

City of Ecorse

Receivership Transition Advisory Board Meeting Minutes

Tuesday, September 13th, 2016

Ecorse City Hall

Council Chambers

Albert B. Buday Civic Center

3869 West Jefferson

Ecorse, Michigan 48229

RTAB MEMBERS PRESENT:

ROBERT BOVITZ  
JEFF SYKES  
JOAN BROPHY

ALSO PRESENT:

PATRICK DOSTINE  
Michigan Department of Treasury

Reported by:

Nina Lunsford (CER 4539)  
Modern Court Reporting & Video, LLC  
SCAO FIRM NO. 08228  
101-A North Lewis Street  
Saline, Michigan 48176  
(734) 429-9143/nel

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**Called to order at 9:10 a.m.**

**Tuesday, September 13, 2016**

MR. SYKES: Okay, are we ready? Mr. Dostine, please do the roll call.

MR. DOSTINE: Robert Bovitz.

MR. BOVITZ: Here.

MR. VAN de GRIFT: Joan Brophy.

MS. BROPHY: Here.

MR. VAN de GRIFT: Jeff Sykes.

MR. SYKES: Here.

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

MR. SYKES: Thank you very much.

First item is approval of the agenda. I'll entertain a motion to approve the agenda as presented.

MR. BOVITZ: So moved.

MR. SYKES: Any discussion?

MS. BROPHY: Support. I just had a discussion; do we need to add the additional -- or is it part of --

MR. DOSTINE: Nope, I mean, I think that's the board's -- a fair point to discuss right now.

MS. BROPHY: Okay. I'd like to add, we received a memorandum dated September 7th, for some new hires, so I'd like to add that to the agenda.

Is that sufficient?

MR. DOSTINE: I would say so. You know, I would

1 see this as actually four items, that there's two hires  
2 and two budget adjustments.

3 MS. BROPHY: Okay, so --

4 MR. SYKES: What's the best point, at which to  
5 have a discussion about these items? Because at this  
6 point, we're just putting this on the agenda.

7 MS. BROPHY: On the agenda.

8 MR. DOSTINE: Correct.

9 MR. SYKES: And then at what point in the --

10 MR. DOSTINE: It can be the first item, it could  
11 be the first item in new business, it could be the last  
12 item in new business.

13 MR. SYKES: Okay. Let's move that to first item  
14 in new business. Okay.

15 Any further discussion?

16 (No response)

17 MR. SYKES: Okay, so I'll entertain a motion to  
18 approve, including the new four items that were just asked  
19 to be added to the agenda.

20 MR. BOVITZ: Motion stands as amended.

21 MS. BROPHY: Support.

22 MR. SYKES: Let's see, no further discussion,  
23 all those in favor of the motion say aye. Aye.

24 MR. BOVITZ: Aye.

25 MS. BROPHY: Aye.

1 MR. SYKES: The agenda is approved.

2 At this point, I'd like to remind the audience,  
3 if you intend on speaking during the public comment  
4 portion of the meeting, it'll be necessary for you to sign  
5 in at the podium. Okay.

6 Next is the approval of RTAB minutes of the  
7 August 9th, 2016 meeting.

8 MS. BROPHY: Move to approve.

9 MR. BOVITZ: Support.

10 MR. SYKES: All right, any further discussion?

11 (No response)

12 MR. SYKES: Seeing none, all those in favor of  
13 the motion say aye. Aye.

14 MR. BOVITZ: Aye.

15 MS. BROPHY: Aye.

16 MR. SYKES: Minutes are approved.

17 Okay, we'll move on to old business. We have  
18 budget to actual reports, June and July, 2016.

19 Is this an opportunity to have a discussion, or  
20 to talk about those actual reports? Could we get comments  
21 on those?

22 MR. DOSTINE: You could. You could ask the city  
23 administrator to comment or the controller to discuss  
24 them, if you have questions.

25 MR. SYKES: Just generally, if you could go over

1 the budget to actual, and if there are any issues that you  
2 see in those budget to actuals.

3 MR. FLATEN: If you don't mind, I'd leave that  
4 up to the city controller to handle that, he's been here a  
5 little bit. He covers a lot of those while I've been  
6 acclimated.

7 MR. BOVITZ: We should revisit why it was moved  
8 to old business, originally, it was that we weren't able  
9 to approve it because there were questions, so hopefully  
10 those questions are now resolved so.

11 MR. SIDOWSKI: You have questions?

12 MR. SYKES: Mostly just kind of go through, one  
13 of the things I tend to do when we give presentations to  
14 city council or when I'm giving presentations to boards,  
15 just go through a couple of the items. Go through and see  
16 if there's anything that stands out, any particular  
17 issues.

18 MR. SIDOWSKI: Issues. For the last fiscal year  
19 ending June 30th, the city did well in the general funds.  
20 Our current numbers have been reflective -- wait a second;  
21 2015-16 activities projected at over \$900,000 general fund  
22 surplus.

23 Keep in mind that the city took \$2.4 million  
24 from fund balance to pay off \$2.4 million in debt, so that  
25 was restricted monies, though, so the city, operational-

1 wise, put \$900,000 back in non-restricted fund balance.  
2 Even though it spent \$2.4 million from restricted to pay  
3 off debt, to save the city in interest costs for going in  
4 the five year budget, that was a strategic move by the  
5 Department of Treasury and us, so the city could make its  
6 set payments more affordable, going into the future.

7 We're getting less than a half a percent in  
8 interest and those bonds were over six percent, so it made  
9 sense, instead of just having restricted money in the  
10 bank, to pay off debt. That's why that \$2.4 million was  
11 spent out of the general fund.

