

City of Ecorse

Receivership Transition Advisory Board Meeting Minutes

Monday, November 7th, 2016

Ecorse City Hall

Council Chambers

Albert B. Buday Civic Center

3869 West Jefferson

Ecorse, Michigan 48229

RTAB MEMBERS PRESENT:

ROBERT BOVITZ

JEFF SYKES

RTAB MEMBERS ABSENT:

JOAN BROPHY

ALSO PRESENT:

PATRICK DOSTINE

Michigan Department of Treasury

DAVID FLATEN

Interim City Administrator

Reported by:

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1 Called to order at 9:08 a.m.

2 MR. SYKES: Can you do roll call.

3 MR. DOSTINE: Sure. Joan Brophy's been asked to
4 be excused.

5 Rob Bovitz.

6 MR. BOVITZ: Here.

7 MR. DOSTINE: Jeff Sykes.

8 MR. SYKES: Here.

9 MR. DOSTINE: You have quorum, Mr. Chair.

10 MR. SYKES: All right, thank you Patrick.

11 First we have the approval of the agenda, and
12 it's my understanding that there's an item that we're
13 going to add to the agenda?

14 MR. DOSTINE: Yes, Mr. Chair, Mr. Flaten would
15 like to bring to your attention two items that will be
16 appearing before council tonight.

17 MR. SYKES: Okay. We'll go ahead and we'll add
18 those items to new business, first off.

19 MR. DOSTINE: Sure.

20 MR. SYKES: Okay, so, I'll entertain a motion to
21 approve the agenda with the two items that will be added.

22 MR. BOVITZ: So moved.

23 MR. SYKES: With that, I will --

24 MR. BOVITZ: You have the support?

25 MR. SYKES: Support. I will support.

1 All those in favor say aye. Aye.

2 MR. BOVITZ: Aye.

3 MR. SYKES: Those against, the same.

4 (No response)

5 MR. SYKES: Okay, this item is approved.

6 I'd also like to remind the audience, if you
7 intend to speak during the public comment portion of the
8 meeting, it'll be necessary for you to sign in at the
9 podium. Okay.

10 First, we have the approval of RTAB minutes of
11 the October 11th, 2016. I'll entertain a motion to
12 approve the October 11th, 2016, RTAB minutes as presented.

13 MR. BOVITZ: So moved.

14 MR. SYKES: All those in favor say -- oh, I
15 support. All those in favor say aye.

16 MR. BOVITZ: Aye.

17 MR. SYKES: Aye.

18 Those against, the same.

19 (No response)

20 MR. SYKES: This motion has passed.

21 Next we have old business, and there is no old
22 business, so we'll move on to new business. And we'll
23 start off with the two items, the new equipment items. So
24 Mr. Flaten, if you could come up and talk a little bit
25 about those two items, we'd appreciate it.

1 MR. FLATEN: In speaking with the DPS director,
2 DPW director, Kevin Lawrence, we talked about snow
3 removal, we talked about sewer maintenance items, water
4 maintenance items, and so forth. And I asked him if he
5 could get me an idea of how much money we have spent over
6 the past couple years on those items where we contracted
7 out as opposed to being able to do it on our own. And he
8 indicated that he could probably, with the personnel that
9 he has, they could be trained to do this work, and they
10 are doing that kind of work at the present time, with the
11 water and sewer. And but we also talked about snow
12 removal, too.

13 And so the two items that I'm bringing before
14 you today is one, to purchase a new GMC Sierra small dump
15 truck with plow and spreader. Kevin got the quotes, I
16 believe you have the background information on that, got
17 the quotes, and he wants to purchase that from Todd Wenzel
18 Buick.

19 And the other item is to purchase a backhoe,
20 that has certain attachments, that we could utilize here,
21 to do a lot of the work that we have been contracting out.
22 And Kevin, in a memo to me, had highlighted and indicated
23 some of the costs that are involved that we have incurred
24 in the past that he could either reduce -- well,
25 definitely reduce because we can do our own work.

