

STATE OF MICHIGAN - CITY OF ALLEN PARK

RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING MINUTES

ALLEN PARK CITY HALL

CITY COUNCIL CHAMBERS

16630 Southfield Road

Allen Park, Michigan 48101

Wednesday, May 4, 2016

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RTAB MEMBERS PRESENT:

Suzanne Schafer, Department of Treasury
Frederick Frank
Mark Wollenweber
Kristine Barann

ALSO PRESENT:

R. Eric Cline, Department of Treasury
Patrick Dostine, Department of Treasury
Mark Kibby, City Administrator
Robert Cady, Finance Director

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1 **Wednesday, May 4, 2016**

2 **CALLED TO ORDER: 2:00 p.m.**

3 Allen Park, Michigan

4 MS. SCHAFFER: Okay, we'll call the meeting to
5 order.

6 Mr. Dostine, can you do roll call, please?

7 MR. DOSTINE: Sure. Scott Lites. He's been asked
8 to be excused.

9 Suzanne Schafer?

10 MS. SCHAFFER: Here.

11 MR. DOSTINE: Kristine Barann?

12 MS. BARANN: Here.

13 MR. DOSTINE: Frederick Frank?

14 MR. FRANK: Here.

15 MR. DOSTINE: Mark Wollenweber?

16 MR. WOLLENWEBER: Here.

17 MR. DOSTINE: You have a quorum, Madam Chair.

18 MS. SCHAFFER: Thank you.

19 The next item on the agenda is the approval of the
20 agenda. I'll entertain a motion to approve the agenda as
21 presented.

22 MS. BARANN: So moved.

23 MR. WOLLENWEBER: So moved. Or second.

24 MS. SCHAFFER: It's been moved and seconded. Any
25 discussion?

1 (No response.)

2 MR. FRANK: I would like to ask --

3 MS. SCHAFER: Oh.

4 MR. FRANK: -- that during the City Administrator
5 items that we also hear about from the city and/or from
6 treasury the status of the new marketing of the bonds.

7 MS. SCHAFER: Okay.

8 MR. FRANK: Cost.

9 MS. SCHAFER: So we probably want to have that in
10 the City Administrator update.

11 MR. FRANK: All right.

12 MS. SCHAFER: Would that be okay?

13 MR. FRANK: Fine with me.

14 MS. SCHAFER: Okay. The agenda has been moved and
15 seconded. All those in favor say aye?

16 MS. BARANN: Aye.

17 MR. WOLLENWEBER: Aye.

18 MR. FRANK: Aye.

19 MS. SCHAFER: Opposed?

20 (No response)

21 MS. SCHAFER: Hearing none, we have approved the
22 agenda as presented.

23 Just a reminder to the public to sign up for
24 public comment so that we can recognize you during that
25 period.

1 The next item is the approval of the RTAB minutes
2 from the April 6, 2015 (sic) regular meeting.

3 Any questions regarding the minutes?

4 (No response)

5 MS. SCHAFER: Hearing none, I'll entertain a
6 motion to approve the April 6, 2016 RTAB draft minutes as
7 presented.

8 MS. BARANN: I'll move.

9 MR. FRANK: Support.

10 MS. SCHAFER: It's been moved and supported.

11 Any further discussion?

12 (No response)

13 MS. SCHAFER: Hearing none, all those in favor of
14 approving the minutes from the April 6, 2016 RTAB meeting
15 say aye.

16 MS. BARANN: Aye.

17 MR. WOLLENWEBER: Aye.

18 MR. FRANK: Aye.

19 MS. SCHAFER: Opposed?

20 (No response)

21 MS. SCHAFER: Hearing none, the Board has approved
22 the minutes from the regular meeting of April 6, 2016.
23 Sorry. I was running a year behind.

24 Moving on to old business. The first item is the
25 RTAB recommendation for the annual evaluation. Is there

1 any discussions or questions regarding that?

2 MR. FRANK: So at the last meeting we had a
3 discussion about what that recommendation might include as
4 opposed to just the end of it, the conclusion,
5 recommendation, which was to continue the RTAB.

6 MS. SCHAFER: Mr. Dostine?

7 MR. DOSTINE: I don't know if understood your
8 question, Mr. Frank.

9 MR. FRANK: So, the recommend -- at the last
10 meeting it was voted to accept the report, except for the
11 last section which had the conclusion and the
12 recommendation to the treasurer and governor to continue,
13 and we had a discussion about what that recommendation and
14 how that recommendation might be limited following the
15 discussion initially about not continuing at all.

16 MR. DOSTINE: Okay, well, it was my understanding
17 that what was separated was the recommendation.

18 MR. FRANK: Correct.

19 MR. DOSTINE: From the content --

20 MR. FRANK: Right.

21 MR. DOSTINE: -- which was approved. And the
22 recommendation was to keep an RTAB presence but in a much
23 more limited scope. And what remains is then the -- if
24 that's approved and move forward to the state treasurer, it
25 would be then an amendment to the final order, which would

1 define the more limited scope of the RTAB.

2 MR. FRANK: I would expect that the RTAB would
3 have input into that final order. And if it's going to be
4 issued without specifics, then I think we ought to discuss
5 what specifics we believe, and perhaps there should be a
6 motion as to what that recommendation to the treasurer
7 should be.

8 MR. DOSTINE: Perhaps my colleague Eric could -- I
9 don't believe a annual -- or a recommendation is put forth
10 with also, and I may be wrong, but with language that would
11 also describe the new RTAB role, which is left, you know,
12 that is left for, you know, the final order when it's
13 amended.

14 MS. SCHAFER: We're going to invite Eric Cline up.
15 He has experience with amending final orders.

16 MR. CLINE: I would say to date we have
17 implemented or treasury's implemented one change in an RTAB
18 in a community where they've had a much more limited role,
19 which is the City of Pontiac. What I would envision is
20 that each community clearly has certain circumstances
21 unique to itself as to how these things materialize. If
22 there are specific things that the RTAB feels strongly
23 about that should -- should be in the order, certainly we
24 would like to hear that input.

25 If you make this recommendation to the state

1 treasurer to move to a more limited role, I would say that
2 any input that you have, either now or later, would be
3 provided to him, and then there'll be some level of
4 discussion, which I can't say -- honestly I don't know how
5 the RTAB, or the, excuse me, the state treasury would like
6 to proceed with that, but certainly we will communicate
7 that forward.

8 And then there's nothing that will limit the
9 RTAB's authority as it's outlined in PA 436. And those
10 six, seven listed enumerated powers, including, you know,
11 budget approval, review of judgment levies, approval of
12 collective bargaining agreements, those types of things,
13 those are going to be standard regardless. And then
14 anything else that might be encompassed in the final order
15 as it would be amended for a more limited role.

16 So at this point, that's about all I can say
17 because that's generally how the process worked with the
18 City of Pontiac. But I think the first step is to get a
19 recommendation coming out of this evaluation process before
20 the state treasurer, and then we can move forward from that
21 point. And if you have any input, either individually or
22 collectively that you want to transmit, certainly we'll be
23 happy to add that into the mix as well and see how that,
24 you know, see where that goes.

25 MS. BARANN: Okay, so just so I understand,

1 because part of the reason we had this conversation before
2 was last month we talked about, okay, because my thing was
3 do we even need an RTAB presence anymore. So I think, you
4 know, collectively we said yes, there should be a presence,
5 particularly with this bond issue. Thank you.

6 So going forward, knowing we make this
7 recommendation --

8 MR. CLINE: Uh-huh.

9 MS. BARANN: -- I guess my thing is, I don't want
10 our concerns, or maybe our concerns about this continuing
11 on and maybe hindering the city's ability to do business.
12 So in terms of a timeline, do we have an idea?