12 Street funds looked good as far as we're not  
13 doing capital projects, and you can see that in the local  
14 street fund, Fund 203, we're spending almost two and a  
15 half million dollars a year just on routine maintenance,  
16 filling potholes. Which, I don't know if you keep up with  
17 the Michigan Municipal League, but we were supposed to see  
18 an increase in road funding money this year, and that  
19 money was offset by general contributions going into the  
20 road fund, which is another concern for the city, because  
21 we're not going to see that big of an increase this year.

22 So for construction projects, if you drive down  
23 our roads, some of them will cause you a little bit to be  
24 nauseous. Because they're so, they're just potholes. So  
25 we're spending almost half a mill -- \$250,000 a year on

1 maintenance of potholes, which is another concern; that  
2 number keeps going up every year.

3 Rubbish is balancing out, that fund overall  
4 looks good, for now.

5 The library had a millage, additional millage in  
6 2015, that was levied. They are going to see -- the  
7 library put all its capital projects in this year, due to  
8 the fact that personal property tax eliminated any  
9 reimbursement for the library, because it was a 2015  
10 millage.

11 So coming up in the next year, you're going to  
12 see that revenue went from \$229,000 a year in taxes, down  
13 to \$142,000 in taxes, due to no reimbursements, due to the  
14 PPT loss. That's a challenge because there is no capital  
15 money for libraries any more, it's strictly operational.

16 Block grant is in and out; whatever we spend, we  
17 get reimbursement from Wayne County. Most of it is  
18 housing rehab and ordinance officer. They also will be  
19 paying off the remainder of the fire truck loans. And  
20 that goes out through the 2017 -- 2018 fiscal year.

21 And the city has little contribution for that  
22 principle -- for that interest. It's mostly paid through  
23 CDBG.

24 You can see Fund 395, stabilization, is where  
25 the city transferred \$1,975,000 to pay that bond.

1           We were going to pay that in February; Treasury  
2 will not allow us to pay that until November 1st, due to  
3 payments have to be made on the interest or principle  
4 payment schedule. So November 1st was the next possible  
5 due date, and that money will be transferred, nearly  
6 paying that bond off, those stabilization bonds off.

7           The judgment bond, Fund 396, is paid through a  
8 judgment levy. Whatever the taxable value is, times the  
9 principle and debt I set the -- millage at, and it's just  
10 a pass there for the next 20 years.

11           Water and sewer is where the concern lies.  
12 Revenues are unpredictable, usually through utility  
13 billing. On top of that, coming next fiscal year,  
14 revenues for water and sewer are -- have dropped, were  
15 down, on average, down seven million gallons a month, from  
16 purchasing from Great Lakes Water Authority. That's going  
17 to have an effect on the budget.

18           Also, fixed costs have gone up to almost two and  
19 a half million dollars, so for me to calculate a rate to  
20 pay the fixed costs, without using any -- purchasing any  
21 water, then due to U.S, Steel using less water, the rates  
22 on the agenda for this year have gone up significantly.  
23 And there's a public hearing on it tonight at 7:30.

24           So we'll see how that pans out, but that's how  
25 we ended up -- there was a surplus in the water and sewer



1 fund last year, of \$467,000, and I can tell you how that  
2 number comes about. That number comes about -- it's a  
3 budgeted number, due to the fact that the city budgets  
4 principle and interest payments for its bonds, along with  
5 depreciation.

6 The reason why the city does that is, if we left  
7 out principle and interest, and just left depreciation,  
8 we'd have no money for future projects or capital going  
9 out. So even though we budget for them, the principle  
10 payments are non-expense, as Treasury has noted.

11 They do know that we set that rate based on  
12 that, so that when a project comes available, the city has  
13 the funds and doesn't have to issue an SRF loan to fix  
14 water and sewer improvements.

15 That's why there's a surplus in that fund, even  
16 though that surplus amount equals the principle payments,  
17 so, that's why there was a surplus in last fiscal year.

18 MR. SYKES: I appreciate your comments.

19 I know that this, sort of, numbers are available  
20 to us but I think it's sometimes helpful to actually hear  
21 your comments, and hear where you feel the issues are, so  
22 I appreciate that.

23 One other question I had, though, is, I can't  
24 really necessarily tell, based on the fact that this was  
25 pull forward item, and when it actually went to city

1 council. I just want to make sure that when we're pulling  
2 something forward or voting on something, that it goes to  
3 city council first. Because we don't want to get in front  
4 of what city council's doing, so, that's just a comment,  
5 so. Okay.

6 MR. SIDOWSKI: I've been sending those to the  
7 clerk now, immediately after. They're prepared the same  
8 day and sent to the clerk's office, to go on the agenda,  
9 so that won't happen, going forward.

10 MR. SYKES: Okay, with that, I'll entertain a  
11 motion to approve the June and July 2016 budget to actual  
12 reports.

13 MR. BOVITZ: So moved.

14 MS. BROPHY: Support.

15 MR. SYKES: All right, any further discussion?

16 (No response)

17 MR. SYKES: Seeing none, all those in favor of  
18 the motion say aye. Aye.

19 MR. BOVITZ: Aye.

20 MS. BROPHY: Aye.

21 MR. SYKES: Opposed the same.

22 (No response)

23 MR. SYKES: Motion is approved.

24 Next for old business, we have resolution number  
25 223, pay adjustments.

1           Could we get a summary of these items, as well,  
2           for the board? Is that? Okay.

3           MR. FLATEN: That, I would assume, is from the  
4           memo that I had returned to council, mayor and council,  
5           regarding pay increases for members of the AFSCME unit, as  
6           well as for department heads.