1 Major items of sewer and water repair would have
2 to be contracted out, but some of the smaller items that
3 take place, like a small main break or a small pipe
4 replacement or something like that, we don't need to
5 contract that; we can do it ourselves. And we'd save a
6 lot of money.

7 MR. SYKES: Okay.

8 MR. FLATEN: So that's why I'm bringing it to
9 you. I understand this is a bit out of order to do that,
10 but it'll be on the agenda tonight for their approval, and
11 I would appreciate yours today, conditional upon that.

12 MR. SYKES: Okay. Any other questions?

13 MR. BOVITZ: It looks like the search was done
14 online, looking for different, you know, comparisons, to
15 make sure the price is in the --

16 MR. FLATEN: Yeah.

17 MR. BOVITZ: So it looks like at least some of
18 the homework was done by Mr. Lawrence. My question would
19 be, in the past there's been concern about whether we have
20 licensed and qualified people to operate the machinery.
21 And so are you satisfied that the city has somebody that
22 would --

23 MR. FLATEN: He's satisfied that we've got --
24 and Kevin can operate this stuff, too, and has operated
25 this type of equipment.

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1 MR. BOVITZ: Yeah, there's no sense to contract
2 it out if we have qualified individuals on the payroll,
3 so.

4 MR. FLATEN: That's right.

5 MR. BOVITZ: So yeah.

6 MR. FLATEN: Considering the amount of money
7 we've paid out over the years.

8 MR. BOVITZ: Okay.

9 MR. SYKES: Okay. Patrick, can we approve both
10 of these equipment purchases at once? Do that separate,
11 what's --

12 MR. DOSTINE: David, how will they be brought to
13 council?

14 MR. FLATEN: They'll probably be brought
15 together. But if you want to approve them separately,
16 that's fine.

17 MR. SYKES: No, that's okay. I'm just
18 wondering.

19 MR. FLATEN: I have no problem with that. I
20 think that would probably be the best way to do it,
21 approve them separately.

22 MR. DOSTINE: Approve them separately?

23 MR. FLATEN: Right.

24 MR. DOSTINE: I think either way would work, Mr.
25 Chair.

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1 MR. SYKES: All right, we'll go ahead and do it
2 separately if that matters.

3 Okay, so, I'll entertain a motion to approve the
4 purchase of the dump truck, understanding that this
5 approval is contingent on city council approval.

6 MR. BOVITZ: So moved.

7 MR. SYKES: Support. All those in favor say
8 aye.

9 MR. BOVITZ: Aye.

10 MR. SYKES: Opposed the same.

11 (No response)

12 MR. SYKES: The purchase of the dump truck has
13 been approved.

14 move on to the purchase of the backhoe. So I'll
15 entertain a motion for the purchase of the backhoe, again,
16 understanding that this is contingent on city council
17 approval.

18 MR. BOVITZ: So moved.

19 MR. SYKES: I will support. All those in favor
20 say aye.

21 MR. BOVITZ: Aye.

22 MR. SYKES: Aye. Opposed the same.

23 (No response)

24 MR. SYKES: That has been approved, as well.

25 Patrick, we're now moving onto the plans, new

1 business. Could you speak for a moment about annual RTAB
2 evaluation?

3 MR. DOSTINE: Sure, Mr. Chair.

4 Every year, the RTABs are charged with, and this
5 comes from the governor's appointment letter, where he
6 requests the RTAB do a formal evaluation, or lookback, of
7 the previous year. And it looks over a variety of stuff;
8 essentially it can be categorized into operational
9 financial components.

10 The evaluation itself took place in April of
11 2015, and the lookback was on May, 2015 to May 2016. And
12 what we use to sort of develop the questionnaire, it's a
13 five or six page legal size paper, a list of questions.
14 These indicators come both through a governor's
15 appointment letter, Public Act 436, and then EM Order, the
16 final Order 94, okay.