13 So if we make this recommendation today saying
14 that we believe there should be an RTAB presence but more
15 limited scope, is that a turnaround of a month? Should we
16 be talking now about what that order says?

17 I just don't want it to be a year from now that we
18 do another annual evaluation.

19 MR. CLINE: I don't foresee that. I would foresee
20 that it's possible that a revised order could be drafted
21 up. I don't have any specifics, but I'd say probably a
22 month or two.

23 MS. BARANN: Okay.

24 MR. CLINE: Probably at the out side. You know,
25 bearing anything unforeseen of course, but probably 30, 60

1 days, and that could be ready to -- for consideration, so.

2 MS. BARANN: Okay. And then hopefully today we'll
3 get some more information, particularly with your add to
4 the agenda -- your addition to the agenda in terms about
5 the marketing of the bonds, which is what part of the
6 concerns is, so.

7 MR. CLINE: Right.

8 MS. BARANN: Good. Oh, sorry. I'm granting you
9 permission.

10 MR. WOLLENWEBER: That's okay. That's all right.
11 Thanks.

12 MS. BARANN: I'm taking over your role.

13 MS. SCHAFER: That's fine.

14 MR. WOLLENWEBER: We talked about there were
15 several critical items I think: sale of the bonds, and the
16 status of that; the status of the city hall search; and the
17 lease issues here; the lawsuit that's now back before, is
18 it Court of Claims or the Appeals Court?

19 MS. SCHAFER: Right.

20 MR. WOLLENWEBER: It was kicked from Wayne County.
21 But it seems to me those are the critical issues that the
22 RTAB needs to deal with. And looked briefly at the Pontiac
23 order but the, you know, the only time -- other than the
24 standard items that you mentioned before that we would need
25 to meet would be if there's action or some issues that --

1 those are reasons -- if that's the -- those are the
2 significance issues that would affect their budget
3 substantially. Any one or all of them could be a disaster
4 if we're not kept apprised of those. And so if we got some
5 interim reports on those issues, and then set things --
6 again, I don't think the Board needs to be involved in the
7 day-to-day stuff that they have before because we're
8 looking at, you know, approving all kinds of stuff that
9 should be their authority. So if there is a recommendation
10 or we set some guideline that we don't need to see a
11 contract unless it goes over, you know, I don't know what,
12 but.

13 MR. CLINE: Right, and I can relate it to the way
14 my office is organized it with the City of Pontiac, and
15 what they do, now keep in mind their city council meets
16 weekly. They provide us copies just as the city here does.
17 Anytime their council meets we get a copy of that
18 information, we review it. If there's anything that they
19 work on or have taken action on that is one of those areas
20 that the RTAB retains oversight on, then we would move
21 forward in addressing that.

22 MR. WOLLENWEBER: Okay.

23 MR. CLINE: To date that hasn't occurred in
24 Pontiac, but we review it continuously. We would expect
25 that same level of commitment from this city to move

1 forward. If there was anything on an item, such as just
2 for example OPEB litigation that was retained in the final
3 order, if there was any action that the city council took
4 action on, then we would probably convene a special meeting
5 of the RTAB to address that situation.

6 We would still maintain, my office has biweekly
7 phone calls with city and the staff just to talk about how
8 things are progressing. We would continue those in some
9 fashion or another so we have some sort of constant
10 communication going on.

11 There was another point I wanted to make. Sorry.
12 It was in response to something you said and it just eluded
13 me, so.

14 MR. WOLLENWEBER: That's okay. I guess I had
15 hoped or thought that that's -- we would discuss the
16 specifics of that kind of reduced action today to really
17 include in the communications that only the, or at least a
18 general -- well, specifics of those issues mentioned and
19 the ones that are standard in the original order. And I
20 know we're going to talk about a couple of those things
21 that need to be fixed down the road on the agenda. But now
22 with their budget coming up, you know, seeing the budget
23 advance -- but we now have -- we're I guess committed to
24 having a June meeting because we have to look at their
25 budget again.

1 MR. CLINE: Right, and I think --

2 MR. WOLLENWEBER: Now it's online, but.

3 MR. CLINE: And, you know, this is something we
4 were just discussing earlier today about the June meeting,
5 and given the timing of everything, there might be an
6 opportunity where you could delay your June meeting to a
7 little later in the month, so if the city adopts their
8 budget, then that avoid -- then you could just meet
9 afterwards and approve the budget, and it, you know, avoids
10 the need for a second meeting that month. But we were
11 talking with the city last week about getting a copy of the
12 draft budget. We could review it, we could share that with
13 the RTAB. I do believe there's a PDF of the draft on the
14 city's website. But my office, we work with a number of
15 communities. We do a little budgetary analysis for them
16 just to see if we notice anything that maybe they may have
17 missed or something. I have confidence in the city and how
18 they're doing their budget, but, you know, occasionally
19 something might jump out at us.

20 But I think that as far as input, certainly we
21 would like to have your input. Ultimately the, whether or
22 not your recommendation, if -- let's say you make a
23 recommendation for a limited RTAB role, you know, that has
24 to be accepted by the governor. The EM order amendment is
25 approved by the state treasurer. I think we want an

1 opportunity internally to discuss that with the governor's
2 office and the state treasurer before we get too deep into
3 the weeds, as they say, on the specifics of what that order
4 might look like to make sure they're comfortable with all
5 of this.

6 But as I said, any specific thoughts that you
7 have, we're certainly, my office, we're certainly welcome
8 to take and we will pass those along. And then as that
9 process progresses, then we can, you know, proceed
10 accordingly. So I don't want to stand up here and take up
11 a lot of the Board's time. And I think if you move forward
12 with the recommendation before you, if you have specific
13 thoughts you could either wrap them up now in the
14 discussion, or individually you could provide them to Mr.
15 Dostine and we'll make note of those and make sure those
16 get communicated.

17 MS. SCHAFER: Any further questions for Mr. Cline?

18 MR. FRANK: So we'll look forward to a -- further
19 discussion at the June meeting or at the July meeting.

20 MS. SCHAFER: I think --

21 MR. FRANK: From what --

22 MS. SCHAFER: If I can just clarify so I
23 understand, I think what you're asking is that we provide
24 you with our thoughts and comments --

25 MR. FRANK: Right.

1 MS. SCHAFER: -- to Mr. Dostine so that come the
2 June meeting we have an amended order, draft amended order
3 to take a look at? Is that what I'm hearing?

4 MR. CLINE: Yes.

5 MR. FRANK: That's what I understood also.

6 MS. SCHAFER: Okay. Okay.

7 MR. CLINE: And as we talk with the, you know, the
8 state treasurer and the governor's office to make sure that
9 they're, you know, they understand the recommendation that
10 you're putting forth and everything, you know, we can try
11 and incorporate those thoughts into the draft and see how
12 that works out with what everybody's comfortable with, and
13 then we proceed from there.

14 MS. SCHAFER: Okay. Thank you.

15 Any other questions?

16 MR. WOLLENWEBER: Well, I was hopeful that, and I
17 know this is a chicken and egg kind of thing, and if this
18 only occurred before but the, in Pontiac, but that I think
19 it's clear that they've made great progress here, and that
20 the -- and I hope the Board shares, or I would certainly
21 look for additional input, that we could identify for you
22 today the items that we think are critical for their
23 continuation, as well as the required items, and give you
24 enough specifics that you could share those with the
25 governor's office. The items I mentioned, I think if you

1 continue to touch base with them, if their contract is
2 over, whatever -- you might be comfortable what the city's
3 suggestion would be, would be the only things that we would
4 have to meet or confer upon. And the lawsuit, the bonds,
5 the city hall thing are the critical issues in terms of
6 mine, and then -- I'm not sure, and I'll get into those
7 under the other discussion later that I really understood
8 the promise or the rebate and the -- of taxes and stuff,
9 because that could be one of the reasons there's a problem
10 with S&P or whoever the other bond people, because you
11 can't rebate them. But I need to know more specifics about
12 it, and I'll ask my questions about that then.