7           We've got people here that haven't had pay  
8           increases in quite some time. And I thought it would be  
9           wise to make those adjustments, and present those  
10          adjustments not only to mayor and council, but to you.  
11          Council has approved them.

12          I don't want to get too far ahead in your  
13          meeting, but there is another adjustment that I need to  
14          make because we are short one person in our treasurer's  
15          office. We had an individual leave. We've interviewed  
16          other people for that position; I have one that I would  
17          like to hire. The problem has become the wage amount --  
18          \$10.50 an hour just doesn't get it.

19          When you can go to Burger King or CVS and make  
20          more money than that, for us to get the proper people into  
21          place, we need to pay a slightly higher rate than \$10.50  
22          an hour. But with this particular agenda, you had asked  
23          item, you had asked that we get a letter from the union,  
24          indicating that they accept our proposal, and we have that  
25          letter, I believe you have a copy of it made available to

1           you.

2                       MR. SYKES: Let me interrupt just for a second.  
3           And you don't have legal representation here, but, I  
4           noticed, but -- has legal taken a look at this? Do they  
5           feel that that's, they're comfortable, that's enough?

6                       MR. FLATEN: Legal's fine with that.

7                       MR. SYKES: Okay, it's a pretty brief letter,  
8           that's why I just wanted to make sure that legal took a  
9           look at that and said that they're comfortable.

10                      MR. FLATEN: It is. And I -- we didn't need to  
11           get -- I didn't think they would get too far into a number  
12           of sentences.

13                      MR. SYKES: Right, I just didn't know if there  
14           would be references to rules or what have you. But if  
15           legal is comfortable with it, that's fine.

16                      MR. FLATEN: Legal is comfortable with it.  
17           Mayor and council are comfortable with it.

18                      MR. SYKES: Okay.

19                      MR. FLATEN: And as I say, we need to adjust it  
20           for one other person; that just comes later. And these  
21           pay increases will be effective August 1st.

22                      MR. SYKES: Okay. One thing that I want to ask,  
23           though, and I don't know, Pat, if you've seen anything  
24           yet, but I haven't seen anything, as to, one of thing's  
25           we've been talking about is that five year budget

1 projection. Where we're seeing the shortfalls.

2 MR. FLATEN: I understand that.

3 MR. SYKES: Yeah, and what, really what I'm  
4 looking for is not to say, you have to have some sort of,  
5 these shortfalls dealt with. What we want to see is, now  
6 you've got your revenues, you've got your expenses, and  
7 then down at the bottom of each of those years, you'll see  
8 where there's a shortfall.

9 Below that, if we could get some, just some  
10 indications, it'll say something like, in order to shore  
11 this up, it might be, you know, here might be where it is  
12 in the budget that we're going to address that issue.  
13 Because one of the concerns is, is that as we continue to  
14 add expenses to a budget that already has a shortfall, is  
15 really and truly, how is that going to be -- you know, how  
16 is that going to be shored up?

17 It might be reduction of staff, it might be a  
18 reduction of services, it might be -- but, would it, you  
19 know, what is your projection? And it's not something  
20 that we're necessarily going to say, two years from now,  
21 you said, two years ago, that this is where it was going  
22 to come from.

23 I understand things change; I just want to make  
24 sure that as we're making decisions that affect the  
25 future, that there is some thought as to, you know, how

1 those shortfalls are going to be dealt with.

2 MR. FLATEN: Well, when you look at your five  
3 year projection, you have the wages that are in before the  
4 adjustment, have been put into that budget. The  
5 adjustments that we're making are going to be minimal, in  
6 terms of additional costs to the overall five year  
7 projection.

8 In truth, I think you all know, the problems  
9 with our five year projections are not \$30,000 in wages,  
10 or, over the next couple of years, a few thousand dollars  
11 each year. It is our pension costs, which is, for lack of  
12 a better term, almost astronomical.

13 MERS has not -- I don't think MERS has paid a  
14 lot of attention to the City of Ecorse in terms of their  
15 pension. If in fact we are negative funded in certain  
16 areas, and underfunded in others, nobody from MERS has  
17 contacted us and said hey, we'd like to sit down and help  
18 you out with this.

19 Any pension plan that I've ever been associated  
20 with, those that were operating the pension plan, would  
21 call or send a letter saying we've looked at your fund; we  
22 think we need to suggest some adjustments. We got nothing  
23 out of MERS.

24 Had Tim call them to set up a meeting where we  
25 could possibly set a fixed amount.

1 Did you get a call back?

2 MR. SIDOWSKI: No.

3 MR. FLATEN: No calls. So where do we go from  
4 there? Is my question.

5 MR. SYKES: Right. I mean, it's incredibly  
6 frustrating, I understand what you're saying there. And  
7 you're right, you're going to have to keep pushing in  
8 order to have discussions with these folks, in order to,  
9 you know, to deal with this potential issue. And it's  
10 good to hear that this is what you're saying, because the  
11 whole idea of a five year budget is so that you can be  
12 proactive, if in fact there are issues in the future.

13 And so that's part of what we're saying. It's  
14 not yes, we're not a few thousand -- 10, \$20,000 worth of  
15 increases, isn't -- if you said no to those things, isn't  
16 going to solve the problem. And it may exacerbate it,  
17 because as you've said, it's very difficult to retain  
18 folks. And I think in order for you folks to be  
19 successful, you need to be able to have retention of good  
20 employees.