17 I and my colleague Drew Van de Grift sat down
18 with, in April 2015, with Mayor Lamar Tidwell, then city
19 administrator Wayne O'Neal, and controller Tim Sidowski.
20 It was a two and a half hour evaluation. Afterwards, I
21 had to -- Tim was very helpful, by the way, you know, I
22 must say, providing Treasury with documents, you know,
23 financial documents explaining things to me, so I could
24 write the most accurate evaluation of this one year
25 lookback as possible.

1 It's a long evaluation. I'm not going to read
2 the entire thing; I will just highlight stuff, and then
3 move to the recommendation. At the time of the
4 evaluation, the city's audited total general fund balance
5 for fiscal year 2015 was \$5.4 million, which was really a
6 healthy 59 percent of expenditures.

7 And the entire fund year balance was slightly
8 higher, at 4.5 million -- \$4.538 million, largely due to a
9 payment from U.S. Steel, in the settlement of one million
10 dollars towards the 2014 fund balance.

11 After I completed the evaluation, the city
12 submitted a revised five year budget. I added it to the
13 evaluation, and it projected deficits in the general fund
14 for fiscal years 2018 through 2021. The deficits were in
15 amounts of, in chronological order, 1.2 million, 1.6
16 million, 1.9 million, and 2.7 million.

17 During the evaluation, the city controller
18 disclosed the following uses of the city's general fund
19 balance, in response to a mandated redemption provisions.
20 1.9 million redemption of series 2002 fiscal stabilization
21 bonds, a little over 2 million dollars purchased of non-
22 alternative minimum tax, federally tax exempt bonds, and a
23 \$400,000 payment to MERS, reducing the fund balance to a
24 unrestricted amount of \$674,587, down from approximately
25 5.4 million dollars.

1 Some other highlights in the evaluation, in the
2 2015/2016 budget cycle, the city submitted a required five
3 amendments to the budgets. The city's overall debt level
4 actually increased \$199,000. The city, it was noted in
5 the evaluation, was not making its annual required
6 payments for MERS or OPEB ~~OPAD~~. There were contribution
7 deficiencies. And the legal costs, I note, had increased
8 52 percent between 2014 and 2015.

9 Okay. I just want to read this paragraph here;
10 I don't want to make this an entire rainy cloud here
11 because there are some positive things that have went on
12 that I noted in the evaluation, Mr. Chair. Ecorse had set
13 goals by which it measures itself operationally. The
14 mayor highlighted the city's blight program as a priority,
15 partnering with local service agencies, and using federal
16 funds, the city had cleared 90 blighted homes, and at that
17 time noted another 40 to 50 ready for demolition.

18 The mayor said he had received positive
19 feedback, during the evaluation he told me, from residents
20 in the neighborhoods where blight removal took place. And
21 more generally the mayor noted that the citizens are
22 satisfied with the direction of the city.

23 Consistent with the mayor's perception of city
24 satisfaction, with the answers from the RTAB, whom I also
25 interviewed for this evaluation, that the RTAB had not

1 received complaints about undelivered services, and/or
2 other more general complaints.

3 The city had also reduced its fire and police
4 personnel in an effort to reduce costs. Fire went from 12
5 to five, and police from 30 to 19, with a total public
6 safety force of 21. I do note though that the attempts to
7 consolidate the fire department with the City of River
8 Rouge did not happen.

9 Skipping down to the more, sort of a conclusion
10 of the organizational stability. In the November 2015
11 election, five of the seven city council members were re-
12 elected to council, and the mayor was re-elected as well.
13 The city administrator was hired as an interim
14 administrator in November 2014 and became permanent in
15 February, 2015.

16 In May, 2016, the city administrator was
17 terminated by council. Presently, an interim city
18 administrator has been appointed and will serve until a
19 fulltime permanent administrator is hired. This is the
20 fifth city administrator council has hired since the
21 appointment of the RTAB in May of 2013. The lack of
22 continuity in the city's operational leadership we believe
23 disrupts and impedes progress, Mr. Chair.

24 Finally, I would just read the conclusion and
25 the recommendation Treasury's going to be making to the

1 governor, with regards to the direction of the RTAB.