13 But I don't know if that helps you or not. And I
14 know you need input from us, but we need some input from
15 you to be able to put, I mean from staff, to put it
16 together so that we're not continuing to talk about it
17 every month --

18 MR. CLINE: Uh-huh.

19 MR. WOLLENWEBER: -- before we get something that
20 we can agree on and let the city move forward with less
21 strings potentially attached.

22 MR. CLINE: Certainly. And I think -- I'd say
23 just for myself personally, I think we're all pretty close
24 to being --

25 MR. WOLLENWEBER: Okay.

1 MR. CLINE: -- all in sync on this. And I think
2 the list that you referred to is going to be a relatively
3 short list.

4 MR. WOLLENWEBER: Yeah.

5 MR. CLINE: And I think if the step back, if you
6 will, of an RTAB, if that moves forward, then, you know,
7 the majority, the clear majority of things that the city
8 would be undertaking on a daily basis will be theirs and
9 theirs alone, you know, to deal with, and the RTAB will
10 only meet sporadically after that point.

11 And I remembered the point that I wanted to make.
12 Yes, one of the other things in the Pontiac order was
13 contracts above, and for them because their budget is much
14 larger, I think it was something like \$300,000 or \$400,000
15 or something, you know, but whatever that number ends up
16 being --

17 MR. WOLLENWEBER: Okay. Yeah, that would be
18 critical, and I'd love the city's input in terms of that.

19 Now, obviously contractual obligations in terms of
20 union negotiations, but, you know, if they -- I don't know
21 how many contracts they have over, you know, 100,000 or
22 150,000, but you know I'd be guided by, again our role in a
23 step back thing is to make it easy for them to operate and
24 only meet if we need to on critical items that could be
25 significant setbacks or anything.

1 MR. CLINE: Right, and I think that is probably a
2 common goal is not to be onerous in our continued
3 relationship with the city, and we've tried to make this as
4 much of a collaboration as possible given the circumstances
5 going forward. And I think, you know, I think the record
6 of the Board would reflect that by and large outside of
7 maybe, off the top of my head, maybe two or three items,
8 pretty much everything brought before this Board has passed
9 forward quite smoothly, so.

10 MR. WOLLENWEBER: Okay. Well, if there's anything
11 further you need, and again, if you want us to individually
12 send you or Pat notes about this, again, I've outlined the
13 items that I think are critical, but I'd like the city's
14 input into whatever the contractual amount. Again, we're
15 here to help them succeed; at least that's I see the role.

16 MR. CLINE: Right.

17 MR. WOLLENWEBER: And they're succeeding, but
18 there are some critical issues that we just need to review
19 if they come, and --

20 MR. CLINE: No, and I agree with that, and I
21 think, I mean I don't want to speak for the Board, but I
22 would think to avoid a lengthy discussion and bogging down
23 on do we want this issue or that issue, you just provide us
24 all your lists and then we'll kind of look at it.

25 MR. WOLLENWEBER: Okay.

1 MR. CLINE: And if we're all going opposite
2 directions, then --

3 MR. WOLLENWEBER: You can let us know.

4 MR. CLINE: -- maybe it's worth a secondary
5 discussion, but otherwise, you know, I would suspect, and
6 you know, just from my own experiences here and, you know,
7 working with all of you, I have a feeling that the list
8 will look pretty similar, so. Okay.

9 MR. WOLLENWEBER: Thank you.

10 MS. BARANN: Thanks.

11 MR. FRANK: Thank you.

12 MR. CLINE: All right. Thank you.

13 MS. SCHAFER: Any further questions? Comments?

14 (No response)

15 MS. SCHAFER: Okay, then I will entertain a motion
16 to approve, deny, or postpone the treasury's recommendation
17 and the annual evaluation to the state treasurer.

18 MS. BARANN: I will move for what you just said.
19 Do you want me to read it?

20 MR. WOLLENWEBER: Second.

21 MS. SCHAFER: Any further comments or questions?

22 (No response)

23 MS. SCHAFER: Hearing none, all those in favor of
24 approving the treasury's recommendation to the state
25 treasurer for the annual evaluation say aye.

1 MS. BARANN: Aye.

2 MR. WOLLENWEBER: Aye.

3 MR. FRANK: Aye.

4 MS. SCHAFER: Aye.

5 Opposed?

6 (No response)

7 MS. SCHAFER: Hearing none, the Board has approved
8 treasury's recommendation and the annual evaluation.

9 Moving on to new business. The first item under
10 the approval of resolutions and ordinances from the city
11 council meetings are the resolutions from the regular city
12 council meeting of March 22, 2016.

13 Any questions or discussion?

14 (No response)

15 MS. SCHAFER: I'll entertain a motion to approve,
16 deny, or postpone all resolutions from the regular city
17 council meeting of March 22nd, 2016.

18 MR. WOLLENWEBER: So move.

19 MR. FRANK: Support.

20 MS. SCHAFER: It's been moved and supported.

21 Any further questions or discussion?

22 MR. FRANK: I think we, for the record, we
23 probably should take out Resolution Number 070, which is
24 the contract we approved at the last meeting with Advanced
25 Disposal.

1 MR. WOLLENWEBER: I'm okay with that if. If it's
2 necessarily to amend, that's fine. I'm fine with it.

3 MS. SCHAFER: Okay.

4 MR. DOSTINE: Good catch.

5 MS. SCHAFER: Good catch. Exactly.

6 So do I have to entertain a motion again?

7 MS. BARANN: He amended his motion.

8 MR. WOLLENWEBER: Amended.

9 MS. SCHAFER: He amended his motion. Okay.

10 MR. WOLLENWEBER: And the maker and the second is
11 good with the amendment so we're good I think.

12 MS. SCHAFER: Okay. So all those in favor of
13 approving the resolutions from the regular city council
14 meeting of March 22nd, 2016, with the exception of
15 Resolution Number 070, say aye?

16 MR. FRANK: Aye.

17 MR. WOLLENWEBER: Aye.

18 MR. FRANK: Aye.

19 MS. SCHAFER: Aye.

20 Opposed?

21 (No response)

22 MS. SCHAFER: Hearing none, the Board has approved
23 the resolutions from the regular city council meeting of
24 March 22nd, 2016, with the exception of Resolution 070.

25 Moving on to resolutions from resolutions from the

1 regular city council meeting of April 12, 2016. Any questions
2 or discussion?

3 (No response)

4 MS. SCHAFER: Hearing none, I'll entertain a
5 motion to approve, deny, or postpone all resolutions from
6 the regular city council meeting of April 12, 2016.