21 So that's not what it's about. I really, I  
22 guess, want to be careful about linking the two. Really,  
23 what it is, is that it gives us as a board an opportunity,  
24 when something like this comes up, to say, okay, we'll  
25 approve this or we're going to hold off on approving this

1           until at least there's some thought on how those future  
2           shortfalls are going to be dealt with.

3           MR. FLATEN: I think what we need to do, okay,  
4           we need to have somebody do some arm twisting with MERS, a  
5           sit down with Tim, myself, and perhaps our auditors too.  
6           To -- if we were to say, okay, instead of \$4 million  
7           coming into your pension fund a year, we're going to put  
8           \$2 million in there every year. What does that look like  
9           down the road, in terms of growth in the pension fund, how  
10          much are we still going to remain underfunded?

11          Those are calculations that we can't do. Only  
12          they can do those calculations. So we need their input,  
13          to look at us, tell us what we can and cannot do. I mean,  
14          they're so restrictive, we couldn't even walk away from  
15          MERS if we wanted to. Without a great deal of work. But  
16          now that they're here, and we have to deal with them, send  
17          us somebody to help us.

18          And I think from your -- where you sit, as an  
19          advisory board, you can exert the influence on them. To  
20          sit with us, and tell us. Or if we gave them information,  
21          what would the effect be on pension fund? How do we get  
22          out of that negative funding situation, into a positive?  
23          And it's going to take time. And we know that.

24          But in, all of that over the five years, I think  
25          you all know, that we're facing reductions in value.



1 We're facing loss in revenue in the water department if  
2 we're not selling as much water as we're buying.

3 MR. SYKES: Right.

4 MR. FLATEN: So we have all those influences.  
5 And that needs to be factored in. This -- these changes  
6 in wages for these people, virtually has no effect on the  
7 budget whatsoever.

8 MR. SYKES: I hear that.

9 MR. FLATEN: We've made those changes.

10 MR. SYKES: Yup. I hear that. Patrick, I don't  
11 mean to put you on the spot here, but, in your dealings  
12 with some of the other cities, has this particular issue,  
13 dealing with MERS, is that at the forefront? Or do we  
14 have any experience, or do you have any experience or does  
15 anybody on the board have experience in trying to get in  
16 contact with the folks necessary in order for these guys  
17 to get together, to be able to sit down and deal with the  
18 pension shortfall?

19 MR. DOSTINE: So, without mentioning names, most  
20 recently one of the 436 communities did, were able to sit  
21 down with MERS and work out a payment arrangement going  
22 forward.

23 MR. SYKES: Okay.

24 MR. DOSTINE: Some big lump sums, as opposed to  
25 everything up front, and it did provide relief for the

1 city.

2 MR. SYKES: Okay, so with that being said, do  
3 you have any contacts at MERS, that we may be able to help  
4 these folks get at least get in contact with somebody  
5 that's willing to sit down and talk?

6 MR. DOSTINE: Sure, you know, I can go back  
7 after the meeting and reach out to this individual from  
8 the city, and find out who he opened up a discussion with  
9 at MERS, and try to connect the City of Ecorse with this  
10 individual.

11 MR. SYKES: Okay, so we'll go down that path and  
12 see what we can do in order to loosen that up. And today,  
13 I'm happy to at least move, and I'm only one person on the  
14 board, but, to approve the increases. But still, I do  
15 want to have, even if it's just a projection, these  
16 shortfalls.

17 You know, if you said, we're going to -- we're  
18 working to negotiate on dealing with the pension  
19 shortfall. There may be cutbacks -- I understand it's  
20 difficult, because if it turns out that it is a wage issue  
21 or an employment issue, that sends a sign to employees  
22 that you don't, you know, that it's difficult.

23 But it's also, you know, I would hate to give  
24 raises, give an impression that, you know, we're moving  
25 along in one direction with the staff and then, only to be

1 a year or two down the road.

2 MR. FLATEN: I don't know if it was included in  
3 your packet previously, but we did prepare a schedule for  
4 all those individuals for the next two years.

5 MR. SYKES: Okay.

6 MR. FLATEN: That's in there. And I'll revise  
7 that schedule for the additional person that's coming in,  
8 but, and like I said, I don't want to jump too far ahead  
9 in your agenda here, but with the new individuals that we  
10 wish to hire for the treasurer's office, there's actually  
11 a savings in this year, because she's only going to be  
12 here for nine months, as opposed to the individual that  
13 was here, that would have been in at 12 months.

14 MR. SYKES: Okay.

15 MR. FLATEN: So there'll be a slight reduction  
16 on that line item.

17 MR. SYKES: What point do we add that  
18 individual, and is that something that has to go to city  
19 council before we would contemplate that here, or?

20 MR. DOSTINE: Okay, so I think the individual  
21 you're alluding to, David, is --

22 MR. FLATEN: For treasury, she's a replacement.

23 MR. DOSTINE: That's the new --

24 MR. SYKES: Is that what we've already added?

25 MR. DOSTINE: Correct, that's right.

1 MR. SYKES: Okay, perfect. Okay.

2 MR. DOSTINE: Right. So --

3 MR. SYKES: I didn't know if that was new over  
4 and above, what we have here and what we just added to the  
5 agenda. Okay, I don't have any further questions, unless,  
6 do you folks? No? No further questions?

