City of Hamtramck

Receivership Transition Advisory Board Meeting Minutes

Tuesday, June 28th, 2016

Hamtramck City Hall

Council Chambers - 2nd floor

3401 Evaline

Hamtramck, Michigan 48212

RTAB MEMBERS PRESENT:

DEBORAH ROBERTS KAREN YOUNG AL BOGDAN PETER McINERNEY MARK STEMA

ALSO PRESENT:

PATRICK DOSTINE
Michigan Department of Treasury

KATRINA POWELL City Manager

Reported by:
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

1	Called to order at 1:00 p.m.
2	MS. ROBERTS: It is 1:00 on Tuesday June 28th,
3	2016, and I would like to call the Receivership Transition
4	Advisory Board for the City of Hamtramck to order.
5	Mr. Dostine, will you take roll, please?
6	MR. DOSTINE: Sure. Karen Young.
7	MS. YOUNG: Here.
8	MR. DOSTINE: Mark Stema.
9	MR. STEMA: Here.
10	MR. DOSTINE: Peter McInerney.
11	MR. McINERNEY: Here.
12	MR. DOSTINE: Al Bogdan.
13	MR. BOGDAN: Here.
14	MR. DOSTINE: Deborah Roberts.
15	MS. ROBERTS: Here.
16	MR. DOSTINE: You have quorum, Madam Chair.
17	MS. ROBERTS: Thank you.
18	As a reminder, anybody from the public that
19	would like to speak, please sign up at the podium.
20	First on the agenda, is approval of the agenda.
21	I would entertain a motion to approve the agenda as
22	presented.
23	MR. McINERNEY: So moved.
24	MR. BOGDAN: Second it.
25	MS. ROBERTS: All those in favor say aye. Aye.

1	MR. BOGDAN: Aye.
2	MR. STEMA: Aye.
3	MS. YOUNG: Aye.
4	MR. McINERNEY: Aye.
5	MS. ROBERTS: Opposed the same.
6	(No response)
7	MS. ROBERTS: Motion carries.
8	Next on the agenda is approval of the RTAB
9	minutes for May 24th, 2016. I would entertain a motion to
10	approve the May 24th, 2016 RTAB minutes as presented.
11	MR. BOGDAN: So moved.
12	MR. STEMA: Seconded.
13	MS. ROBERTS: Any discussion?
14	(No response)
15	MS. ROBERTS: All those in favor say aye. Aye.
16	MR. BOGDAN: Aye.
17	MR. STEMA: Aye.
18	MS. YOUNG: Aye.
19	MR. McINERNEY: Aye.
20	MS. ROBERTS: Motion carry opposed the same.
21	(No response)
22	MS. ROBERTS: Motion carries.
23	Next on the agenda is public comment.
24	Mr. Dostine, has anyone signed up for public
25	comment?

1	MR. DOSTINE: Madam Chair, there is one request.
2	Robert Zwolak.
3	MS. ROBERTS: Okay, Mr. Zwolak.
4	MR. ZWOLAK: Good afternoon.
5	BOARD IN UNISON: Good afternoon.
6	MR. ZWOLAK: I wanted to bring up another point
7	that I've brought up in the past, and I have requested
8	that the TAB board review the lawsuit that we had from
9	John Doe versus the City of Hamtramck. I had hoped that
10	maybe you'd had the chance to see that.
11	But now we have two more lawsuits that are
12	somewhat related to the John Doe vs City of Hamtramck.
13	That is M & M Cars, and also Sam's Tire. I would
14	respectfully request that you also review those related
15	cases, also.
16	I've seen enough lawsuits in the past 40 years,
17	going back to the time when we had to pay 30 mills for a
18	very bad demolition or sale we had with Freezer Services.
19	And also, the urban renewal U.R. 31 lawsuit
20	that's been going on for 40 years, and still will probably
21	go on for another 15 years because we still have three
22	unfinished homes that have not been completed. That would
23	require the 15 years of lease arrangements that the city
24	will be involved in.
25	I would suggest, if you haven't, to have some of

1	your closed sessions with our city attorney, to get an
2	update on these lawsuits that city has encountered. And
3	someone give responsibility of the financial cost and
4	expenses that we will incur in the future.
5	So, and if anything, maybe I might even
6	recommend you might consider having some legal counsel
7	from the State of Michigan to review some of these cases
8	that are going on with Hamtramck that may impact our
9	financial future.
10	That's about all I have. Thank you again.
11	MS. ROBERTS: Thank you.
12	MR. DOSTINE: That concludes public comments.
13	MS. ROBERTS: Okay. Thank you.
14	We have no old business, so next on the agenda,
15	under new business is approval of resolutions and
16	ordinances for city council meetings.
17	First is the resolutions from the regular city
18	council meeting of May 10th, 2016. I would entertain a
19	motion to approve all ordinances and resolutions from the
20	May 10th, 2016 regular city council meeting, with the
21	exception of Resolution 2016-25, Islam vs Hamtramck
22	settlement.
23	MR. McINERNEY: So moved.
24	MR. BOGDAN: Second.
25	MS. ROBERTS: Any discussion?

1	(No response)
2	MS. ROBERTS: Seeing none, all those in favor
3	say aye. Aye.
4	MR. BOGDAN: Aye.
5	MR. STEMA: Aye.
6	MS. YOUNG: Aye.
7	MR. McINERNEY: Aye.
8	MS. ROBERTS: Opposed the same.
9	(No response)
10	MS. ROBERTS: Motion carries.
11	Next on the agenda is Resolution 2016-25, Islam
12	vs Hamtramck settlement.
13	Ms. Powell, would you like to provide a summary
14	of this item for the board?
15	MS. POWELL: Yes, ma'am. Back in 2012, we had a
16	trip and fall incident with someone here in the city, and
17	a lawsuit was filed, and we were fortunate enough to come
18	to an agreement for a settlement for \$39,000 instead of
19	dragging this on for another four or five years.
20	So, based on all of the information that we were
21	provided, and a lot of the decisions that were made were
22	based on all of the criteria that was put forth in the
23	lawsuit. DTE Energy was also involved. And of course no
24	one wants to take the blame, so we are suggesting that we
25	settle this lawsuit for \$39 NNN

```
1
                  MS. ROBERTS: Okay. Is the city attorney
2
         present?
3
                  MS. POWELL: He is not.
4
                  MS. ROBERTS: No, he is not, okay.
5
                  MS. POWELL: He could not be here today.
                  MS. ROBERTS: Okay, okay.
 6
7
                  MS. POWELL: But his --
                  MS. ROBERTS: I mean, it's his memo, so.
8
9
                  MS. POWELL: He pretty much sums it all up in
10
         his memo --
11
                  MS. ROBERTS: Okay.
12
                  MS. POWELL: -- what he would say if he were
13
         here.
14
                  MR. McINERNEY: I'll move to approve it, and I
         also note that this is less than what the total amount of
15
16
         the mediation was. So I'll move that we approve it.
17
                  MR. STEMA: Second it.
18
                  MS. ROBERTS: Okay, any further discussion?
19
                  (No response)
20
                  MS. ROBERTS: Seeing none, all those in favor
21
         say aye. Aye.
22
                  MR. BOGDAN: Aye.
23
                  MR. STEMA: Aye.
24
                  MS. YOUNG: Aye.
25
                  MR. McINERNEY: Aye.
```