7 MR. WOLLENWEBER: Move to approve.

8 MS. BARANN: Well, if I could recommend --

9 MR. WOLLENWEBER: Sure.

10 MS. BARANN: -- with the exception of Resolution
11 93. Because we pulled that forward into the last one.

12 MS. SCHAFER: So you're amending the --

13 MS. BARANN: I'm amending Mark's -- wasn't that
14 the one we pulled forward already?

15 MR. WOLLENWEBER: No, that actually was -- it
16 relates back to Order 29 that was amended to allow the
17 city, the mayor, and the council an option, another option
18 --

19 MS. BARANN: Okay.

20 MR. WOLLENWEBER: -- in employee healthcare
21 sharing. And I was just noting that in the report.

22 MR. FRANK: Right. We voted I think to recommend
23 that the treasurer --

24 MS. BARANN: We amended the order not the --

25 MR. FRANK: Amend the order.

1 MS. BARANN: Okay. I apologize, Mark. I'll never
2 do that to you again.

3 MR. WOLLENWEBER: No, that's okay. That's fine.

4 MS. BARANN: I will never --

5 MR. WOLLENWEBER: I couldn't figure out what the
6 tabling, and, I will just comment for the record, the hard
7 cap is, I agree with what was done by the city because it
8 needs to build good -- continue to build on the
9 relationship with the unions. I don't particularly like
10 the hard cap because it costs the city more. But by the
11 administrative staff recognizing that and building it into
12 the budget, I was supportive of it as well, so.

13 MS. BARANN: So Mark moved. I'll support.

14 MS. SCHAFER: Been moved and supported.

15 Any further discussions or comments?

16 (No response)

17 MS. SCHAFER: Hearing none, all those in favor of
18 approving Resolutions from the regular city council meeting
19 of April 12th, 2016 say aye.

20 MR. WOLLENWEBER: Aye.

21 MS. BARANN: Aye.

22 MR. FRANK: Aye.

23 MS. SCHAFER: Opposed?

24 Hearing none, the Board has approved the
25 Resolutions from the regular city council meeting of April

1 12th, 2016.

2 The next item on the agenda are actions that
3 occurred during a city council meeting outside the normal
4 review period for today's Board meeting. The City
5 Administrator's request to bring the items forward for
6 early review is merited. So I'll start with approval of
7 Resolution Number 107, which is the recommendation for
8 CBRE/Real Estate Broker of the old city hall property. And
9 if Mr. Kibby could perhaps provide a summary for the Board?

10 MR. KIBBY: Good afternoon, RTAB members.

11 The Order 55A was amended back on March 22nd of
12 2016, and that allowed the city ability to hire a
13 professionally qualified firm to provide marketing
14 assistance for the city hall property. And we went through
15 that process. We met with a three vendor -- or three firms
16 that are very familiar with this area. One that had --
17 actually markets this current property now; one that marked
18 this property before; and the third one which is a large
19 group, Signature & Associates, that is associated with this
20 area in previous years.

21 After we met with them, it came back that the CBRE
22 was the best choice to move forward with. They had
23 actually -- all three firms are great firms. We had no
24 issue with any of the three. But they actually had been
25 working on this site and had some development ready for the

1 front. They owner or the firm in charge at the time,
2 Equities, really kind of handcuffed them. They wanted 100
3 percent sign leases to move forth with development as
4 opposed to the normal 70, 80 percent. So they didn't move
5 forth. That's why we still don't have anything out there.

6 When we met with them, we felt that they had
7 everything in place to move forth quickly on that property,
8 and in talking to them we think that there may actually be
9 more value to that property than we had first anticipated.

10 MS. SCHAFER: All right. Any questions for Mr.
11 Kibby?

12 MR. FRANK: So you're proposing to enter into a
13 listing agreement with CBRE for up to 7 acres for a six
14 month listing, 6 percent commission?

15 MR. KIBBY: Correct.

16 MR. FRANK: How long a tail after the listing is
17 over? Do they expect commission if they reach? I would
18 just say to try and limit that, and I would suggest talking
19 to them. It's always a problem when you try and limit the
20 commission to less than what they think anybody else will.
21 They might not market it as hard, but it's not unfair to
22 tell them if you find -- if you find a buyer, their
23 commission should be lower. So.

24 MR. KIBBY: Duly noted. We'll let the attorney
25 know that as well.

1 The -- we're hoping that there's not a tail
2 necessarily for the fact that we'd like to get the property
3 moved quickly.

4 MS. BARANN: I'd like to move for approval of
5 Resolution Number 107 from the April 26th, 2016 city
6 council meeting.

7 MR. WOLLENWEBER: Second.

8 MS. SCHAFER: It's been moved and seconded.
9 Any further discussions or questions?

10 (No response)

11 MS. SCHAFER: Hearing none, all those in favor of
12 approving Resolution Number 107 say aye.

13 MR. WOLLENWEBER: Aye.

14 MR. FRANK: Aye.

15 MS. BARANN: Aye.

16 MS. SCHAFER: Opposed?

17 (No response)

18 MS. SCHAFER: Hearing none, the Board has approved
19 Resolution Number 107.

20 The next item in which the City Administrator
21 asked for us to review is approval of Resolution 105, the
22 grant for assistance to firefighters. Mr. Kibby?

23 MR. KIBBY: Yeah, this one is actually some really
24 good news. We received a grant that the chief finally
25 applied to the Assistance to Firefighters Grant, the AFG,

1 and we received a grant for \$65,000 for a new exhaust
2 system, exhaust removal system at the fire station.

3 MS. SCHAFER: All right.

4 MR. KIBBY: Definitely needed. That's one of the
5 items that he actually had in his capital improvement plan.
6 He had actually budgeted the \$65,000. So the match of the
7 \$6,500 will come right out of that portion. It was just
8 perfect timing. We're due for that once in a while.

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

10 MR. WOLLENWEBER: No. Good job.

11 I'll move the Resolution to -- we're advancing
12 this and approving it today. That's --

13 MS. SCHAFER: Correct.

14 MR. WOLLENWEBER: -- the right thing to say?
15 Okay.

16 MS. BARANN: I second.

17 MS. SCHAFER: It's been moved and seconded. Any
18 further discussions or questions?

19 (No response)

20 MS. SCHAFER: Hearing none, all those in favor of
21 approving Resolution Number 105, the grant assistance, or
22 for assistance to firefighters say aye.

23 MS. BARANN: Aye.

24 MR. WOLLENWEBER: Aye.

25 MR. FRANK: Aye.

1 MS. SCHAFFER: Opposed?

2 (No response)

3 MS. SCHAFFER: Hearing none, the Board has approved
4 Resolution Number 105, the grant for assistance to
5 firefighters.

6 The next item the City Administrator requested to
7 bring forward is the approval of Resolution Number 102,
8 recommendation for Sinclair Recreation, LLC, playground
9 equipment. Mr. Kibby.

10 MR. KIBBY: This is another good program that
11 we've got going on here. The recreation director, Pat
12 Hawkins, applied to Wayne County for the funding through
13 the Wayne County park millage. They give back a certain
14 percentage of that money back to each community. We
15 received \$80,000. This money was already earmarked in a
16 previous year. It came in in the last fiscal, it would
17 have been -- I'm sorry -- it would have come in in October
18 for this. So the money has already been accounted for.

19 When he went to bid though, he went to bid to, for
20 this portion of the project as well as the next anticipated
21 portion. So this is only one portion of what was actually
22 bid out. And since this money has already been earmarked,
23 ready to go, budgeted, we're asking to be able to approve
24 the award of this park equipment. It'll be a shelter for
25 Boccabella. It's a -- I'm sorry, it's not a shelter. For

1 Boccabella it'll be the playground equipment, and I don't
2 know if you guys got the picture or not.

3 MS. BARANN: Oh, we do. It looks great.

4 MR. KIBBY: It'll be the bottom part will be for
5 the structure. And then he also did a bid for the, I think
6 it was the Kiwanis Club for the -- yeah, the Kiwanis Club
7 is going to pay for the shelter that's on the top of that
8 picture. That's the 4195. So if you read through there,
9 there's a lot of stuff going on. He bid it all at one time
10 just to get the best prices, and that seemed to work. So
11 this will be for the shelter going to Sinclair Recreation
12 in the amount of \$40,000, which was option number one for
13 what he bid out. And then the others will be coming out in
14 due time.