7 Thank you. Okay, so I'll entertain a motion to  
8 approve resolution number 223.

9 MR. BOVITZ: Move to approve.

10 MS. BROPHY: Support.

11 MR. SYKES: All right, any further discussion?

12 (No response)

13 MR. SYKES: Seeing none, all those in favor of  
14 the motion say aye. Aye.

15 MR. BOVITZ: Aye.

16 MS. BROPHY: Aye.

17 MR. SYKES: Opposed the same.

18 (No response)

19 MR. SYKES: Motion is approved.

20 MR. BOVITZ: For the record, when someone  
21 approaches the podium, they should identify themselves, just  
22 for the record.

23 MR. SYKES: Okay.

24 MR. BOVITZ: Like the controller who was up  
25 here.

1 MR. SYKES: Feel free to tap me on the shoulder  
2 any time. And with that, the motion is approved.

3 Okay, so now we're going to move on to new  
4 business.

5 So, with new business we'll go over this first  
6 item. Okay, so for the first item, we have approval of,  
7 can you help me out on this one? I think you read this.

8 MS. BROPHY: I know that we're going to approve  
9 two new positions first, and then two budget adjustments  
10 correct?

11 MR. DOSTINE: Correct. I think one thing to  
12 note, Mr. Chairman, is the one of the things David wants,  
13 people, new hire, is a part time ordinance officer. This  
14 individual's been approved by council. Is that --?

15 MR. FLATEN: They were the ones we requested.

16 MR. DOSTINE: Actually, I stand corrected. They  
17 don't need to go to council for approval.

18 MR. FLATEN: Right.

19 MR. DOSTINE: So, and I would note that the  
20 salary is going to be paid out of the community block  
21 grant funds, so it's a budgeted item.

22 MR. SYKES: Okay.

23 MR. DOSTINE: You know, it's a standalone piece;  
24 I would think of that as separate from the other items.

25 MR. SYKES: Okay.

1 MR. DOSTINE: And then there's the -- David  
2 wants to hire, or have the RTAB approve the hiring of this  
3 individual to work full time in the treasurer's office.  
4 Again, that does not have to go to council; Order 94  
5 allows them to hire with RTAB approval. What would be  
6 needed alongside that is the budget amendment for that,  
7 which has not gone to council.

8 MR. SYKES: Okay. So in this instance, we find  
9 ourselves in a spot again where we would be getting in  
10 front of council, in order to make these hires?

11 MR. DOSTINE: Not the hires, but the budget  
12 adjustments to --

13 MR. SYKES: But in this instance, you would be  
14 hiring somebody, and then -- it's got to come together. I  
15 mean, you can't hire somebody and not have the budget  
16 authority to pay for that.

17 MR. FLATEN: We've got the budget to pay for it;  
18 it's --

19 MR. SYKES: It doesn't have to go to the city  
20 council.

21 MR. FLATEN: The thing is, we went through a  
22 whole tax season, and a whole collection period. Two  
23 months, July and August. With no one, because that  
24 individual left. We had to interview to hire someone.

25 So what we had was the lady who was handling the

1 block grant money, the block grant funding, or the  
2 property issues that we had, and some assessing issues  
3 that we've run into lately. She was the one that was  
4 doing the work in the treasurer's office. So what we're  
5 doing -- all we're doing, really, is we're replacing an  
6 individual.

7 MR. SYKES: Okay, so this won't have to go back  
8 to the board for budget because it's already been  
9 contemplated, in a budget that had been taken to the  
10 council.

11 MR. FLATEN: It was in there, and like I had  
12 indicated, that individual that was there, she was  
13 budgeted for 12 months.

14 MR. SYKES: Okay.

15 MR. FLATEN: Individual taking her place,  
16 conceivably, nine months. So there is a savings, so  
17 there's no real effect on the budget whatsoever.

18 MR. SYKES: Okay. So Patrick, this won't have  
19 to -- the individual budget to cover these particular  
20 positions won't have to go back to city council? That's  
21 correct, right?

22 MR. FLATEN: It is on the agenda for council  
23 tonight, to approve the budget adjustment.

24 MR. SYKES: Oh, okay, so you are -- see, that's  
25 how I get a little nervous about us getting in front of

1 that.

2 MR. FLATEN: I wouldn't say you're getting in  
3 front of them, it's just that they know that it's a  
4 position that has to be filled. And it just turns out  
5 that your meeting came at 9:00 in the morning, and theirs  
6 comes at 7:30 at night.

7 MR. SYKES: Okay, how about this. Only because  
8 it's the same day, I mean any time that we vote on  
9 something before they vote on it, it's getting in front of  
10 them, in my book. Why we do something along the lines of  
11 contingent upon, which, really, I don't like this, because  
12 I really don't want to get in front of, but --

13 MR. DOSTINE: So, you know, it has happened  
14 where the RTAB can furnish an approval, contingent on  
15 council passing the budget amendments as they are here,  
16 exactly.

17 MR. SYKES: Okay.

18 MR. DOSTINE: That's all.

19 MR. FLATEN: That's fine.

20 MR. DOSTINE: I mean, it's a practice we don't  
21 like to do but I understand what you're saying. It might  
22 just be an administrative formality at this point, but I  
23 would word it in a way that, you know, the RTAB is  
24 furnishing approval contingent on Ecorse city council  
25 passing verbatim, you know, the way they're described in



1 this memo, this September 7th memo.

2 MR. SYKES: Okay. Now, I think that way that  
3 you described that, is very good. So if I could look to  
4 the record and say that I would move for approval, using  
5 Patrick's language.

6 MR. DOSTINE: Furnish an approval contingent on  
7 Ecorse city council passing, verbatim, the budget  
8 amendments as they're laid out in the September 7th memo  
9 before us.