2 The City of Ecorse is the tale of two cities.
3 One year ago, the city had a strong fund balance, 5.4
4 million dollars and 59 percent of expenditures, a
5 sustainable five year budget, and a full time city
6 administrator.

7 Today, at this moment in time, the fund balance
8 is largely restricted, the five year budget projects
9 deficits every year through 2021, and the city has an
10 interim city manager. And according to documents supplied
11 by the controller, the city has an unassigned fund balance
12 of \$674,587.

13 This comes at a time, Mr. Chair, when the city
14 terminated the city administrator and is currently looking
15 for a replacement. The city is being asked to join the
16 Downriver Utility Wastewater Authority that has
17 significant costs associated with membership in the
18 proposed sale of the system.

19 The city is not meeting its annual required
20 contributions to MERS and ~~OPEB OPAD~~. Both have
21 contribution deficiencies. MERS, last time I talked to
22 the city, is increasing their contribution requests by a
23 million dollars next fiscal year.

24 The city's legal costs seem to be still
25 uncontrollable, and the taxable value has been declining

1 since 2010/2011; it's down a total of almost 30 percent,
2 from 300 million to 100 million dollars. Having a fund
3 balance that is largely restricted, Mr. Chair, does not
4 position the city for future contingencies.

5 While the financial emergency has legally ended,
6 the city remains in receivership, as defined by subsection
7 2Q of Public Act 436. The principal goal of the board is
8 to assist the city in transitioning out of receivership.

9 In order to do this, Public Act 436 requires,
10 among other things, that financial conditions of the city
11 must be corrected in a sustainable fashion, as required by
12 subsection 9-7 of 436.

13 Ecorse's financial position has changed for the
14 worse since 2014/2015 audit. The abovementioned
15 developments need to be monitored in accordance with the
16 governor's appointment letter of the RTAB. Therefore, it
17 is the recommendation of Treasury a continued RTAB
18 presence is recommended.

19 MR. SYKES: Thank you, Patrick.

20 MR. DOSTINE: You're welcome.

21 MR. SYKES: Now, while I haven't been here the
22 entire time of this evaluation, this does sound very
23 consistent with my understanding of what was taking place
24 during that period of time, and it certainly seems to do a
25 nice job of kind of explaining the situation that Ecorse

1 is in right now. Do you have any comments?

2 MR. BOVITZ: Yeah, I'm disappointed with the
3 overall negative tone of it. It seems like things are
4 moving on the right track. From a non-financial
5 standpoint, there's more stability in the leadership with
6 Mr. Flaten, with his interim city administration. It
7 seems like the city council has the right attitude going
8 forward.

9 From a budgetary standpoint, without a million
10 dollar settlement from U.S. Steel, it is tough to make
11 adjustments to your budget, so you know, Mr. Sidowski's
12 been doing a good job trying to make amends for that.

13 Over the last three years I've been on this
14 board, the only times I've really been disappointed is
15 when the city council failed to take advantage of the
16 grant from the state to consolidate police and fire with
17 River Rouge. And so we had actually condemned the
18 actions, or the non-action, of the city council.

19 But in my three years of serving, I think things
20 have been going in the right direction. Number one, the
21 audit was unqualified, or, for the layman's terms, a clean
22 audit. So the CPA auditors were happy with the financial
23 presentation, but without the debt elimination plan in the
24 five year budget, that's the only thing, with the unfunded
25 legacy costs and so forth, I'm not sure what the city can

1 do.

2 It's nothing that the city is not doing, from a
3 financial standpoint; it's with declining property values.
4 And another thing with the legal costs, when I first came
5 on there were a lot of lawsuits against the city police
6 department and so forth, and those have seemed to go away.
7 And there was some question about corruption within city
8 departments; that seems to have gone away.

9 So from the overall feel good and then the new
10 master plan being set up by McKenna & Associates, there
11 are good things on the horizon from a non-financial. So
12 the only thing I have, from an RTAB member being on this
13 board since the very beginning, is if we get the financial
14 part fixed, then the rest will follow.