15 MR. FRANK: I'll move that we approve Resolution
16 Number 102, which is a recommendation for playground
17 equipment for Boccabella Park with Sinclair Recreation.

18 MS. BARANN: I'll support.

19 MS. SCHAFER: It's been moved and supported.

20 Any further questions or discussion?

21 (No response)

22 MS. SCHAFER: Hearing none, all those in favor of
23 approving Resolution 102 for playground equipment, say aye.

24 MR. WOLLENWEBER: Aye.

25 MS. BARANN: Aye.

1 MR. FRANK: Aye.

2 MS. SCHAFER: All those opposed?

3 (No response)

4 MS. SCHAFER: Hearing none, the Board has approved
5 Resolution Number 102 for Sinclair Recreation, LLC, for the
6 purchase of playground equipment.

7 The next item pulled forward is the consideration of
8 amendments to Emergency Manager's Order 21 and 37 regarding the
9 use of excess balances. Mr. Kibby.

10 MR. KIBBY: I'm going to go to our finance director,
11 Mr. Cady.

12 MS. SCHAFER: Mr. Cady.

13 MR. CADY: Good afternoon.

14 Just to give you a little bit of background, Order 21
15 and 37 basically were talked about at the time the millage was
16 approved to as a mechanism to return money to the residents as
17 fund balance reached a certain level. It was decided that once
18 fund balance hit, they said 10 to 15 percent, and a debt
19 coverage of 1.2 was achieved, that that 6.75 mills should be
20 rolled back accordingly.

21 The problem is that the capital plan that we've
22 approved, the six year capital plan in future years uses some
23 of that reserve to meet those goals. The other problem you
24 have is that, and I believe I passed out a sheet to everybody
25 that shows that this year we'd be giving back about \$636,000 or

1 \$610,000. And next year, because the new 2015 A and B debt
2 that we're asking to issue comes online next year and our first
3 payment is due, I would have to try to ramp that millage right
4 back up and recover that I think it's \$636,000. With handling
5 Proposal A, I'm not sure that that would be possible. So
6 basically we're asking for an amendment that would allow the
7 city the option to roll that back and possibly put that money
8 into a reserve for debt retirement. I think treasury has
9 modified that a little bit more. I haven't seen the final on
10 that. But that's what we're asking for at this time.

11 MS. SCHAFFER: Mr. Wollenweber?

12 MR. WOLLENWEBER: I just have a question. Part of
13 this was limited to the police and fire millage. What, again
14 without getting into the very specifics of their budget, how
15 much of that levy, the special levy for police and fire millage
16 is excess?

17 MR. CADY: Zero.

18 MR. WOLLENWEBER: Okay.

19 MR. CADY: It would actually, if you wanted to fund
20 police and fire, you would need over 9 million dollars. If you
21 look at the '16/'17 budget, which I think we were forwarding to
22 Pat today, I thought you already had it, and I apologize for
23 that, their budget is about 13 million dollars. That 6.75
24 mills generates about 4.5 million dollars.

25 MR. WOLLENWEBER: Okay.

1 MR. CADY: So it really --

2 MR. WOLLENWEBER: I thought that was the case.

3 MR. CADY: It really doesn't relate to police and
4 fire at all if you look at it that way; you make a very good
5 point. But the way it was discussed was is any time those
6 reserve limits are hit, we would look at moving that back.

7 MR. WOLLENWEBER: Okay.

8 MS. SCHAFER: Any further questions or discussion?

9 MR. FRANK: So this --

10 MS. SCHAFER: And before I entertain -- I'm sorry.

11 MR. FRANK: No, go ahead.

12 MS. SCHAFER: Before I entertain a motion, I just
13 want to remind the Board this is a recommendation to the state
14 treasurer to amend.

15 MS. BARANN: Right.

16 MS. SCHAFER: Okay.

17 MR. FRANK: So you've also provided a fund balance
18 reserve policy to treasury and forwarded it to us?

19 MR. CADY: There is a fund balance reserve policy
20 that was already put in place --

21 MR. FRANK: All right.

22 MR. CADY: -- by Ms. Parker.

23 MR. FRANK: And this would change it?

24 I mean I understand, there seems to be with council a
25 political problem that people believe or understand that the

1 Emergency Manager helped pass this millage promising that if
2 there was excess millage for police/fire, it would be rolled
3 back. What we're hearing from you is that there won't be
4 excess police millage for police/fire, at least not any time
5 after this current year?

6 MR. CADY: Well, there will be.

7 MR. FRANK: And that way --

8 MR. CADY: I made a presentation last Tuesday on the
9 budget to council. We had a public hearing. And I explained
10 that if we were to roll back that \$610,000 everybody would get
11 on average I believe it was like \$43.

12 MR. FRANK: Uh-huh.

13 MR. CADY: Whereas if we can put that money aside in
14 2019, call those bonds, even if we just call them at a lower
15 interest rate and refinance the difference, the average savings
16 to the resident over 20 years is something like \$120 a year to
17 the resident. So it's a little bit now, but you get a lot more
18 later. And that should be the goal is to look at the long-term
19 plan, which is to reduce the millage in the long-term.

20 MR. WOLLENWEBER: One other thing that just occurs to
21 me that, and I'm not sure where it gets amended in the order,
22 but the 10 percent issue is just not typical or reasonable in
23 today's thing, and that may be one of the issues that's hanging
24 around with respect to refinance or, call it, you know, what's
25 the proper term for recalling those bonds early?

1 MR. CADY: Tendering.

2 MR. WOLLENWEBER: Yeah, tendering them. I'm sure
3 they're concerned about that. And to, you know, you hit -- the
4 key point is to rebate now to make, and then to -- to increase
5 it back up next year, there's a short win now, but a long term
6 loss. And both those items -- your explanation makes great
7 sense to me. That was the wrong series of my questions for
8 this anyway. So I'm fine with your recommendation and to
9 reserve those. And if it's, however the Board wants to
10 structure this, but it's really a critical item to move up,
11 because we've talked about this a couple of times before, and
12 it needs to be clarified for residents to understand.

13 MS. SCHAFER: Before -- do you have any more
14 questions for Mr. Kibby (sic)? Because I'd like to turn --

15 MS. BARANN: Cady.

16 MS. SCHAFER: -- to Mr. Dostine to --

17 MR. CADY: I'm Cady. He's Kibby.

18 MS. SCHAFER: I'm sorry. Mr. Cady.

19 MR. KIBBY: The C instead of a K.

20 MR. CADY: We're interchangeable, yeah.

21 MS. SCHAFER: There's such a semblance. Kibby, Cady.

22 MR. CADY: Thank you.

23 MR. DOSTINE: Yeah, Madam Chair, I just want to read
24 for the record that, you know, it is an amendment to Order 21
25 and 37. That will go with the recommendation to state

1 treasurer. And what we're going to say is we would allow the
2 mayor and the city council, when there's a calculated excess
3 fund balance, the option to choose a millage rollback, or
4 dedicate the monies in a debt retirement fund or into a capital
5 improvement plan. So it gives them three options.