10 MR. BOVITZ: So moved.

11 MS. BROPHY: Support.

12 MR. SYKES: All right, any further discussion?

13 (No response)

14 MR. SYKES: Seeing none, all those in favor of  
15 the motion say aye. Aye.

16 MR. BOVITZ: Aye.

17 MS. BROPHY: Aye.

18 MR. SYKES: Opposed the same.

19 (No response)

20 MR. SYKES: Motion is approved.

21 MR. FLATEN: Thank you.

22 MR. SYKES: Okay, now we'll move onto approval  
23 of resolution and --

24 MR. DOSTINE: Mr. Chairman?

25 MR. SYKES: Oh, I'm sorry.

1 MR. DOSTINE: Sorry. So, what we did not do  
2 yet, though, was approve the hires.

3 MS. BROPHY: The hires.

4 MR. SYKES: Oh, okay.

5 MR. DOSTINE: The hires. They're still -- you  
6 still want to be able to hire the full time person in  
7 treasurer, and then the ordinance officer.

8 MR. SYKES: Yes. And the ordinance officer.

9 MR. DOSTINE: Part time. And the RTAB does need  
10 to approve the city administrator's hires.

11 MR. SYKES: Okay.

12 MR. DOSTINE: Per Order 94.

13 MR. SYKES: Okay, so I will entertain a motion  
14 to approve the hires, as you have just mentioned, and as  
15 we have documentation before us.

16 MS. BROPHY: So moved.

17 MR. BOVITZ: Support.

18 MR. SYKES: All right, any further discussion?

19 (No response)

20 MR. SYKES: Seeing none, all those in favor of  
21 the motion say aye. Aye.

22 MR. BOVITZ: Aye.

23 MS. BROPHY: Aye.

24 MR. SYKES: Opposed the same.

25 (No response)

1 MR. SYKES: Motion is approved.

2 Thanks, Patrick.

3 MR. FLATEN: Thank you.

4 MR. DOSTINE: You're welcome.

5 MR. SYKES: Okay, next new business, we had a  
6 resolution from the regular city council meeting of July  
7 19th, 2016. There was a pull forward item in there, just  
8 to point that out. But I will go ahead and entertain a  
9 motion to approve the remaining resolutions. Oh, the  
10 motion that was pulled forward, there was a, I believe  
11 there was a couple.

12 MR. DOSTINE: Sure. There were three total.

13 MR. SYKES: There were three total; there was  
14 198, 200, and 203.

15 MR. DOSTINE: Correct.

16 MR. SYKES: Okay. So we're entertaining a  
17 motion to approve the remaining resolutions that were  
18 taken to the July 19th, 2016 board meeting.

19 MS. BROPHY: I'll move approval on that.

20 MR. BOVITZ: Support.

21 MR. SYKES: All right, any further discussion?

22 MR. BOVITZ: Was it the blight reduction, was it  
23 the disclaimer by the State treasury, and Joan's and your  
24 position?

25 MR. SYKES: Yes.

1 MR. BOVITZ: Okay, so that's all covered  
2 already?

3 MR. SYKES: Yes.

4 MR. BOVITZ: Okay.

5 MR. SYKES: All right, any further discussion?

6 (No response)

7 MR. SYKES: Seeing none, all those in favor of  
8 the motion say aye. Aye.

9 MR. BOVITZ: Aye.

10 MS. BROPHY: Aye.

11 MR. SYKES: Opposed the same.

12 (No response)

13 MR. SYKES: Motion is passed. Next we have  
14 Resolution 199, budget amendment for fiscal year 2015-  
15 2016. On this particular item, could we get a summary?

16 MR. SIDOWSKI: Budget amendment number six is  
17 pretty much how we ended up here, and June 30th, that's  
18 what it is. And I had pretty much, the budget to actual  
19 report that I went over prior to June 30th, 2016.

20 It had everything but some -- several accruals,  
21 and it does have a balanced budget through all the funds.  
22 As I said, in surpluses, and numerous funds, so budget  
23 amendment number six, for fiscal year 2015-2016, is ready  
24 for -- was approved by me and prepared by me. Like I  
25 said, projects a year end balanced budget with surpluses

1 in most of the funds.

2 MR. SYKES: All right. Thank you. Any further  
3 questions?

4 MS. BROPHY: No.

5 MR. SYKES: No? Okay, I'll entertain a motion  
6 to approve Resolution 199, which is budget amendment  
7 number six.

8 MR. BOVITZ: So moved.

9 MS. BROPHY: Support.

10 MR. SYKES: All right, any further discussion?

11 (No response)

12 MR. SYKES: Seeing none, all those in favor of  
13 the motion say aye. Aye.

14 MR. BOVITZ: Aye.

15 MS. BROPHY: Aye.

16 MR. SYKES: Opposed the same.

17 (No response)

18 MR. SYKES: Motion is approved.

19 Next we have a resolution from the regular city  
20 council meeting of August 21st, 2016. Let's see -- oh,  
21 for the record, Resolution 223, the pay adjustment, was  
22 dealt with in old business.

23 MR. DOSTINE: Correct.

24 MR. SYKES: Thank you.

25 So I'll entertain a motion to approve the

1 remaining resolutions from the regular city council  
2 meeting of August 1st, 2016.

3 MR. BOVITZ: So moved.

4 MS. BROPHY: Support.

5 MR. SYKES: All right, any discussion?

6 (No response)

7 MR. SYKES: Seeing none, all those in favor of  
8 the motion say aye. Aye.

9 MR. BOVITZ: Aye.

10 MS. BROPHY: Aye.

11 MR. SYKES: Opposed the same.

12 (No response)

13 MR. SYKES: Motion is approved.

14 Next we have resolutions from the regular city  
15 council meeting of August 16th. I will entertain a motion  
16 to approve the resolutions from the regular city council  
17 meeting of August 16th, 2016.

