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CITY OF FLINT

RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING

WEDNESDAY, MARCH 29, 2017

2:00 p.m.

Special Meeting before the

RTAB Board at 430 W. Allegan, First Floor, Lansing,
Michigan, on Wednesday, March 29, 2017.

BOARD MEMBERS PRESENT:

Frederick Headen - The Chairperson
Michael Finney (By phone)
Joel Ferguson
Michael Townsend (By phone)

FROM THE CITY:

Chief of Staff, Steven Branch
Chief Financial Director, Dave Sabuda
Purchasing Director, Derrick Jones

OTHERS PRESENT:

R. Eric Cline

REPORTED BY: Mona Storm, CSR# 4460

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4	UNFINISHED BUSINESS	
5	None	3
6	NEW BUSINESS:	
	Approval of Resolutions Regarding Lead Service	
7	Line Replace and Subsequent Restoration work	3
8	Resolution 170152 - 170159, approved	9
9	Approval of Amendment of Ordinances	
10	170092, Ordinance No. 4084	11
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12	PUBLIC COMMENT	
	None	11
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1 Lansing, Michigan

2 Wednesday, March 29, 2017

3 2:01 p.m.

4 THE CHAIRPERSON: Meeting is called to order.

5 Let the record reflect that we do have a quorum present
6 consisting of myself here, Mr. Finney and Mr. Townsend
7 participating by conference call.

8 The next item is the approval of the agenda.
9 Given the fact that this is a Special Meeting of the
10 RTAB, I'll presume that there are no additions to the
11 agenda and consider the agenda to be approved, as
12 transmitted previously.

13 There is no Unfinished Business before us
14 this afternoon.

15 That takes us to New Business. We have a
16 number of resolutions to consider. We'll begin with
17 resolutions that were approved, as I understand it, by
18 the City Council this past Thursday, March 23rd. They
19 are Resolutions 152 through 159. I'm going to call
20 upon Mr. Cline to summarize those resolutions for us.

21 Mr. Cline, please.

22 MR. CLINE: All right. Thank you very much.

23 We have a number of resolutions that deal
24 with either the restoration of right-of-way for service
25 line replacement or actual service line replacement

1 the three contractors.

2 I don't know if he heard.

3 THE CHAIRPERSON: Mike, we have here with us
4 both the Chief of Staff, Mr. Branch, as well as
5 Mr. Sabuda, the Chief Financial Officer. I believe
6 Mr. Branch was --

7 MR. BRANCH: Yes. The cost varies between
8 the contractors and there is a detailed breakdown of
9 what the costs are in the package.

10 MR. FINNEY: Oh, okay. Thank you.

11 THE CHAIRPERSON: And, since we do have those
12 two gentlemen here, do either one of you want to
13 elaborate upon any of these resolutions for us?

14 MR. BRANCH: I guess the one thing to note is
15 that each of the ten zones comprise of 600 homes. That
16 gets us to the 6,000 lines that we need to replace in
17 2017. And, again, as I mentioned, the contractors'
18 price vary depending on the length of the pipe to each
19 home. So there are some differences in the prices.

20 MR. SABUDA: Mr. Chair.

21 THE CHAIRPERSON: Mr. Sabuda?

22 MR. SABUDA: I would also like to add that
23 you have on the agenda -- you have not only the
24 construction piece but you also have the restoration
25 piece that was competitively bid. There are three --

1 three that were granted an award?

2 MR. JONES: Correct.

3 MR. SABUDA: And one of them being City's DPW
4 and then there's two other from the private sector.
5 The City's DPW was the lowest bidder, that would be the
6 AFSCME, Resolution --

7 MR. BRANCH: 152.

8 MR. JONES: 152.

9 MR. SABUDA: -- 152. Thank you. Yeah, right
10 at the top there. There you go. And so there are two
11 different types of services that are going on here
12 you'll be approving. And, as Mr. Branch has pointed
13 out, the construction piece but you'll also have the
14 restoration piece.

15 That also will vary because it comes down to
16 how many holes that will be fixed and filled. So
17 some -- you may have one per home but you may have one
18 per one home or two homes or three homes, depending on
19 how that hole is dug. So, at the end of the day,
20 everything was bid out on a per-unit basis. And the
21 bids were evaluated based upon that per-unit basis.

22 Derrick, did I miss anything?

23 MR. JONES: That's about it.

24 MR. SABUDA: Okay.

25 THE CHAIRPERSON: How quickly do you

1 anticipate the work will begin?