6 MS. BARANN: So that 10 percent is pretty much then
7 out of the question?

8 I mean, we're giving them latitude to go ahead and do
9 those things?

10 MR. DOSTINE: We're --

11 MS. BARANN: Or is it still looking at that 10
12 percent.

13 MR. DOSTINE: I think the 10 percent would still be
14 valid.

15 MR. WOLLENWEBER: No, the 10 percent has to go too.

16 MR. DOSTINE: It's a calculated --

17 MR. WOLLENWEBER: It's not reasonable; it really is
18 not --

19 MS. BARANN: And that's what I'm just -- so if we're
20 going to amend it I think we should probably look at changing
21 that 10 percent.

22 MR. WOLLENWEBER: Yeah.

23 MS. BARANN: And that's, in Number 21 it's Point
24 Number 2 that dictates that there's a projected cumulative fund
25 balance reserve of 10 percent. So if we could maybe make that

1 recommendation to be a little bit higher. So.

2 MR. DOSTINE: Okay, well --

3 MR. CADY: Plant Moran uses anywhere from 15 to 18
4 percent anymore.

5 MS. BARANN: Right.

6 MR. CADY: But they also put a caveat on that that
7 every city is different.

8 MR. WOLLENWEBER: Twenty to twenty-five percent is
9 the current standard. If you're looking to, you know, if you
10 are being interviewed by the bond rating agencies, they really
11 insist on resolution that says a minimum of 20 to 25 percent in
12 unappropriated is the -- I believe that's the current standard.
13 And so I'd like to see that 10 percent eliminated and inserted
14 as a recommendation that a minimum of 20 to 25 percent be
15 retained.

16 MR. CADY: Just to be clear, our -- I'm sorry.

17 MR. WOLLENWEBER: That's okay.

18 MR. CADY: The current resolution I believe is a 15,
19 or 10 to 15 percent with a 1.2 debt coverage. Are you asking
20 that the debt coverage portion come out and just be like 20 or
21 25 percent?

22 MR. WOLLENWEBER: No.

23 MR. CADY: Okay.

24 MR. WOLLENWEBER: I'm okay with the debt coverage
25 issue because that was really a separate issue.

1 MR. CADY: Okay. Because that brings that number up
2 higher than -- 15 percent of our budget would only be, what,
3 2.5 million I think, so.

4 MR. WOLLENWEBER: I think if -- again, on that issue,
5 if staff is okay with retaining both you in terms of the city
6 staff and treasury with the 1.2 percent of debt coverage,
7 that's fine with me to keep in. But I think the 10 percent has
8 to be changed.

9 MR. FRANK: So.

10 MR. CADY: I know a lot of cities go with one year's
11 worth of debt reserve plus a 15 to 18 percent, but every city
12 is different as I had mentioned.

13 MR. WOLLENWEBER: Yeah.

14 MR. CADY: Thank you.

15 MR. DOSTINE: Well, Bob can I ask a question? What
16 is the fund balance percentage in Order 37? I thought it's a
17 window of 10 to 15 percent.

18 MR. CADY: Plus the 1.2 debt coverage.

19 MR. DOSTINE: Plus the 1.2

20 MR. CADY: Right. So they add that in.

21 MR. DOSTINE: Well, you know, I guess I'll just say
22 I've had more than one conversation with the city and the
23 discussion was always about allowing them options, and money in
24 excess of, you know, meeting the fund balance and the debt
25 ratio limits of the order, but never those limits in

1 particular. And so I was prepared to move an amendment, or I
2 drafted an amendment for the treasurer's -- to recommend to the
3 treasurer based on offering them, you know, these options. I
4 just want to state that --

5 MR. FRANK: So --

6 MR. DOSTINE: -- Madam Chair, for the record.

7 MR. FRANK: I'd like to move that this Board
8 recommend to the treasurer amendments to the Emergency
9 Manager's Orders 21 and 37 regarding the use of excess
10 balances, and then in connection with that amendment process in
11 the office of the treasurer, that the treasurer look at and
12 discuss with the city the issue of having, whether it's a 10
13 percent reserve or 50 percent reserve, that it be a market rate
14 reserve that would make it possible to obtain A or better
15 ratings from Standard & Poor's and the other rating agencies.

16 MR. WOLLENWEBER: That's certainly open enough, and I
17 think it's flexible enough. I'll second that.

18 MS. SCHAFER: It's been moved and supported.

19 Any further discussion?

20 (No response)

21 MS. SCHAFER: All those in favor of recommending to
22 the state treasurer to amend Emergency Manager Order Number 21
23 and Order Number 37, and to ask the treasurer to discuss with
24 the city the possibility of a market rate reserve, correct?

25 MR. WOLLENWEBER: That's good enough.

1 MS. SCHAFER: Say aye.

2 MS. BARANN: Aye.

3 MR. FRANK: Aye.

4 MR. WOLLENWEBER: Aye.

5 MS. SCHAFER: Opposed?

6 (No response)

7 MS. SCHAFER: Hearing none, the Board has approved
8 the recommendation to the state treasurer to amend Emergency
9 Manager Orders 21 and 37 with the addition of further
10 discussion.

11 MS. BARANN: Very good. Well done.

12 MS. SCHAFER: Thank you.

13 So the next item on the agenda is the non-action
14 items. That includes the Budget-to-Actual Report which was
15 received and filed. The litigation report was received and
16 filed. And that takes us to the City Administrator update.

17 MR. KIBBY: Just a couple of items that we've got
18 going on here in the city. I don't know if I mentioned this
19 last time. We do have a planning commission training that's
20 going to occur on May 19th. That's for the planning
21 commission, zoning board of appeals, and the city council.
22 When Ms. Parker came in, we lost a lot of members off of some
23 of those commissions and we've been able to get them back on
24 now with new members. Unfortunately they're not as seasoned as
25 some of the previous ones, so this will be their first training

1 session and we're looking forward to that on May 9th.

2 MS. BARANN: Who is doing the training? Is that in-
3 house?

4 MR. KIBBY: Through Michigan Municipal League.

5 MS. BARANN: Perfect.

6 MR. KIBBY: And I think it's actually going to be
7 Carlisle-Wortman.

8 MS. BARANN: Okay. Great.

9 MR. WOLLENWEBER: Oh, that's my PA.

10 MR. KIBBY: Also talking on the planning commission,
11 they're going to be doing some public hearings here shortly for
12 the master plan. Maddick Smith (phonetic) is doing the master
13 plan update for us, and they're moving forth working with the
14 department heads, and that'll be ready to go for planning
15 commission and then move forth out of that -- continue that
16 process out. It anticipated about a year. We're about halfway
17 through at this point in time. So that'll be moving along
18 here.

19 We did the HVAC bids, opened those for the fire
20 station. That was part of the Distressed Communities Grant.
21 The bids came in very, very, very good.

22 MS. BARANN: Oh, good.

23 MR. KIBBY: Extremely well. We're looking -- we had
24 budgeted, figured it was going to be \$301,000. Treasury did
25 make that change to allow us to use that funding instead of the

1 emergency generator for the HVAC at 271. It looks like the
2 bids are going to be somewhere around 103 to 110.

3 MS. BARANN: Wow. That's great.

4 MR. KIBBY: So we're now looking at the possibility
5 of having to call up the treasury and see if there's a
6 possibility of maybe adding another project into that list, and
7 one of the needs that we have right now is a roof at the ice
8 arena, or the ice arena complex area. So we'll look at that.
9 We've got some other options as well, but hopefully they're
10 willing to allow us based on the hungriness of the contractors.
11 We found that for a lot of the bids right now. The contractors
12 are very hungry for work.