18 MS. BROPHY: So moved.

19 MR. BOVITZ: Support.

20 MR. SYKES: All right, any further discussion?

21 (No response)

22 MR. SYKES: Seeing none, all those in favor of  
23 the motion say aye. Aye.

24 MR. BOVITZ: Aye.

25 MS. BROPHY: Aye.

1 MR. SYKES: Opposed the same.

2 (No response)

3 MR. SYKES: Motion is approved.

4 Next is claims and accounts from regular city  
5 council meeting draft minutes of the August 30th, 2016.

6 I'll entertain a motion to approve the claims  
7 and accounts.

8 MR. BOVITZ: So moved.

9 MS. BROPHY: Support.

10 MR. SYKES: All right, any further discussion?

11 (No response)

12 MR. SYKES: Seeing none, all those in favor of  
13 the motion say aye. Aye.

14 MR. BOVITZ: Aye.

15 MS. BROPHY: Aye.

16 MR. SYKES: Opposed the same.

17 (No response)

18 MR. SYKES: Motion is approved. Okay, so the  
19 next we have, city administrator items. We have a number  
20 of items in here, approval of city council minutes, which  
21 were addressed in new business. Approval of budget to  
22 actual, which were also addressed, but those were in old  
23 business.

24 Approval of Resolution 198, that was addressed  
25 in new business. We have the approval of Resolution 223,

1 and this was addressed in old business.

2 Should I go through each of these, Patrick, or?

3 MR. DOSTINE: I think you can just read into the  
4 record that these items relate to second and final  
5 readings of proposed ordinances, and if you would like the  
6 city administrator to elaborate, call him up.

7 MR. SYKES: Okay. Well, I'll just keep going  
8 through these, then. So items five, six and seven and  
9 eight, which are the next items coming up, are approvals  
10 of, as you said, the rest -- the second and final reading  
11 of proposed ordinances 16.16, 16.17, 16.18, and 16.19, all  
12 addressed in new business.

13 So that is seven and eight. We have talked  
14 about the approval of hiring new -- oh no, number eight,  
15 actually, do we have any discussion or questions about the  
16 approval of hiring new part time police officers? I know  
17 that was something we discussed at the last meeting?

18 MR. DOSTINE: Perhaps do you want to provide  
19 some information or -- chief of police?

20 MR. MOORE: Michael Moore, Public Safety  
21 Director. We had a retirement.

22 MR. SYKES: Okay.

23 MR. MOORE: And what happened is, the part time  
24 officer we had, moved into that -- I think it's in your  
25 notes, has moved into the permanent position. So we need



1 to bring somebody in for that part time spot that's  
2 vacated.

3 MR. SYKES: Okay.

4 MR. MOORE: And there's no changes to anything.  
5 But one thing I would like to also point out, I think  
6 there was something that was brought up at prior meetings  
7 with the RTAB. It's been a little difficult for us to get  
8 candidates. And what happens, is, because we have to go  
9 to the RTAB, we have to do this for -- just the process  
10 itself, sometimes stretches out for longer than two  
11 months. Just trying to get people in.

12 So once we get them in here and get them ready  
13 to go, it's been an issue, because we've got six very good  
14 candidates that did not come, because of the delay that it  
15 takes for us to get these people on board.

16 MR. DOSTINE: Okay, now I --

17 MR. MOORE: I just wanted to put that on the  
18 record.

19 MR. SYKES: I appreciate your frustration, and I  
20 can see where having to wait for particular meetings to  
21 get something accomplished can be a hindrance.

22 MR. MOORE: It's -- we had six very good  
23 candidates that we lost. Just trying to get them into the  
24 system.

25 MR. SYKES: And that's unfortunate, I mean, you

1 know, public safety's incredibly important. The thought  
2 of losing good candidates, that's not good.

3 MR. MOORE: Yeah. I agree.

4 MR. SYKES: Thank you for your comments. I'll  
5 entertain a motion to approve the hiring of a part time  
6 police officer.

7 MR. BOVITZ: So moved.

8 MS. BROPHY: Support.

9 MR. SYKES: All right, any further discussion?

10 (No response)

11 MR. SYKES: Seeing none, all those in favor of  
12 the motion say aye. Aye.

13 MR. BOVITZ: Aye.

14 MS. BROPHY: Aye.

15 MR. SYKES: Opposed the same.

16 (No response)

17 MR. SYKES: Motion is approved.

18 Let's see, we have next, approval of Resolution  
19 251, acquire police patrol canine.

20 Just out of curiosity, what's the cost  
21 associated with the canine? Is that training, that's the  
22 dog, that's -- I was kind of surprised when I saw.

23 MR. MOORE: The dog itself, and then it's their  
24 training. And then it's recertification. But I'd just  
25 like to remind you, all of these funds are coming from

1 Auto Theft, there's no tax dollars involved in the  
2 expenditures.

3 MR. SYKES: Okay.

4 MR. MOORE: But the dog itself is quite pricey.  
5 And we're looking at several -- because we're waiting on  
6 getting some additional funds, and we'd like to get  
7 another one. For both night shifts, and as I said, it  
8 will not cost any tax dollars, we're just waiting on  
9 another source of income from the Auto Theft Unit.