1	MS. ROBERTS: Opposed the same.
2	(No response)
3	MS. ROBERTS: Motion carries.
4	Next on the agenda is resolutions from the
5	regular city council meeting of May 24th, 2016. I would
6	entertain a motion to approve all ordinances and
7	resolutions from the May 24th, 2016 regular city council
8	meeting, with the exception of Resolution 2016-24, the FY
9	'15-'16 budget amendments.
10	MS. YOUNG: Motion to approve.
11	MR. STEMA: Second it.
12	MS. ROBERTS: Any discussion?
13	(No response)
14	MS. ROBERTS: Seeing none, all those in favor
15	say aye. Aye.
16	MR. BOGDAN: Aye.
17	MR. STEMA: Aye.
18	MS. YOUNG: Aye.
19	MR. McINERNEY: Aye.
20	MS. ROBERTS: Opposed the same.
21	(No response)
22	MS. ROBERTS: Motion carries.
23	Next on the agenda is Resolution 2016-24, the
24	fiscal year '15-'16 budget amendment.
25	Ms. Powell, would you please provide a summary

of this item for the board?

MS. POWELL: Yes, ma'am. As anticipated, we were able to draw up (indiscernible) and get it approved by the council. If you look at the agenda memo that was attached to the item, we were estimating the impact of the amounts would be 210,117.

I'd like to fast forward to the budget to actuals that you also received in this packet, which shows that indeed, we anticipate that we will not have a deficit or need to tap into our fund balance at all.

Unless something catastrophic happens in the next two days, we don't anticipate that we'll need to tap into the fund balance for -- to balance this years' budget, and we also are anticipated -- anticipating that we will be very much in the black and adding to the fund balance.

So the budget amendment that was passed was passed back in May, and since then, we've received additional funds from the -- from Wayne County with taxes that they were able to collect from 2012, '13, '14 moving forward, which was a major impact for us, and also our income tax group has been working exceptionally hard to try and collect late income taxes, and they were successful in that as well. And of course, we've cut expenditures almost completely, and so therefore we're in

1	the
2	MR. BOGDAN: Have we received a payment from GM
3	yet? From GM?
4	MS. POWELL: We have not received that payment.
5	They don't pay that until after June 30th.
6	MR. BOGDAN: That's next year?
7	MS. POWELL: Per the contract that was signed
8	way back when, they are not required to provide that money
9	to us until after June.
10	MR. BOGDAN: Okay, by budget year ends, June 30th
11	
12	MS. POWELL: June 30th, yes, sir.
13	MR. BOGDAN: So that's next year. So we're not
14	going to receive 550 for this year?
15	MS. POWELL: We are not. We are not.
16	MR. STEMA: But wouldn't you have already
17	received it last July?
18	MR. BOGDAN: Did you?
19	MS. POWELL: Right.
20	MR. STEMA: Yeah, so, I mean, it's just that it
21	comes in the beginning of the year
22	MS. ROBERTS: It's just
23	MS. POWELL: Right.
24	MR. STEMA: It's revenue in the beginning of the
25	year.

1	MR. BOGDAN: Well, then it should be shown
2	should have been shown as a receivable.
3	MS. POWELL: We actually will get it. We still
4	will get it.
5	MS. ROBERTS: As a receivable.
6	MR. STEMA: Yeah.
7	MS. ROBERTS: Okay.
8	MR. McINERNEY: I have a question about the, on
9	the amendment. How does the eighty-five-nine, which is
10	requested to purchase two vehicles, how does that play
11	into this?
12	That's shown on both the reports for May and in
13	the current one.
14	MS. POWELL: The vehicles from for code
15	enforcement?
16	MR. McINERNEY: Yes. It's the second to last
17	item under fund balance.
18	MS. POWELL: We actually took that from the fund
19	balance, for that we still had sitting out there, from
20	CDBG.
21	MR. McINERNEY: From CDBG?
22	MS. POWELL: Code enforcement is funded by CDBG.
23	MR. McINERNEY: Right.
24	MS. ROBERTS: So it's not general funds.
25	MR McINERNEY. So that leaves you with the 210

1	on the memo, then the other items that you commented on
2	MS. POWELL: Exactly.
3	MR. McINERNEY: which were in the later memo?
4	MS. POWELL: Yes.
5	MR. McINERNEY: Thank you.
6	MS. ROBERTS: I would entertain a motion to
7	approve, deny, or postpone Resolution 2016-24, the FY '15-
8	'16 budget amendments.
9	MR. STEMA: Motion to approve.
10	MR. McINERNEY: Support.
11	MS. ROBERTS: Any further discussion?
12	(No response)
13	MS. ROBERTS: Seeing none, all those in favor
14	say aye. Aye.
15	MR. BOGDAN: Aye.
16	MR. STEMA: Aye.
17	MS. YOUNG: Aye.
18	MR. McINERNEY: Aye.
19	MS. ROBERTS: Opposed the same.
20	(No response)
21	MS. ROBERTS: Motion carries.
22	Next on the agenda is resolutions from the
23	special city council meeting of June 7th. Actually, the
24	board will address all the items separately from that
25	special meeting.