13 A couple projects that we've got going as well were
14 the municipal complex committee met with five architects a
15 couple weeks ago, about three weeks ago. They narrowed that
16 down to two architects to come in and do some schematic
17 drawings. That presentation is tomorrow afternoon. We're
18 looking forward to that as finally maybe steps progressing to a
19 permanent city hall again as we discussed last time. The city
20 founded in 1927 but as a city in 1958 has never had a permanent
21 city hall or police department. So we're looking forward to
22 that as a possibly being one of the things that we finally get
23 accomplished here.

24 And the two architects we have coming in, Partners in
25 Architecture out of Macomb County, and then the CDPA Group out

1 of Dearborn both came -- CDPA came highly recommended from a
2 police chief Downriver who used them for a couple locations,
3 and then Partners in Architecture, we've done some research on
4 them as well, and they are also highly recommended, so. Even
5 the other three that we moved on from were all qualified. We
6 couldn't go wrong with any of the five that we brought in.

7 MR. WOLLENWEBER: Would you -- excuse me. Could I
8 ask who the other firms were?

9 MR. KIBBY: We had the Sidock Group. We had Red
10 Stone. And OHM.

11 MR. WOLLENWEBER: Okay.

12 MR. KIBBY: We had previously talked with French.
13 They'd come in. We offered them another slot to come back in.
14 They declined. Their workload was rather heavy they said, so.

15 Two other projects we have is the street construction
16 on Garfield Road finally started. That is the voter approved
17 millage.

18 MS. BARANN: Thank you.

19 MR. KIBBY: I'm going to knock on some wood because
20 we have not had too many issues over there yet. I think the
21 biggest thing that went there is the contractor and the
22 inspectors have been able to be there. We have an inspector
23 onsite. He's able to address the issues right away. Talked to
24 them to -- if any residents are affected, and that seemed to go
25 very well. We were just over there today before we came back

1 for this meeting. Looks like they're going to be ready to pour
2 concrete for a small portion tomorrow, and then they're going
3 to be ready to start using the paving machine for another
4 section, weather permitting. So that'll take care of -- that's
5 one-half of this one section of road, and they're going to be
6 just kind of flip-flopping back and forth. That is a total of
7 over 3 million dollars in road improvements. As you just
8 approved the minutes today, the street sectioning projects will
9 get granted, and we'll get those started and we'll get those
10 contracts signed, and that's another 391 I think.

11 We also completed the utility repairs where they've
12 done water main breaks, sewer breaks; that work is all done.
13 So orange barrels have been all over the place, but I think
14 it's a sign of progress here.

15 And then Wayne County is also doing a project as well
16 on Goddard Road and Moran. So one way or the other it's always
17 something that is going on.

18 And then finally we, one of the items we had pulled
19 forward at the last meeting was the trash. And the trash
20 contractor began collections yesterday. They've distributed or
21 nearly distributed all --

22 MR. FRANK: Began collections Monday -- oh, that's
23 yesterday.

24 MR. KIBBY: I'm sorry, Wednesday. Yeah, they started
25 Monday the 2nd. I'm trying to go back in time I guess.

1 I can't say it's been without issue. The complaints
2 that we hear -- we hear the complaints. Unfortunately we don't
3 always hear the positives from a lot of people. Facebook does
4 allow us to see those fortunately, so we can see that there are
5 some people that are very happy with this. They had to
6 distribute 22,400 cans basically to the residents. I think
7 they're just wrapping that up in the last section, which is the
8 Friday collection, so everybody will have those containers, and
9 then we're just going back and doing some clean ups on those
10 issues. Big issues like every community is where are the
11 placements going to go; on the grass, at the end of the
12 driveway, in the street. So we're working on getting that
13 clarified. I think DPS has one opinion of where they should
14 go, and that's not in the street, but for ease from the
15 contractor it is for the street. So we're just working out
16 those last few bugs on that, and trying to make sure everybody
17 has the containers, they're utilizing the containers.

18 I think for the most part the response on the recycle
19 containers has been very positive because we went from 18
20 gallon totes to 64 gallon bins or carts, wheeled carts, so they
21 can get a lot more stuff in there. And we have a lot recyclers
22 here. I think our percentage of recyclers of, not volume but
23 of residents that participated was in the 70, 75 percent range.

24 MS. BARANN: Wow.

25 MR. KIBBY: Now that's not every -- they're not doing

1 that every two weeks as the collection, but they are
2 participating in the program one way or the other. So that was
3 one of the highest in the Downriver area at least.

4 Other than that, just trying to go through the normal
5 day-to-day operations.

6 MS. SCHAFER: Thank you.

7 MR. DOSTINE: I'm sorry, Madam Chair. We were going
8 to update --

9 MS. SCHAFER: I was going to ask --

10 MR. DOSTINE: Oh, I'm sorry.

11 MS. SCHAFER: -- Mr. Cady to give us an update on the
12 remarketing of the bonds.

13 MR. CADY: Just as a little bit of background, as you
14 know we did an offer late last year to tender the 2009 A and B
15 Studio Bonds. We were successful in getting 62.4 percent of
16 those bonds back, about 16.7 million dollars. To pay off the
17 bond holders we took a 5 percent temporary note from Bank of
18 America, Merrill Lynch. That is due at late August, early
19 September I believe. And in the meantime we've been working to
20 get the bond rating that's necessarily, an A, to market bonds
21 to put these into a final bonding.

22 To date, we've been unsuccessful in getting that.
23 The highest that Standard & Poor's would take us to was I
24 believe a B plus to market in Michigan and get a favorable
25 municipal rate you really need an A.

1 Yesterday myself and Mr. Kibby, along with people
2 from treasury, the attorney general's office, Baird, our
3 financial consultants, Bodman, Dykema, and also the people from
4 Standard & Poor's, all met in Lansing to make a presentation to
5 them and explain once again that the steps that the city has
6 taken really kind of eliminates the city from the process of
7 this, and it's really a Michigan Finance Authority issue that
8 the city's guaranteeing payment on. Standard & Poor's to this
9 point I don't think has grasped that. The city has pledged its
10 revenue sharing and actually no longer even gets its revenue
11 sharing. It all goes to US Bank now to guarantee those
12 payments. They take out what's necessary to guarantee the
13 payment, and any excess is then returned to the city, thus
14 pledging that those bonds will be paid. And the bonds will be
15 issued through the Michigan Finance Authority. I think
16 yesterday with Standard & Poor's the light finally went on.
17 We've asked for a favorable rating no later than I believe the
18 11th of May, but we said the 16th would be all right, which is
19 a pretty aggressive schedule. The plan is to try to get that A
20 rating and market these bonds and get them done by the end of
21 the city's fiscal year, which would be June 30th. So it's an
22 aggressive schedule, but I think everybody on the team is
23 geared up to get it done. So we're just now waiting to hear
24 from Standard & Poor's. I think there was a list of questions
25 I got last night that I'm working on now that they'd asked in

1 follow-up, so.

2 Any questions?

3 MR. FRANK: Yes. So we had the first part of the
4 bonds where we marketed a number of months ago. Does anybody
5 understand why it is that Standard & Poor's is -- we're not
6 getting the same rating as we did? Is it --

7 MR. CADY: Well, that's one of the questions we asked
8 them is, you know, City of River Rouge, I believe Detroit,
9 Hamtramck; there's been at least four cities that have done the
10 exact same steps that we've taken to secure that A rating, and
11 those cities have all gotten the A rating, and one of the
12 questions we had is, you know, what are we missing that these
13 other cities have done to get the A rating that we're not
14 doing; and to be honest with you, they really couldn't answer
15 that question. Like I said, I just don't think they -- either
16 we didn't communicate the mechanism of how it's working
17 properly, or they weren't just getting it. They have assigned
18 another senior analyst to this who was at the meeting
19 yesterday. We went over everything again with them and put on
20 quite a presentation for them, so we're hopeful that everything
21 goes well this time.