10 MR. SYKES: Okay. All right. Thank you.

11 MR. MOORE: Yes.

12 MR. SYKES: Okay. Let's see what we have next  
13 here.

14 MR. BOVITZ: Do we have to -- do we approve  
15 that, or is that just new business?

16 MR. SYKES: That was addressed in new business.

17 MR. BOVITZ: I just wanted to comment. Axel was  
18 the dog you lost; do you have a name picked out for the  
19 new dog yet?

20 MR. MOORE: Not yet. We'll find out once we get  
21 going.

22 MR. BOVITZ: I just wanted to say, my experience  
23 with canine units is watching how children interact, so  
24 beyond the law enforcement aspect, that the benefit of  
25 having a canine unit is the public benefit of having the

1 PR with the community, especially the children. I mean,  
2 you bring the dog to the schools and so forth. I think  
3 it's a great opportunity to promote the law enforcement in  
4 a positive manner.

5 MR. SYKES: Okay, thank you.

6 So next we have approval of Resolution 267; this  
7 is insurance coverage renewal. And this is an item that's  
8 occurring outside of our normal review period, and so I  
9 just wanted to make it clear that this is an item that  
10 we'd be pulling forward.

11 Mr. Flaten, can you please provide a summary of  
12 this insurance coverage renewal?

13 MR. FLATEN: This coverage is through the  
14 Gallagher Company. We've been using Gallagher for a time  
15 period, now. The controller did go out and talk to other  
16 companies, but they decided not to quote. So we are  
17 recommending going with Gallagher.

18 We're saving \$36,000 because they're not using a  
19 surplus lines coverage on some of their issues. Some of  
20 the coverage that we require. And that did save us, like  
21 I say, the \$36,000.

22 MR. SYKES: Now, the process for determining,  
23 you know, whether or not you can get other vendors to  
24 provide these services. Is it where you reach out to  
25 them, or it something that's posted somewhere and folks

1 can reach out?

2 MR. FLATEN: We reach out to them.

3 MR. SYKES: Okay. How's a list put together?  
4 How do you decide who you're going to reach out to?

5 MR. FLATEN: Well, I can let Tim answer the  
6 question on who we reached out to, I think, because he's  
7 familiar with these people in the past. And that's  
8 generally what we would have done. Gallagher has been  
9 very good to us, no that we shouldn't bid out or go out  
10 and see what the market will bear.

11 MR. SYKES: Okay.

12 MR. FLATEN: But we are noticing that we're  
13 having difficulty in getting bids from people. And I know  
14 Tim spent a lot of time with the other companies, because  
15 they came out, went through the building, asked a lot of  
16 questions, and.

17 MR. SYKES: Okay. So, how long is this renewal?  
18 What's the renewal period, one year?

19 MR. FLATEN: A year.

20 MR. SYKES: One year? So next time, when it  
21 comes up, though, can we see some sort of list, of those  
22 that have been, you know, were reached out to?

23 MR. FLATEN: I would think we could -- what  
24 we'll do for next time, is we'll put bid lists together,  
25 similar to what we did with the -- we just put out bids

1 for roofing.

2 MR. SYKES: Okay. Sure.

3 MR. FLATEN: And we had specs drawn up. We'll  
4 do the same thing with the insurance. We have to have  
5 this coverage, and so forth and so on. We'll send it out  
6 to various companies, and if they want to bid, okay, if  
7 they don't, then they'll tell us.

8 MR. SYKES: Okay.

9 MR. FLATEN: And we can give you a list of what  
10 we've done, and who we did reach out to.

11 MR. SYKES: That's perfect, that's best  
12 practices, definitely. Let me just ask this really  
13 quickly, then. So if we didn't reach out to a number of  
14 different vendors in this, does this in any way violate  
15 any of your procurement policies?

16 MR. FLATEN: Nope. It doesn't.

17 MR. SYKES: Okay. All right, thank you. I'll  
18 entertain a motion to approve 267, the insurance coverage  
19 renewal.

20 MS. BROPHY: So moved.

21 MR. BOVITZ: Support.

22 MR. SYKES: All right, any further discussion?

23 (No response)

24 MR. SYKES: Seeing none, all those in favor of  
25 the motion say aye. Aye.

1 MR. BOVITZ: Aye.

2 MS. BROPHY: Aye.

3 MR. SYKES: Opposed the same.

4 (No response)

5 MR. SYKES: Motion is approved. Number 11 is  
6 approval of Resolution 252, acceptance of firefighters  
7 grant, and this was addressed in new business. Last is an  
8 informational only, it is checks released.

9 So at this point, Mr. Dostine, public comment.

10 MR. DOSTINE: Mr. Chair, there are no requests  
11 today, for public comments.

12 MR. SYKES: Okay.

13 With that, do we have any board comment?

14 MS. BROPHY: I have none.

15 MR. SYKES: I have none. Except for, I  
16 apologize again, five minutes. Next month, I'll leave  
17 another 30 minutes early. See if I can make it here on  
18 time, that's embarrassing.

19 So lastly is adjournment, there is no further  
20 business, so I'll entertain a motion to adjourn.

21 MS. BROPHY: Motion.

22 MR. BOVITZ: Support.

23 MR. SYKES: All those in favor say aye. Aye.

24 MR. BOVITZ: Aye.

25 MS. BROPHY: Aye.

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MR. SYKES: Opposed the same.

(No response)

MR. SYKES: Motion is approved, and unanimously,  
the meeting is concluded.

(Proceedings adjourned at 9:53 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 September 13th, 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: September 22, 2016

*s/ Amy Shankleton-Novess*

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Amy Shankleton-Novess (CER 0838)  
Certified Electronic Reporter