1	So first on the agenda is form L-4029, setting
2	the fiscal year '16-'17 millage rate.
3	Ms. Powell, would please provide a summary of
4	this item for the board?
5	MS. POWELL: Yes, ma'am. This is a form that
6	gets presented every year for approval by the city
7	council, and it sets our millage rates and all of our
8	various rates. And there has not been any change from
9	this past budget year to the next budget year in our
10	millage rate.
11	MS. ROBERTS: Okay. I would entertain a motion
12	to approve, deny, or postpone approval of form L-4029,
13	setting the fiscal year '16-'17 millage rates.
14	MR. McINERNEY: So moved.
15	MR. STEMA: Support.
16	MS. ROBERTS: Any further discussion?
17	(No response)
18	MS. ROBERTS: Seeing none, all those in favor
19	say aye. Aye.
20	MR. BOGDAN: Aye.
21	MR. STEMA: Aye.
22	MS. YOUNG: Aye.
23	MR. McINERNEY: Aye.
24	MS. ROBERTS: Opposed the same.
25	(No response)

1	MS. ROBERTS: Motion carries.
2	Next on the agenda is amendment to the fee
3	schedule. Ms. Powell, would you please provide a summary
4	of this item for the board?
5	MS. POWELL: Yes, ma'am. Every year, this fee
6	schedule is included with the budget as a resolution so
7	that we are able to make changes to it throughout the year
8	versus having an ordinance and we have to completely
9	review the whole ordinance process. This is actually
10	approved by resolution.
11	We did make some changes to some of the fees,
12	because either they were not really being utilized, or we
13	needed to implement some of the fees. But for the most
14	part, everything pretty much stayed the same.
15	MS. ROBERTS: I would entertain a motion to
16	approve, deny, or postpone amendment to the fee schedule.
17	MR. STEMA: Motion to approve.
18	MS. ROBERTS: Any support?
19	MR. McINERNEY: Support.
20	MS. ROBERTS: Any discussion?
21	(No response)
22	MS. ROBERTS: Seeing none, all those in favor
23	say aye. Aye.
24	MR. BOGDAN: Aye.
25	MR. STEMA: Aye.

1	MS. YOUNG: Aye.
2	MR. McINERNEY: Aye.
3	MS. ROBERTS: Opposed the same.
4	(No response)
5	MS. ROBERTS: Motion carries.
6	Next on the agenda is Ordinance 2000 wait,
7	no, where am I at? Okay, that was the amendment to the
8	fee schedule.
9	Next, is Ordinance 2016-01, fiscal year '16-'17
10	budget and fee schedule.
11	Ms. Powell, will you please provide a summary
12	this item for the board?
13	MS. POWELL: Yes, ma'am. This is the ordinance
14	that is setting millage rate, as well as approving the
15	fiscal year budget for 2016-'17, as well adopting the fee
16	schedule as the resolution, and also adopting the water
17	and sewage disposal rates for that budget year as well.
18	MS. ROBERTS: Okay, I have quite a few
19	questions.
20	MR. STEMA: I have a couple, too.
21	MS. ROBERTS: So, do you want to go first, Mark?
22	MR. STEMA: Sure, I'll go first.
23	Obviously, general fund, you project deficit. I
24	understand I know the two grants that we believe
25	possibly might come in aren't there. What would if we

1	get both of those grants, best case scenario, what's our
2	deficit going to be?
3	MS. POWELL: If we receive those grants, there
4	will be no deficit.
5	MR. STEMA: So it'll be even, then?
6	MS. POWELL: It would be very minimal at best.
7	Because if you're looking at closed like the \$936,000
8	is basically the \$800,000 for the grant, as well as the
9	\$100,000 for the COPS grant. So you're looking at maybe
10	\$36,000 or something like
11	MR. STEMA: Okay. So, worst case scenario, we
12	don't get the grants, and
13	MS. POWELL: Worst case
14	MR. STEMA: Worst case obviously we don't get
15	the grants. We still have a good enough fund balance for
16	one year, so we can kind of sustain the 900 for one year.
17	When do you start working on a plan? Because obviously,
18	we can't do that two years in a row.
19	MS. POWELL: July first.
20	MR. STEMA: July first is when you start working
21	on your contingency on how you're going to have to close
22	it up?
23	MS. POWELL: We have to. We have to. I mean
24	historically this community has relied on grants to fund
25	its operations, and that's not a sustainable business

model, and it just won't work for us. And so we've got to come up with something, some sort of alternative to address those needs.

I mean we certainly don't and can't lay off, you know, 12 firefighters if we had to, or police officers. I mean, we're at the bare minimum as it is, and we just, you know, don't want to jeopardize any of our public services. So you know, we've got to start working on finding a way, or there's no way that we're going to come out of this financial situation in years to come.

Staff and I are looking at ways, as well as I've met with the unions; they've got some ideas. We're all going to sit down together in a room and figure out the best way for us to maybe pick up some of these retiree costs, because you're looking at, in this budget you're looking at over 3 million dollars in just retiree costs. You know, my police department is 3 million dollars. So, you know, we've got to look at ways to offset those costs if we can. And also, figure out a revenue stream, obviously, to sustain us for more than just one year or three years.

You know, I know when I first got here and the city controller and I discussed it, and you know, we said we just can't continue down this road; it's just not a good -- it's not a good way to be successful. And so come

July 1st we're going to be looking for ways. We're anticipating we're going to get the grant, which will give us a little time. In the event that we need to do, you know, do something drastic, like take something to the people for a vote, or -- I don't anticipate that, but you never -- you know, you can't discount anything.

So we've got to look at everything and make tough decisions. This council and the staff kind of have to make tough decisions over the next year to three years.

MS. ROBERTS: When do you anticipate hearing on the grants?

MS. POWELL: They divvy out the money every
Friday, so that's their schedule. We originally had been
told it would be late June, so we didn't get it this -- we
were anticipating we were going to get it this past
Friday, which would have been great because our fire
chief's last day was Friday, so we thought that would be
fitting. We did not receive it.