15 But the overall recommendation to keep the RTAB
16 in place is, that's coming from Treasury. And I just want
17 to make sure that, you know, you heard my side of it.

18 MR. DOSTINE: Sure. I just want to say for the
19 record, that this is -- the recommendation is that the
20 RTAB remain status quo. There's three paths that we could
21 have recommended to the governor, and it's his decision,
22 ultimately; the RTAB serves at his pleasure: receivership
23 could be recommended to end; it could be recommended that
24 the RTAB role be diminished, that Order 94 be amended in a
25 way that it gives a lot more autonomy and authority back

1 to the city; or the status quo remains.

2 So this recommendation, if you approve it, to
3 send forward the way it is, we'll make the recommendation
4 the RTAB remain status quo. But ultimately it's the
5 governor's call. And I don't know what that -- whether
6 he'll agree with it, or send it back with a recommendation
7 other than what we submit, okay?

8 MR. SYKES: You know, and I'd like to add too, I
9 -- from the standpoint of, do I feel like things are
10 moving in the right direction; I mean, I listen to folks
11 talk about what they're trying to accomplish in the City
12 of Ecorse, and continuously now bringing ideas forward,
13 where we're talking about bringing work in house to try
14 and save money. I'm hearing a lot of positive things.
15 And I get that. I'm looking from that standpoint, that we
16 want to hear a positive direction of what Ecorse is trying
17 to accomplish.

18 But also, the majority of the types of things
19 that we're looking at are from a financial standpoint.
20 And that's why I do think that a lot of the information in
21 here, while it has -- it comes off as a bit negative, I
22 think it's accurate. But I don't want that to take away
23 from the fact that we don't, or I personally, don't think
24 people are not doing what it takes to try and turn the
25 city around and get it on stable footing.

1 Okay, so with that, let's see where we are here.
2 I'll go ahead and entertain a motion to approve the annual
3 RTAB evaluation, specifically, the way I'm looking at
4 this, is that we are recommending continued presence of
5 the RTAB going forward.

6 MR. BOVITZ: So moved.

7 MR. SYKES: I will support. All those in favor
8 say aye.

9 MR. BOVITZ: Aye.

10 MR. SYKES: Aye.

11 Those opposed the same.

12 (No response)

13 MR. SYKES: The annual RTAB evaluation has been
14 approved.

15 Next, we'll go through the -- we'll look at the
16 approval of resolutions and ordinances for the city
17 council meetings.

18 First resolution from the regular city council
19 meeting of September 27th. Please note that Resolution
20 288 was previously approved by this board.

21 So at this point, I'll entertain a motion to
22 approve the remaining resolutions from September 27th,
23 2016, regular city council meeting, with the exception of
24 Resolution 287.

25 MR. BOVITZ: So moved.

1 MR. SYKES: I will support.

2 All those in favor say aye.

3 MR. BOVITZ: Aye.

4 MR. SYKES: Aye.

5 Opposed the same.

6 (No response)

7 MR. SYKES: This resolution has been approved.

8 At this point, we'd like to ask Mr. Flaten if he
9 could come up and talk a little bit about Resolution 287,
10 which is fiscal year '17 budget amendment.

11 MR. FLATEN: I'll leave that to the controller.
12 Tim?

13 MR. SYKES: That's Tim?

14 THE REPORTER: Your name, please?

15 MR. SIDOWSKI: Timothy Sidowski, city
16 controller. Every quarter, I prepare a budget amendment
17 for the actual operations of the city. You can see that
18 the increased use of fund balance is required to balance
19 the general fund.

20 MERS contributions have been adjusted,
21 replacement of the air conditioner at the senior center
22 building, and adjustment for interest for higher interest
23 for the emergency loans was all adjusted.

24 Water and sewer funds were adjusted for the new
25 rate that was proposed, and our CDBG is always adjusted to

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1 actual grants that we receive through Wayne County, and
2 that has been adjusted as well.

