHAFER: - just reading through it.

2 MR. CLINE: Oh, okay.

3 MS. SCHAFER: Sorry.

4 MR. CLINE: I'm sorry. Sorry.

5 MS. SCHAFER: I was just reading through it and
6 just - I was just gonna say it was addressed in New
7 Business. Same thing with item number 4, the approval of
8 Contract between the City of Dearborn and City of Allen
9 Park, also addressed in New Business.

10 NON ACTION ITEMS

11 MS. SCHAFER: Onto the Non Action Items. We have
12 the Budget-to Actual Report of - from June 15th, 2015. I
13 note that it's been received and filed, as well as the
14 Litigation Report has been received and filed. The
15 Quarterly Report has been received and filed.

16 And that brings us to the City Administrator's
17 Report. Mr. Cady.

18 MR. CADY: Actually, the City Administrator's
19 Report I gave you at the last meeting two weeks ago.
20 Because of delay, it's the same one you get today. So, I'll
21 - I'll spare you and just give you an update of what's
22 happened since then.

23 And one of the biggest cases against the City
24 right now is the Gaydos case, which is a breach of contract
25 case. I just wanted to let the Board know that a tentative

1 agreement on that case has been reached. I was in court
2 this morning on that to get it entered into the record. It
3 is contingent upon Council approval, RTAB approval, and
4 Treasury approval, and that'll be before you at next month's
5 RTAB meeting. So, other than that, I have no other updates.

6 MS. SCHAFER: Thank you.

7 PUBLIC COMMENTS

8 MS. SCHAFER: Moving on to Public Comment.

9 MR. CLINE: Right. Three names. First one, Dan
10 Cerroni.

11 SERGEANT CERRONI: Hi, good afternoon. My name is
12 Dan Cerroni. I'm a sergeant over at the police department.
13 I'm also the secretary of the Allen Park Police Lieutenants
14 and Sergeants Association, which is the command officers
15 union. The Board's action today probably shortened what I
16 was gonna say. I'd just like to take an opportunity to
17 thank Ms. Barann, Mr. Frank for - for their support. As Mr.
18 Cady stated, the - the process started with both the Mayor
19 and Council adopting a resolution unanimously that was
20 accepted by this Board; that we tried to get together and
21 see if we could come to some agreement that comports with
22 what - what the Emergency Manager had agreed to with the
23 Fire Department. While there are improvements for our
24 members, there's - there's no denying that. I - I'd just
25 like to make clear that none of those improvements exceed

1 what any other city employee is currently - currently has.
2 The men and women of the Allen Park Police Department had
3 been operating under significantly different terms and
4 provisions of their contract than other city employees for
5 the past 2 years, and - and this rectifies that situation.

6 So, I'd like to thank the Mayor and Council for
7 their support. I'd especially like to thank Mr. Kibby and
8 Mr. Cady because they're the ones who put up with us in the
9 room. You know we walk into a room knowing this is the bar
10 and we can't go beyond - you know, beyond the improvements
11 that - that were made for our members. There are also some
12 significant cost savings for the City; provides cost
13 certainty on certain issues. Mr. Cady mentioned the - the
14 pension cap, but the - there's other things that have been
15 in place for over 7 years now when it comes to - when he
16 talks about the different classes of employees. It just -
17 the - the people who have come in the last 7 years, a lot of
18 these things don't even relate to them because they've been
19 gone for that long.

20 So, again, just thank you very much.

21 MR. CLINE: All right. Jeff Miller.

22 DETECTIVE MILLER: Hello, I'm Detective Jeff Miller
23 from Allen Park Police Department. I'm also the president
24 of the Police Officers Association. And, Sergeant Cerroni
25 summed most up what I was gonna say. But, I'd really like

1 to thank Fred Frank and Kristine Barann. I'd also like to
2 thank Mark Kibby and Bob Cady. And Sergeant Cerroni didn't
3 mention Joe Couvreur, but he was a big process (sic), too.
4 And I'd like to thank the Mayor and Council. So, thank you
5 very much, everybody.

6 MR. CLINE: All right. Final name, Ray Magusin.

7 MR. MAGUSIN: Yeah, Ray Magusin, citizen of Allen
8 Park. I want to thank you very much for allowing our City
9 to go ahead and to tape an RTAB meeting. You know it's been
10 a - a discussion for quite some time. In look - you know,
11 and I'm not even gonna - into detail about it. It has
12 always been a legal thing for us to do and we (sic) just
13 trying to go along with - and making sure that it was done
14 in the correct way. So, I want to thank you for allowing us
15 to go ahead, go with the rules of the state for an Open
16 Meeting Act. So, thank you very much, and I guess - I - I
17 didn't really understand how you turned down the resolution
18 from the City, but then you turn around and you created your
19 own. I - I don't - maybe I don't understand what the
20 resolution is because it - the resolution really wasn't
21 stated, you know, when you - when you - you voted against
22 the resolution. Not that resolutions are really supposed to
23 be stated in order for you guys to even do a vote, you know.
24 So, thank you very much for allowing us now, or somebody to
25 go ahead and to tape the meeting. Thank you very much.

1 Have a great day .

2 MR. CLINE: Those are all the names.

3 BOARD COMMENTS

4 MS. SCHAFER: Okay. And does the Board have any
5 comments?

6 MS. BARANN: I just want to say briefly that - a
7 thank you to all of the citizens who put their names in for
8 the City Council, running in the race. I think it's
9 ~~admiral~~ ^{admirable}. It's obviously a - I always let people know that I
10 think it's a job that it takes four minutes to get sworn in
11 and 4 years to get sworn at. So, I just want to take the -
12 the - the time to thank those; and it was nice that there
13 was a runoff and that we do have options. So, thank you
14 very much to everybody in the race.

15 MR. FRANK: No additional comment.

16 ADJOURNMENT

17 MS. SCHAFER: All right. That brings us to
18 adjournment. Do I have a motion to adjourn?

19 MS. BARANN: So moved.

20 MR. FRANK: Second.

21 MS. SCHAFER: All those in favor of adjournment,
22 say "aye."

23 RTAB BOARD: Aye.

24 MS. SCHAFER: Opposed?

25 RTAB BOARD: (No response).

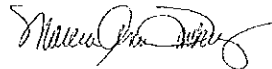
1 MS. SCHAFER: Hearing none, the meeting's
2 adjourned. Thank you, everyone.
3 Motion by Barann, support by Frank, to adjourn the
4 RTAB meeting of 8/5/15. Approved unanimously.
5 (At 2:49 p.m., meeting concluded)

STATE OF MICHIGAN

COUNTY OF WAYNE:

I, Marcia Ann Tomkiewicz, certify that this transcript, consisting of 42 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 August 5, 2015.

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



August 11, 2015

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