If you will remember -- well, in your packet there was actually the acceptance of a grant for equipment. We received that like the Friday before, or several Fridays ago. So every Friday is when they either give you an equipment grant, or they give out the actual SAFER grants. So, fingers crossed, we're going to get it this Friday, but we can't control the federal government,

1	obviously, and so we're just on pins and needles waiting
2	for it.
3	MR. STEMA: When do you find out when you don't
4	if you don't get it?
5	MS. POWELL: When we don't hear anything and
6	there's like radio silence
7	MR. STEMA: Okay.
8	MS. POWELL: and we just don't, you know,
9	we're going into the next fiscal year and
10	MR. STEMA: So there won't be any formal denial
11	letter or you didn't receive a denial letter or anything
12	like that?
13	MS. ROBERTS: You just never hear?
14	MS. POWELL: I don't know the answer to that
15	MR. STEMA: Okay.
16	MS. POWELL: because I have not received one
17	or seen one.
18	MR. STEMA: Okay.
19	MS. POWELL: I don't know if they send that out.
20	I mean, typically we do get letters that say you were not,
21	you know, you will not receive a grant; you were not
22	selected. So I anticipate they probably would do that.
23	And at that point, of course, you know, we really will be
24	in a quicker mode to get things done.
25	MS ROBERTS: Okay Does anyone else have any

1	other questions?
2	MR. McINERNEY: Well, I guess you just answered
3	it, really. My I guess my observation is that you look
4	at, just looking at the budget document that was
5	distributed, and shows the expenditures for '14-'15, you
6	know, at 17.2 million. So I guess one take on this, and
7	of course that and then we went through the amendments,
8	the current budget, ending up at, you know, fifteen-seven.
9	So that's good. So it's like, that's the good news.
10	And like the bad news is, how come we're stuck
11	on 15, and I think you just kind of answered it, really,
12	despite of only revenue at fourteen, so. I guess, keep up
13	the good work.
14	MS. POWELL: Thank you, sir. We're trying.
15	It's like a it's a team effort, so.
16	MS. ROBERTS: That's good.
17	I have some questions and they're more specific;
18	they kind of drill down and it's because of some
19	percentage changes. And so I just kind of want an overall
20	explanation.
21	MS. POWELL: Okay.
22	MS. ROBERTS: And I went through, as the budget
23	is flowing. And so looking at estimated revenues, the
24	property taxes penalty and interest, the registration and
25	inspection fees, and the permit fees for the building

1	department, have some large fluctuations either up or
2	down. Were you trying to be conservative, or is there
3	explanations behind those fluctuations?
4	MS. POWELL: We are actually we are
5	absolutely trying to be conservative in all of our revenue
6	projections. There were some there were some
7	activities anticipated for this past budget year and the
8	year before, which made those appear higher, when in
9	actuality it never came to fruition, so we weren't able to
10	collect that much in revenue.
11	So this year, we're like, no, we're going to
12	dial it back; we need to be way more conservative so in
13	the event that we're able to collect more fees, it's a
14	plus for us; it's a win. Versus us having to come back to
15	you and say, hey, we messed up, we projected too high of a
16	revenue stream, and we weren't able to collect it.
17	So we just feel that if we stay more on the
18	conservative side, with all of our revenue projections,
19	that when we, you know, are able to save money or make
20	more money on our revenues then it's a better deal for us.
21	MS. ROBERTS: Okay.
22	MR. McINERNEY: These are any particular fees,
23	or fees across the board? The question you were I'm
24	sorry.
25	MS POWELL. Are you talking about the building

1	fees?
2	MR. McINERNEY: Which I guess Deb
3	MS. ROBERTS: Well, I asked for registration and
4	inspection fees; that one's actually up quite a bit. And
5	then, like, permit fees; that's down like 50 percent. So
6	the things were going both ways.
7	MS. POWELL: Yeah, you can see that there was no
8	consistency there. There's no so we really kind of hit
9	it in the middle, like, oh, we're only going to we're
10	going to project we're going to make \$175,000. I mean, it
11	may come in at 200, it may come in at three, but, we're
12	not going to go any higher than 175.
13	MS. ROBERTS: So if it comes in higher, great.
14	MS. POWELL: Absolutely.
15	MR. BOGDAN: Well, and state sales tax
16	MR. STEMA: I see the inspection fees were
17	because Hamtramck was actually going to start inspecting
18	stuff now.
19	MS. POWELL: We do, so
20	MS. ROBERTS: That went up, yeah. That one went
21	up 125 percent.
22	MS. POWELL: We I mean our staff in that
23	department right now are extremely aggressive. And we've
24	got a great building official that is heading a great team
25	that are going after all of these people that are doing

1	work on their homes and are not receiving, or are not
2	pulling permits and that sort of thing.
3	And we also addressed it in our fee schedule to
4	make it a little more difficult. You know, if we're
5	hitting them in the pocketbook, you know, when they're not
6	pulling their permit fees, before you had a really small
7	little fee; now they're going to pay the price of the
8	permit plus the price of a permit. So, you know, we've
9	found that if we hit them in the pocketbook, we get a
10	little better response.
11	MR. BOGDAN: On the sales, state sales tax here,
12	show an increase of \$600,000 from current activity, which
13	is
14	MS. POWELL: They provide that information to
15	us, and that's what they're telling us we're going to
16	receive.
17	MR. BOGDAN: So they tell you that you're going
18	to make the same amount budgeted before?
19	MS. POWELL: Yes, sir.
20	MR. BOGDAN: When do you collect these? Collect
21	600,000 this year? In this month?
22	MS. POWELL: I believe it's it may have come
23	in already.
24	MR. BOGDAN: Oh, is that right?
25	MS. POWELL: Bhama, has that state sales tax

1	come in yet? And it's not reflected on here?
2	MS. CAIRNS: The state sales
3	MR. BOGDAN: No yeah, the
4	MS. CAIRNS: No, it's not in accounting last
5	week of July. Every two months. So the last one we got
6	in May
7	MS. POWELL: That's why you don't see it there.
8	MR. BOGDAN: Okay.
9	MS. ROBERTS: Okay. Over and some of these
10	are nickel and diming, and I'm sorry, but this is so I
11	understand.
12	MS. POWELL: That's fine.
13	MS. ROBERTS: The mayor and city council, we
14	have the memberships has gone up quite a bit. Is this
15	because we're expecting them to actually to do the
16	training and get the memberships that we've told them?
17	MS. POWELL: That, and previously because we
18	were under the control of the emergency manager, we were
19	not required to pay those fees.
20	MS. ROBERTS: Okay.
21	MS. POWELL: SEMCOG, MML, all of those places
22	they actually gave us a break while we were under
23	emergency management. Well, we're no longer in that
24	situation
25	MS. ROBERTS: The break's gone, huh?