22 MR. FRANK: And we're no longer experiencing the
23 delays that happened at the beginning of the discussion of this
24 process that caused the first issue and I think not to occur
25 for almost a year?

1 MR. CADY: Right. Right. Everybody is on the same
2 page and we're way beyond that now.

3 Yeah, there was some delays administratively, and I
4 think we discussed this earlier on why this took so long to
5 occur. I know Ms. Parker before she left was very anxious to
6 start the process, and for various reasons it just -- it took
7 forever to get the tender process going.

8 MS. BARANN: We'll hope for good news.

9 MR. WOLLENWEBER: Could you just let us know as soon
10 as you hear, is there any action that this Board could take to
11 assist the city in remarketing those? Is there anything you
12 can think of?

13 MR. CADY: I don't believe so. I think treasury has
14 been very helpful in helping us do everything we can. One of
15 the things you mentioned that they brought up yesterday was a
16 debt reserve policy. We're going to be looking at what some
17 other cities are doing and see if we can do something like that
18 process through the city and the RTAB also.

19 MR. KIBBY: They're also anxious, we need to let them
20 know what happened today in regards to the item on the annual
21 evaluation and recommendation to the state treasurer and to
22 Governor Snyder. That is going to be a key factor as well. I
23 believe they want to know that update. So we'll let them know.

24 MR. WOLLENWEBER: I guess one last question. I hope
25 that the resolution asking for the amendment in those, in the

1 emergency orders of the Emergency Manager previously, is
2 flexible enough for you to explain to them the, one, the
3 progress that you've made; I'm sure you've explained that. But
4 the interest in the Board in making sure that things are
5 flexible enough to proceed with that.

6 MR. CADY: Yes.

7 MR. WOLLENWEBER: Okay, good.

8 MS. SCHAFER: Any further questions for Mr. Cady?
9 No?

10 (No response)

11 MS. SCHAFER: Okay, then we will move on to public
12 comments.

13 MR. DOSTINE: Madam Chair, we have two requests. The
14 first one is Mr. Angelo DeGiوليو.

15 MR. DEGIOLIO: Hi. I'm a councilman here in the
16 city, and we passed a millage telling the people that we would
17 give a rollback when it hit a certain number. And they all
18 went to the polls and they passed that millage. Now we've
19 changed it on them. And I just want to say, I see four people
20 that all vote the same way, they all get along, and I think
21 that's just wonderful. I don't know what it does for our
22 citizens. But when you promise somebody something and they
23 follow through with what they agreed to do, which you said
24 you'd give them, and then you change it on them, that's just
25 wrong.

1 MR. DOSTINE: Madam Chair, the next request comes
2 from Ms. Gail McLeod.

3 MS. MCLEOD: Good afternoon. Gail McLeod, Mayor
4 ProTem. Just want to thank all of you for trying to help
5 support us and get us moving forward. I know that there's been
6 a lot of discussion about rollback, et cetera, et cetera.
7 Maybe it's just me, but personally when I voted for that
8 millage I could give a care less about rolling back because I
9 knew that home values were not going to increase at the rate at
10 which they decreased, and it was going to be a long, long time
11 before my taxes hit what they were before the recession.

12 I also kind of tend to look at that as it's a case of
13 penny wise, pound foolish. I mean \$40 this year, one time,
14 isn't as meaningful to any citizen I don't think -- you're
15 talking less than \$4 a month -- than a long-term benefit to the
16 city where we finally move forward as we should be, and there's
17 long-term benefits to us. I guess I just don't put that much
18 import on it. I do understand that when statements are made as
19 Ms. Parker made that there will be a rollout, there's an
20 expectation, and I don't deny that. But having been a parent
21 and raised children, there are times when I've told my kids one
22 thing and then, by golly, I've changed my mind because certain
23 things changed. And I guess when you look at the bare facts,
24 and I'm not a finance expert, but when I'm told that that
25 millage is only paying for 49 percent of our police and fire,

1 the money has got to come from somewhere else, and it's coming
2 out of the general fund. So it's a case of, you know, robbing
3 Peter to pay Paul, another cliché, but that's the bottom line.
4 I mean we're trying to manage finances, we're trying to reduce
5 the negative impact on the city by those bonds and the
6 interests that we're paying, and rather than making the mistake
7 of so many corporations in the past where it was short-term
8 gain and to heck with the future, we're trying to take the
9 opposite approach. And so a little short-term loss, a little
10 mea culpa for long-term gain, I'm glad that you are seeing
11 that. Thank you very much.

12 MR. DOSTINE: That concludes public comments.

13 MS. SCHAFER: Okay, the next item is Board comments.
14 Do we have any Board comments?

15 MR. WOLLENWEBER: Just one. First of all, I think
16 perhaps the one council member that spoke had a
17 misunderstanding of the language, and that's why I asked the
18 question earlier as to whether that raises all of the funds.
19 And the 10 percent put in, when I saw that, again I'm a new
20 person on this Board, was unrealistic to begin with. But the
21 language of the -- and looked at it in terms of the emergency
22 order, I didn't see the specific ballot language, but the -- I
23 think it's been pretty clearly explained by the finance staff
24 today that the longer term gain balances out what would be
25 given back in this first year, and you got to get it back next

1 year without creating a reserve. So I think it was the proper
2 action. And perhaps -- I guess that's the only thing I'll say
3 about it.

4 MS. SCHAFER: Any other comment?

5 MS. BARANN: I have a few. First of all, I'd like to
6 thank Mr. Hawkins. Thank you so much for what you've been
7 doing over at the parks and recreation. I think -- again, it's
8 nice to see new park equipment go up, so thank you so much on
9 behalf of all the kids and our neighborhoods.

10 I also wanted to say that I actually live on
11 Garfield, and so I've been experiencing an amazing
12 transformation. But I wanted to give a shout-out to the city
13 on two points as a citizen. I think the communication has been
14 really well done in terms of just not the road repair but also
15 with the new contractor with waste disposal in terms of the
16 cans and what to do with those. So I appreciate the
17 communication piece. I actually read them when they come in
18 the mail. So I just wanted to shout-out on that.

19 And then also say good job on keeping those bids low.
20 It works out well.

21 MS. SCHAFER: Any other --

22 MR. FRANK: As somebody who has now used the new
23 trash cans --

24 MS. BARANN: I haven't yet.

25 MR. FRANK: -- I want to say that those who object

1 are most certainly wrong.

2 MS. SCHAFER: Any other comments?

3 (No response)

4 MS. SCHAFER: Okay, the next item is adjournment. I
5 will entertain a motion to adjourn.

6 MR. FRANK: So moved.

7 MR. WOLLENWEBER: Second.

8 MS. BARANN: Support.

9 MS. SCHAFER: It's been moved and supported. All
10 those in favor of adjournment say aye.

11 MS. BARANN: Aye.

12 MR. FRANK: Aye.

13 MS. SCHAFER: Opposed?

14 (No response)

15 MS. SCHAFER: Hearing none, the meeting is adjourned.
16 Thank you.

17 (At 3:06 p.m., meeting adjourned.)
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STATE OF MICHIGAN

COUNTY OF WASHTENAW) .ss

I certify that this transcript is a complete, true, and correct transcript to the best of my ability of the RTAB meeting held on May 4, 2016 at the city of Allen Park. I also certify that I am not a relative or employee of the parties involved and have no financial interest in this case.

RESPECTFULLY SUBMITTED:

May 6, 2016

S/Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)

Certified Electronic Reporter