3 Pretty much everything else is in line, as it
4 was before, just with those adjustments.

5 MR. SYKES: You have any questions?

6 MR. BOVITZ: No.

7 MR. SYKES: I have no comments.

8 I'll entertain a motion to approve Resolution
9 287.

10 MR. BOVITZ: So moved.

11 MR. SYKES: I will support.

12 All those in favor say aye.

13 MR. BOVITZ: Aye.

14 MR. SYKES: Aye.

15 Resolution 287 is passed.

16 Next we'll move on to resolutions from the
17 regular city council meeting of October 11th.

18 I'd like to note that Resolution 303 was
19 previously approved by the board, so with that, I'll
20 entertain a motion to approve resolutions from regular
21 city council meeting of October 11th, 2016, again, with
22 the exception of Resolution 299.

23 MR. BOVITZ: So moved.

24 MR. SYKES: I will support.

25 All those in favor say aye.

1 MR. BOVITZ: Aye.

2 MR. SYKES: Aye.

3 Those opposed?

4 (No response)

5 MR. SYKES: This resolution is passed.

6 I see, would it be Tim, again?

7 MR. SIDOWSKI: Yes.

8 MR. SYKES: All right, Tim, could you talk to us
9 a little bit about Resolution 299, which is the budget to
10 actual for September 2016?

11 MR. SIDOWSKI: Well, the city's on track for the
12 quarterly expenditures, like I said before. We did
13 receive word from MERS, and their plan is not possible as
14 that stands. Going future, that's the major concern for
15 the city. I said that.

16 MR. SYKES: I think that's -- yeah, I think
17 that's clear.

18 MR. SIDOWSKI: Yeah, so, that's just pretty much
19 standard operating.

20 MR. SYKES: So nothing specific?

21 MR. SIDOWSKI: Nothing specific has really come
22 out. It was -- we still haven't received the local
23 community stabilization share. It was supposed to come in
24 October. It was delayed to November because they pushed
25 it back a month; which is several million which would help

1 with cash flow in the city, but it hasn't happened.

2 And we did finish the audit this week, and it
3 seemed to go well. And all their testing has been
4 finished, so they are supposed to be preparing the
5 financial statements this week.

6 MR. SYKES: Okay. And I appreciate having this
7 done in a timely manner.

8 Robert, do you have any comments?

9 MR. BOVITZ: Nope.

10 MR. SYKES: Okay.

11 MR. FLATEN: Mr. Chairman?

12 MR. SYKES: Yes?

13 MR. FLATEN: One comment that I have. I think,
14 I believe that we need to do -- because Tim can explain
15 this MERS situation probably a lot better than most. But
16 if you read through all of the data on the plans itself, I
17 think a letter from this board to Treasury and to MERS
18 requesting a sit down with myself, Tim, possibly the city
19 attorney, and a member of this board, or if you had
20 Dostine, and somebody from Treasury, to sit down with the
21 MERS people and see if there's a direction we can take to
22 get our pension up to a better position. The thing that
23 troubles me, I don't know if I shared this opinion with
24 anybody else, but the thing that troubles me is we get a
25 report from MERS, and that's all we get.

1 For a number of years, MERS knew that we were
2 having difficulty in maintaining our proper pension
3 funding. Nobody from MERS contacted us to even sit down
4 and ask what -- how we could remedy that situation; what
5 we could do. Knowing that we're a financially distressed
6 community, that we're probably going to be even more
7 financially distressed if things go the way they're
8 planned at U.S. Steel and so forth. We need to sit down
9 with somebody that's going to say, okay, so you can't
10 afford 4 million dollars, which is almost -- what percent
11 of our total budget? No, we can't afford 4 million
12 dollars to bring that up to snuff.

13 So we need somebody to -- because Tim, I know,
14 has talked to MERS. The mayor has talked to MERS. There
15 is nothing coming back from them that even shows that
16 they're the least bit concerned about our situation. So a
17 letter from you folks to them recommending that somebody
18 from MERS sit down with us and go over and develop a plan
19 that we can start funding properly.