1	MS. POWELL: so now they're like, all right,
2	you have money, you need to pay.
3	But we also anticipate that they're going to be
4	attending the trainings. For example, we've got a
5	training, I believe it's in September in Mackinac Island,
6	so that's going to be a fairly expensive conference to
7	attend. But so far, everybody's signed up to go, so,
8	that's exciting. It helps when they put it in a nice
9	place.
10	MS. ROBERTS: I was like, you've got to have
11	them in nice places.
12	MS. POWELL: Yeah, it helps when you put them in
13	a really cool place, so. But that's the reason why you'll
14	see an increase there. And you actually see it in the
15	'15-'16 activity.
16	MS. ROBERTS: Uh-huh.
17	MS. POWELL: You see that it jumped, and that
18	had to do with the we we were prorated our fee as
19	well.
20	MS. ROBERTS: Okay. And going over to the city
21	manager. There is a jump from the previous budget to the
22	current, and I assume that's the secretarial position that
23	was?
24	MS. POWELL: It is. If you look, it was
25	budgeted in professional services before.

1	
1	MS. ROBERTS: Okay. Okay.
2	MS. POWELL: We needed to move that into my line
3	item.
4	No, I did not give myself a raise.
5	MS. ROBERTS: I don't think you can.
6	MS. POWELL: Yeah.
7	MR. STEMA: I wouldn't have approved it.
8	MS. POWELL: What did he say?
9	MS. ROBERTS: He said he wouldn't approve it.
10	Okay. Over at the city treasurer budget, what
11	are the contract services and the premium on bonds? And
12	why isn't there any office equipment maintenance for this
13	current
14	MS. POWELL: Okay, so the premium on bonds, we
15	are bonding our treasurer as well as our deputy treasurer.
16	MS. ROBERTS: Okay.
17	MS. POWELL: Which wasn't done previously; we
18	only bonded the treasurer.
19	MS. ROBERTS: Okay.
20	MS. POWELL: On the what were the other ones?
21	Contract services?
22	MS. ROBERTS: Contract services.
23	MS. POWELL: I'm trying to remember what we
24	placed
25	MS. ROBERTS: Some of it I think is

1	MS. POWELL: We combined
2	MS. ROBERTS: stuff is moving around, but I
3	can't tell where.
4	MS. POWELL: We did. We combined actually,
5	contract services and professional services together. As
6	well as a couple of other things to come up with the
7	20,500.
8	MS. ROBERTS: Okay. Community and governmental
9	affairs. Is this a new office, or were the expenses moved
10	from somewhere?
11	MS. POWELL: It is, it is. It is a new office.
12	It's a new position that was created, a new department
13	that was created. And let me find my and it will be
14	overseen well, okay, let me back up.
15	Community and economic development was broken
16	down into two separate departments, whereas before it was
17	in one department. In that department, in community
18	development, it will now consist of building and planning.
19	Economic will be a stand-alone department. The building
20	department will be overseen by contracted building
21	official, which will report to me, and we're also adding a
22	part time planner one position, which will also report to
23	the city manager for now. The goal is to eventually have
24	an experienced AICP, which is certified planner, oversee
25	the development services department.

Our ordinances need a complete overhaul and our
master plan needs to be updated. Right now we pay about
\$75 an hour to a consultant to do that work, and it made
more economical sense to hire a part time person on staff
for \$25,000 a year, than pay that amount for one document
that needs to be updated. For example, I got a quote to
update our zoning ordinance, which is completely not in
compliance with the master plan, and it's not user
friendly, it's not business friendly. The quote that I
received to do that through our consultant was \$15,000.
So if I can hire a part time planner that's here working
on not just that document but all of our ordinances and
coming up with a plan for us, then that's the way to go.

We need to, like, start setting our focus on standards for redevelopment and that sort of thing, and make it a little more user friendly for those that are coming in to start businesses or redevelop property, and that sort of thing.

Economic development will be contracted out to a professional economic development firm. As a side note, our mayor stated during our budget work session that the only we're going to get out of financial trouble is to grow our way out. So economic development, of course, you know, it takes years for progress to even be seen and visible to the community. But it is a priority for this

community to be able to grow our way out of our continued financial situation.

The department of community and economic affair

-- community and governmental affairs was created, and the
current director of community and economic development
will be the director of that department, as her background
is in communications and governmental affairs. That
department is responsible for grant writing; overseeing
the community development block grant which funds our code
enforcement; putting on special events for our newly
updated parks; focusing on public information and
marketing; and coordinating our volunteer efforts; as well
as completing special projects; and last but not least,
being our legislative liaison.

The director is a former state house rep, and I'm told she knows her way around Lansing, and we need a voice in Lansing right now.

This department will be crucial for Hamtramck moving forward. Right now there's virtually no marketing of Hamtramck. There's, you know, the public information is sporadic at best, and we need to do a better job at all of the tasks that this department will be responsible for in getting up and running. And hopefully, we can build on it, you know, every year and do more in the community. And I think that the individual that has been appointed to

1	this position is the person to do that.
2	MS. ROBERTS: Okay, moving on I have a list
3	of them, sorry under elections there was a, almost a
4	doubling of professional services. Is there something
5	there
6	MS. POWELL: Oh, we've got the presidential
7	election this year.
8	MS. ROBERTS: Oh.
9	MS. POWELL: And we've got the costs related to
10	updating our machines. You'll also see that in the
11	capital outlay for that
12	MS. ROBERTS: Okay.
13	MS. POWELL: because the state is requiring
14	us to do something with those machines, and it's going to
15	cost a lot of money. So, we get reimbursed for some of
16	our costs, but for the updated machines we have been told
17	that we're not going to receive any funding for that.
18	MS. ROBERTS: Okay. Under general
19	administration there seems to be a lot of movement of
20	numbers, like worker's compensation, unemployment
21	compensation let's see professional services,
22	there's a lot of big changes. And then, street lighting,
23	is it well no, street lighting went down to buildings
24	and grounds, so I can see where that went. But there's a
25	lot of changes in those numbers. Can you explain?

1	MS. POWELL: Absolutely. So, if you'll
2	remember, we discussed that we had some employees that
3	were just being paid out of the water and sewer fund,
4	where DPW employees were just being paid out of the water
5	and sewer fund. We've now divvied those out amongst all
6	of the departments, all of the funds that they touch. So
7	you'll see changes in water and sewer, major and local
8	roads, as well as general administration.
9	MS. ROBERTS: Okay.
10	MS. POWELL: And building and grounds. You'll
11	see it there, too.
12	MS. ROBERTS: Okay. Legal.
13	MS. POWELL: Uh-huh.
14	MS. ROBERTS: What are we doing to try to
15	control costs?
16	MS. POWELL: Well, we are
17	MS. ROBERTS: I mean, I know we can't stop
18	people from suing us; that's life.
19	MS. POWELL: We cannot stop people from suing,
20	but we did, and we knew about the lawsuits that were
21	discussed earlier, but based on the timeline, those
22	lawsuits were filed in federal court, based on the
23	timeline that we are very much aware of with dealing in
24	the federal court, we anticipate that the majority of
25	those costs will not hit this fiscal year; they will hit

1	next fiscal year.
2	Of course, we're all about, I know, keeping the
3	costs low; settling when it makes absolute sense and only
4	then; and, you know, we anticipate that our attorney fees
5	and costs are going to be much higher than, of the
6	settlement, and of course, you know, we make that decision
7	based on all of the information and whether or not we
8	think a certain lawsuit's going to go anywhere, and you
9	know, if it goes to trial.
10	MS. ROBERTS: Okay.
11	MS. POWELL: And so we're we looked at all of
12	that, and took that into consideration. We left it at
13	\$400,000 because historically, even with all the lawsuits
14	in the past that the city has received, it's been about
15	\$400,000.
16	MS. ROBERTS: Okay.
17	MR. BOGDAN: Well, what is the nature of the
18	lawsuits?
19	MS. POWELL: They are there are allegations
20	that one of our departments took some vehicles and
21	property and did not return it, and did a bunch of
22	different things. There are a lot of allegations in all
23	of those lawsuits, and so of course you know we need to do
24	discovery and figure out what is true and what's not true.
	1

MR. BOGDAN: And then mention the three

25

1	Hamtramck about three homes that have to be built. Are
2	those under construction, or what's happening with those
3	to get out of that lawsuit?
4	MS. POWELL: We're actually meeting this week
5	with the attorney that's overseeing that development to
6	hopefully finalize all of them and get they will be
7	built.
8	MS. ROBERTS: Okay. And in the police
9	department, we're seeing some shifts in holidays and
10	traffic overtime, professional services. So did
11	professional services move out of all kinds of places?
12	MS. POWELL: It did.
13	MS. ROBERTS: Because there's a big jump in
14	professional services.
15	MS. POWELL: It did.
16	MS. ROBERTS: Okay.
17	MS. POWELL: We combined we actually looked
18	at the definition of professional services, and said all
19	right, these are supposed to be in professional services;
20	they're not supposed be in this one; they're not supposed
21	to be in that one; they're supposed to be in professional
22	services.
23	MS. ROBERTS: Okay. So put things
24	MS. POWELL: On line two you'll see, you know,
25	we're having the police study done.

```
1
                  MS. ROBERTS: Yup. So that's --
2
                  MS. POWELL: So that's also in there.
3
                  MS. ROBERTS: Uh-huh. So I guess really big was
        the holidays and the traffic overtime.
4
5
                  MS. POWELL:
                               This should be the appropriate
6
        number.
7
                  MS. ROBERTS: Okay.
8
                  MR. BOGDAN: Excuse me. What do these --
9
                  MR. STEMA: And you can't control those costs
10
        anyways because that's all negotiated through the unions,
11
        right?
12
                  MS. POWELL: On the traffic side.
13
                  MR. STEMA: Because they're on the -- yeah, the
14
        traffic side, because they're allowed 16 hours.
15
                  MS. ROBERTS: Yeah.
16
                  MS. POWELL: Thirty two.
17
                  MR. STEMA: Thirty two, so, okay.
18
                  MS. POWELL: Per pay period, yeah.
19
                  MR. BOGDAN: Where does the $600,000 special
20
        assessment show up on the budget? For the R code 31 suit?
21
                  MS. POWELL: It was actually collected as a
22
        judgment levy. So it will already -- it will not -- it
23
        should show up already as a revenue because we collected
24
        it this year.
25
                  MR. BOGDAN: So it should be in this current
```

```
1
         budget, then?
2
                  MS. POWELL:
                               Yes, sir.
3
                  MS. ROBERTS: It should be in the current, yeah,
4
         the current fiscal --
5
                  MR. BOGDAN: And the expenditures are in there
 6
         also?
7
                  MS. POWELL:
                               I'm sorry?
8
                  MR. BOGDAN:
                               And the expenditures, or?
9
                  MS. POWELL:
                               You'll see -- yes.
10
                  MS. CAIRNS:
                               No, that's just the past --
11
                  MS. POWELL:
                               No -- oh, no, you'll see --
12
                  MS. CAIRNS:
                               -- so it wouldn't be in the
13
         general.
14
                  MS. POWELL: Right.
15
                  MS. ROBERTS: Oh, it's a pass through.
                               It's in this one.
16
                  MS. POWELL:
17
                  MR. BOGDAN:
                               It's in this --
18
                  MS. POWELL:
                               This year, '15-'16.
19
                               It's a past due account, so we
                  MS. CAIRNS:
20
         collect and then pay the (indiscernible) general fund.
21
                  MR. BOGDAN: Okay.
22
                  MS. ROBERTS: Okay, fire department. So, just
23
         so I can get a -- I know that our fire chief retired. So
24
         I'm assuming somebody's acting? And so that would be why
         the acting pay came into play, or is this acting pay
25
```