20 MR. BOVITZ: Well, I know we had a discussion
21 last month, I'm not sure exactly what the direction was,
22 but was there any action taken on that?

23 MR. FLATEN: No. Nobody -- MERS is difficult to
24 talk to. Right, Tim?

25 MR. SIDOWSKI: They responded twice to that.

1 MR. FLATEN: But nothing of value to us.
2 Nothing to give us any idea of how we can adjust the
3 proper -- adjust the funding that they're requesting. We
4 just can't afford that. So we want to get clarified.

5 And the other issue is, we've got a millage for
6 police and fire pensions, and they're taking money that we
7 sent to them from the police and fire pensions to pay the
8 pensions of the general employees. You can't do that,
9 Bob. I think you'd know that.

10 MR. BOVITZ: Well, what you want is the state,
11 the Treasury to put the pressure on MERS to at least come
12 to the table.

13 MR. FLATEN: I want somebody to put pressure on
14 them.

15 MR. BOVITZ: Because your voice isn't strong
16 enough as the City of Ecorse; you want some help --

17 MR. FLATEN: Well it's obvious. They're not
18 listening to us. And I'm tired of being -- having this
19 city, and I'm only interim here, but these people are
20 thinking they're the red-haired stepchildren, and that's
21 not an attitude to have.

22 MR. BOVITZ: That's why I thought we had
23 discussion last month, so we just need to make sure
24 Treasury --

25 MR. FLATEN: It's got to be a little more

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1 forceful.

2 MR. BOVITZ: Okay.

3 MR. SYKES: So let me ask this then.

4 MR. FLATEN: We're not trying to be destructive;
5 we're trying to be constructive.

6 MR. SYKES: All right. I'm going to ask this,
7 then: Patrick, could you do me a favor and maybe
8 investigate a little bit if there's an appropriate role
9 for either yourself or for the board members where we
10 could do something to help in this regard?

11 MR. DOSTINE: I will. As a matter of routine, I
12 always report on the RTAB's activities that day to my
13 upper managers.

14 MR. SYKES: Okay.

15 MR. DOSTINE: So I will talk to them about this.

16 MR. SYKES: Okay.

17 MR. FLATEN: Thanks.

18 MR. SYKES: We'll look into that.

19 Okay, so with that, I'll entertain a motion to
20 approve Resolution 299.

21 MR. BOVITZ: So moved.

22 MR. SYKES: Support.

23 All those in favor say aye.

24 MR. BOVITZ: Aye.

25 MR. SYKES: Aye.

1 Opposed the same.

2 (No response)

3 MR. SYKES: Resolution 299 has passed.

4 Next, we have claims and accounts from regular
5 city council meeting draft minutes of October 25th, 2016.

6 I'll entertain a motion to approve the claims
7 and accounts from regular city council meeting draft
8 minutes of October 25th, 2016.

9 MR. BOVITZ: So moved.

10 MR. SYKES: Support. Those --

11 MR. BOVITZ: Aye.

12 MR. SYKES: Thanks. Those in favor say aye.

13 MR. BOVITZ: Aye.

14 MR. SYKES: Aye.

15 Those opposed the same.

16 (No response)

17 MR. SYKES: This has passed as well.

18 So next, we have city administrator items, and
19 there are a number of items in there which have been
20 addressed already in new business, and those are the
21 approval of city council minutes, approval of Resolution
22 299, Resolution 287, and Resolution 301.

23 So, with that, the final city administrator item
24 is checks released, and this is an informational item
25 only.

1 So we will move on to public comment. And
2 Patrick, could please take -- look to see if there are any
3 public comments?

4 MR. DOSTINE: Mr. Chair, we have one request,
5 from Mr. Kevin Barkman.

6 MR. BARKMAN: Kevin Barkman. I'm a police
7 officer here with the City of Ecorse. Currently union
8 president. And I just want to touch base on that MERS
9 issue. Is -- the frustration also comes from not just our
10 local unions, but POAM themselves. And they were trying,
11 when I just went to the POAM conference, and the year
12 prior, Terry and I went to the --

13 MR. SYKES: What's POAM?

14 MR. BARKMAN: Police Officer's Association of
15 Michigan.

16 MR. SYKES: Okay.

17 MR. BARKMAN: It's our union. The prior, Terry
18 and I were nominated to go to the MERS conference, and
19 that's where we learned that they basically said that
20 they're taking our amortization of 30 years down to 15.

21 So they had, when we went into this unfunded
22 liability class that they had, they had cities that are at
23 100 percent now at 50 percent. They're making these
24 decisions, and our union as a whole, you know, is pretty
25 upset about it, because MERS are strapping these already

1 financially strapped cities.

2 So they, I know, were trying to work to get some
3 kind of legislation where MERS has to go through Treasury
4 to make decisions like that; that they can't just openly
5 screw up city's financials, so, I mean that they don't
6 plan for. So and I just wanted to say that, you know, as
7 he said, you know, we feel like the redheaded stepchild;
8 that this isn't our fault. You know, and then when MERS
9 makes the decision that they want to do, without taking
10 consideration that cities are trying. It's not like we're
11 receiving the cable bill, and hey, you come and shut it
12 off, I'm going to kick you off my property. It's not like
13 that; we want to pay it, you know.

14 We have people that worked several years to --
15 this is all we got. It's all we got. We haven't had
16 raises in nine years, but I mean now all of a sudden I'm
17 going to lose my pension? You know, I mean, that's the
18 way it looks right now, so. At any rate, that's all I
19 just wanted to let you guys know.

20 MR. SYKES: No, I appreciate your comment, and
21 it's clearly an issue, a real large issue for the City of
22 Ecorse.

23 Any further public comment?

24 MR. DOSTINE: That concludes public comments.

25 MR. SYKES: Okay, board comments?

1 I have none.

2 MR. BOVITZ: I just want to share an experience.
3 We had a public forum hosted by Michigan State University,
4 a graduate program. They're doing a study of how Public
5 Act is working throughout Michigan. Mayor Tidwell was
6 there, I was there, it was in Ecorse. The mayor of
7 Highland Park was there, and transition advisory board
8 members from Detroit and Pontiac were there. The mayor of
9 Hamtramck was there, and the CPA, a colleague of mine, who
10 was the emergency manager of Benton Harbor, was there.
11 And his interesting comments was that how Benton Harbor
12 has come out of receivership and, because of the models
13 and the examples that were left behind, have allowed the
14 city to then go forward and be off of the state's control.

15 So, there is hope on the horizon. I'm not sure
16 what this, how the final report's going to show the
17 comments -- oh, the mayor of Allen Park was there also,
18 Bill Matakis, and we're all sharing our experiences, and
19 we had some breakout sessions.

20 The state treasury from New Jersey and
21 Pennsylvania was there to kind of watch what we were
22 doing. We had a non-profit think tank that was there
23 monitoring, taking notes. And when I get the final
24 report, I'll share it with the RTAB board and with
25 Treasury to show how the summarized comments come forth.

DRAFT

1 But after the meeting they actually met with the
2 mayor, so Mayor Tidwell was there with the mayor of
3 Highland Park and Hamtramck, and they had a little powwow
4 after, so, and the mayor of Allen Park, so hopefully,
5 they'll have some progressive action out of that.

6 MR. SYKES: Thank you for those comments.

7 And with that, I'll entertain a motion for
8 adjournment.

9 MR. BOVITZ: So moved.

10 MR. SYKES: Support.

11 All those in favor say aye.

12 MR. BOVITZ: Aye.

13 MR. SYKES: Aye.

14 Those opposed?

15 (No response)

16 MR. SYKES: Thank you very much.

17 (Proceedings adjourned at 9:43 a.m.)

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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 November 7th, 2016, City of Ecorse. 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: November 17, 2016

s/ Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)
Certified Electronic Reporter