1	contractually for other
2	MS. POWELL: Positions.
3	MS. ROBERTS: positions?
4	MS. POWELL: Correct, yes. This is when they're
5	working in a higher position than they're currently, we
6	get the acting pay.
7	MS. ROBERTS: Okay. Community and economic
8	development's already explained because it's the movement.
9	This is in the auto theft which, remind me,
10	is this one paid federally? Is this a reimbursement?
11	MS. POWELL: It's a reimbursement through a
12	state grant through the ATPA.
13	MS. ROBERTS: Okay. Move one. Okay. So
14	overall our budget's not in balance. So we're going to
15	use at this point 23 percent of our fund balance.
16	MS. POWELL: No.
17	MS. ROBERTS: No?
18	MS. POWELL: We're going to have a remaining
19	fund balance percentage of 19.91 percent, if and when we
20	have to use that 936,000. We're still going to have
21	almost 20 percent in our fund balance.
22	MS. ROBERTS: Okay.
23	MR. McINERNEY: Is she saying
24	MS. ROBERTS: Well, we're using
25	MR. McINERNEY: Nine out of twenty nine out

1	of four
2	MS. ROBERTS: Yes.
3	MR. McINERNEY: Point nine out of four is
4	twenty-three
5	MS. ROBERTS: We're using 23 percent to balance
6	our budget. So we can do that a year, but
7	MS. POWELL: A year; that's it. This is not
8	we cannot do this every year, no.
9	MS. ROBERTS: Okay. Okay. I think for the most
10	part that answers my questions, thank you.
11	Anybody else have any? Does that cover it for
12	all of us?
13	(No response)
14	MS. ROBERTS: Okay. Thank you very much, Ms.
15	Powell. And congratulations on having the budget done.
16	MS. POWELL: Thank you.
17	MS. ROBERTS: I would entertain a motion to
18	approve, deny, or postpone Ordinance 2016-1, fiscal year
19	'16-'17 budget and fee schedule.
20	MR. STEMA: Motion to approve.
21	MR. McINERNEY: Support.
22	MS. ROBERTS: Any further discussion?
23	(No response)
24	MS. ROBERTS: Seeing none, all those in favor
25	say aye. Aye.

1	MR. BOGDAN: Aye.
2	MR. STEMA: Aye.
3	MS. YOUNG: Aye.
4	MR. McINERNEY: Aye.
5	MS. ROBERTS: Opposed the same.
6	(No response)
7	MS. ROBERTS: The motion carries.
8	Next on the agenda are claims and accounts from
9	the regular city council meeting draft minutes of June
10	14th, 2016. I would entertain a motion to approve, deny,
11	or postpone the claims and accounts from the regular city
12	council meeting draft minutes of June 14th, 2016.
13	MR. McINERNEY: So moved.
14	MR. STEMA: Seconded.
15	MS. ROBERTS: To approve?
16	MR. McINERNEY: To approve.
17	MS. ROBERTS: Okay. All those in favor say aye.
18	MR. McINERNEY: Sorry about that.
19	MS. ROBERTS: That's okay. Aye.
20	MR. BOGDAN: Aye.
21	MR. STEMA: Aye.
22	MS. YOUNG: Aye.
23	MR. McINERNEY: Aye.
24	MS. ROBERTS: Opposed the same.
25	(No response)

i	
1	MS. ROBERTS: The motion carries.
2	Next on the agenda is the city administrator
3	items.
4	Approval of city council meetings we addressed
5	in new business.
6	Next is the approval of budget to actual and
7	cash flow reports. I would entertain a motion to approve,
8	deny, or postpone the budget to actual and cash flow
9	reports.
10	MR. STEMA: Motion to approve.
11	MS. YOUNG: Second.
12	MS. ROBERTS: Any discussion?
13	(No response)
14	MS. ROBERTS: Seeing none, all those in favor
15	say aye. Aye.
16	MR. BOGDAN: Aye.
17	MR. STEMA: Aye.
18	MS. YOUNG: Aye.
19	MR. McINERNEY: Aye.
20	MS. ROBERTS: Opposed the same.
21	(No response)
22	MS. ROBERTS: The motion carries.
23	MS. POWELL: Madam Chair, I would just like to
24	make a comment that in your memo as of May 31st, 2016, the
25	general fund revenues exceed expenditures by \$425,550.

roved
<i>r</i> ould
or

1	approved Ordinance 2016-1.
2	Next on the agenda is approval of Resolution
3	2016-26. While this item occurred during a council
4	meeting outside the normal review period for today's board
5	meeting, the city manager's request to bring this item
6	forward for early review is merited.
7	Ms. Powell, would you please provide a summary
8	for the board?
9	MS. POWELL: Yes, ma'am. Actually, I'm going to
10	defer to our city engineer, Brian Kern, who is here to
11	discuss this important project with you.
12	MR. KERN: Brian Kern with Hennessy Engineers.
13	We put out to bid a road program for this year.
14	You'll recall from last year we did a couple projects. We
15	did resurfacing of Hanley Street from Joseph Campau to
16	Conant, and a section of Goodson east of Joseph Campau.
17	Both those projects were successful. Both projects
18	completed under budget and on time.
19	This year, we're looking at continuing that
20	program by resurfacing three streets in the city. Those
21	streets being: Botsford west of Joseph Campau; Trowbridge
22	east of Joseph Campau; and Casmir from Joseph Campau over
23	to Conant.
24	We put that out to bid. We received four bids
25	with Hutch Paving being the low bid at \$752,849. Our

1	engineer's estimate was \$885,190.
2	MR. STEMA: I just have one question.
3	Obviously, price, you go with the lowest bid. How were
4	the warranties the same? Did the guarantees by each
5	company, and all that, or was it different for Hutch, is
6	that why they're lower?
7	MR. KERN: They're required to have a two year
8	maintenance and guarantee bond, performance and payments
9	bonds, and then they provide a five percent bid bond;
10	that's standard for anybody.
11	MR. STEMA: Okay.
12	MR. KERN: Yep.
13	MS. ROBERTS: I would entertain a motion to
14	approve, deny, or postpone Resolution 2016-26, asphalt
15	resurfacing program contract.
16	MR. BOGDAN: So moved.
17	MS. ROBERTS: Approving?
18	MR. BOGDAN: Move.
19	MR. STEMA: Support.
20	MR. McINERNEY: I have a question.
21	MS. ROBERTS: Questions?
22	MR. McINERNEY: In the city council resolution,
23	the way I read it, they tentatively awarded the contract.
24	What does that mean?
25	MS. POWELL: Until you guys award it, we can't -

1	- it's tentatively. Until you guys approve it
2	MR. McINERNEY: That means subject to the R-T-A-
3	B?
4	I don't like that wording, but it's on the
5	record so that's understood.
6	MS. ROBERTS: Okay.
7	MR. McINERNEY: Thank you.
8	MS. POWELL: You're welcome.
9	MS. ROBERTS: So the motion before us is to
10	approve the Resolution 2016-26. All those in favor say
11	aye. Aye.
12	MR. BOGDAN: Aye.
13	MR. STEMA: Aye.
14	MS. YOUNG: Aye.
15	MR. McINERNEY: Aye.
16	MS. ROBERTS: Opposed the same.
17	(No response)
18	MS. ROBERTS: The motion carries.
19	Next is approval of Resolution 2016-25,
20	acceptance of fire grant. While action on this item
21	occurred during a city council meeting outside the normal
22	review period for today's meeting, the city manager's
23	request to bring this item forward for early review is
24	merited.
25	Ms. Powell, will you please provide a summary of

1	this item for the board?
2	MS. POWELL: Yes, ma'am. This is Assistance to
3	Firefighters grant. This is one of those grants that is
4	given out on Fridays, so we were excited to receive this
5	money because we very much needed to replace some of our
6	saws.
7	The grant total was \$5,950, and the city's
8	matched ten percent of that, which is approximately \$540.
9	So we need to go ahead and let them know that we're able
10	to accept this grant so that they don't give it to someone
11	else.
12	MS. ROBERTS: Okay.
13	MS. POWELL: That's why it's before you this
14	month and not next month.
15	MS. ROBERTS: Okay.
16	MS. POWELL: They give us a very short window to
17	accept it.
18	MS. ROBERTS: Okay. I would entertain a motion
19	to approve, deny, or postpone Resolution 2016-25,
20	acceptance of the fire grant.
21	MR. BOGDAN: Move to approve.
22	MS. YOUNG: Second.
23	MS. ROBERTS: Any further discussion?
24	(No response)
25	MS. ROBERTS: Seeing none, all those in favor

1	say aye. Aye.
2	MR. BOGDAN: Aye.
3	MR. STEMA: Aye.
4	MS. YOUNG: Aye.
5	MR. McINERNEY: Aye.
6	MS. ROBERTS: Opposed the same.
7	(No response)
8	MS. ROBERTS: Next on the agenda, approval of
9	the settlement was already done.
10	Approval of the citywide overtime report. Ms.
11	Powell, will you please provide a summary of the progress
12	the city is making in regards to this?
13	MS. POWELL: Yes, ma'am. So, from last month's
14	you or from April 30th to May 30th, we're looking at in
15	the treasurer's office we had an increase of \$106. We had
16	a decrease in public services of \$6.75. Auto theft was an
17	\$80 difference. The police department overall overtime is
18	down \$1,390, almost \$1,400. The traffic program, however,
19	is up \$4,600 from last month to this month. I'm hoping
20	that means they're writing lots of tickets and we're going
21	to see that revenue come in.
22	The police department on the FBI side is down
23	\$1,685. And on the fire side we're up \$1,680.
24	In the overall all the overtime in the city
25	it's up \$3,500, but I believe that's related to the

1	difference in traffic from last month to this month. It's
2	about that much.
3	MS. ROBERTS: Okay.
4	MS. POWELL: So overall, our overtime is looking
5	okay.
6	MS. ROBERTS: I would entertain a motion to
7	approve, deny, or postpone the citywide overtime report.
8	MR. STEMA: Motion to approve.
9	MR. McINERNEY: Support.
10	MS. ROBERTS: Any discussion?
11	(No response)
12	MS. ROBERTS: Seeing none, all those in favor
13	say aye. Aye.
14	MR. BOGDAN: Aye.
15	MR. STEMA: Aye.
16	MS. YOUNG: Aye.
17	MR. McINERNEY: Aye.
18	MS. ROBERTS: Opposed the same.
19	(No response)
20	MS. ROBERTS: The motion carries.
21	And we have the 31st District Court report,
22	which is for information only here.
23	Next is board comment. Would anyone from the
24	board like to speak?
25	(No response)

1	MS. ROBERTS: Seeing none, I would
2	MR. McINERNEY: I guess, I'll just
3	MS. ROBERTS: Oh, okay.
4	MR. McINERNEY: That other comment about
5	tentatively, it makes it sound like it has to go back to
6	the city council, and I don't think that's the intent, so.
7	MS. ROBERTS: Maybe if they did it subject to
8	RTAB, would make a be a better way to do it?
9	MS. POWELL: I'll change that, sir. You won't
10	see it again. I promise.
11	MS. ROBERTS: Okay. I would entertain a motion
12	to adjourn.
13	MR. BOGDAN: So moved.
14	MR. McINERNEY: So moved.
15	MS. ROBERTS: I was like, they want to stay.
16	MR. BOGDAN: Second.
17	MS. ROBERTS:
18	All those in favor say aye. Aye.
19	MR. BOGDAN: Aye.
20	MR. STEMA: Aye.
21	MS. YOUNG: Aye.
22	MR. McINERNEY: Aye.
23	MS. ROBERTS: Opposed the same.
24	(No response)
25	MS. ROBERTS: Meeting adjourned, thank you,

```
1
         everyone.
 2
                    (Proceedings adjourned at 1:45 p.m.)
 3
 4
 5
 6
 7
 8
 9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

```
1
    STATE OF MICHIGAN
 2
    COUNTY OF WASHTENAW ).ss
 3
 4
 5
         I certify that this transcript is a complete, true, and
 6
    correct transcript to the best of my ability of the RTAB
 7
    meeting held on June 28, 2016, City of Hamtramck. I also
 8
    certify that I am not a relative or employee of the parties
    involved and have no financial interest in this case.
 9
10
11
12
13
14
15
16
17
    RESPECTFULLY SUBMITTED:
                                    July 11, 2016
    s/Amy Shankleton-Novess
18
19
20
21
    Amy Shankleton-Novess (CER 0838)
22
    Certified Electronic Reporter
23
```