2 MR. BRANCH: About two-and-a-half weeks,
3 maybe.

4 MR. SABUDA: We're -- by the end -- probably
5 by the end of the month, if not sooner.

6 THE CHAIRPERSON: The end of --

7 MR. JONES: April.

8 MR. SABUDA: April.

9 THE CHAIRPERSON: -- April?

10 MR. SABUDA: Right, end of April. I'm sorry.
11 Thank you. April, yes.

12 THE CHAIRPERSON: Gentlemen, other questions?

13 If not, is there a motion that Resolutions
14 152 through 159 approved by the City Council at the
15 Special Meeting on March 23rd be approved by us?

16 MR. SABUDA: Mr. Chair, if you may -- if I
17 may?

18 MR. TOWNSEND: So move.

19 THE CHAIRPERSON: Is there support?

20 MR. FINNEY: Support.

21 THE CHAIRPERSON: Any further questions?

22 Mr. Sabuda?

23 MR. SABUDA: Thank you, Mr. Chair.

24 THE CHAIRPERSON: One last point?

25 MR. SABUDA: Yes. Item Number 8, you're

1 really approving there that is the revenue side of the
2 equation there on Item Number 8. So what's happening
3 here is Counsel has accepted the 120 million, the
4 hundred coming from the Federal Government, 20 from the
5 State Government.

6 As you -- as this is being -- as this will be
7 given to us, it will come to us in five installments,
8 1.5 million for the corrosion study, 40 million for
9 service line replacement and then you have 10 million
10 for water main replacement. Then there are two
11 conditional items, which would be the plant and water
12 meters. Those two projects still have to run through
13 the DWRLF process. And our DWRLF plan will have to be
14 amended, especially for the meter piece.

15 Now, what will happen is, as we go through
16 those five installments, we will receive those dollars.
17 We'll be working with Treasury, we'll be doing a -- a
18 draw-down bond on each of the five installments.

19 And right now we've asked the Counsel to
20 appropriate the 32 million for the first 40 million in
21 expenses. The other \$8 million will be coming from,
22 we're anticipating, the CHIP fund, from DHHS, CHIP.
23 We're starting to walk through that process. We're
24 trying to finish that process, I should say with DHHS
25 so that those -- we're looking for approximately

1 8 million.

2 We think, out of the 6,000 homes, there's
3 going to be about 1,200 CHIP homes or Medicaid homes.
4 And that is basically we're looking at about \$5- to
5 \$7 million right there in -- in Medicaid dollars. So
6 that's where we are there. That will come to you next
7 meeting. Okay?

8 We're still waiting for Erin Emerson and the
9 DHS crew to give me a final e-mail that -- stating that
10 the funds are there, that's -- I should have that
11 tomorrow and we go from there.

12 So we're looking at 40 million in expenses.
13 We have 32 million in revenue that you're looking at
14 there, and next meeting you'll see the next 8. Thank
15 you.

16 THE CHAIRPERSON: Thank you.

17 Any questions; questions on the adoption of
18 the motion?

19 Then those in favor, please say "aye".

20 BOARD MEMBERS: Aye.

21 THE CHAIRPERSON: Opposed?

22 Motion is adopted.

23 The next item of business concerns amendments
24 to two ordinances. These are City Council Resolution
25 092 and 093. And I believe these both concern payments

1 in lieu of taxes.

2 MR. FINNEY: Mr. Chair, just a -- just a
3 separate question. I thought I heard a third voice so
4 I don't know if Joel joined us or not.

5 THE CHAIRPERSON: Mr. Ferguson has joined us.

6 MR. FINNEY: Okay. Okay. Thanks.

7 THE CHAIRPERSON: Mr. Cline?

8 MR. CLINE: Yes. Resolutions 92 and 93, at
9 your last meeting in March, you approved the first
10 reading of those two ordinances. The City Council
11 subsequently conducted a second reading and adopted
12 these ordinances. Resolution 92 amends Chapter 18 of
13 the Code of Ordinances, which approves the payment in
14 lieu of taxes program.

15 Resolution 93 sets the duration of the
16 payment in lieu of taxes up to 30 years.

17 THE CHAIRPERSON: And, Mr. Branch or
18 Mr. Sabuda, any elaboration upon either of these
19 resolutions?

20 MR. SABUDA: No, we're fine.

21 MR. BRANCH: No.

22 THE CHAIRPERSON: Are these annual events? I
23 seem to recall, in March of 2016, some items similar to
24 this involving MSHDA properties came before us.

25 MR. BRANCH: It all depends on what MSHDA

1 properties are being worked on at the time. So this
2 one was for a particular property that they want to
3 develop. So, when you develop a property, they may
4 come and ask for these type of ordinances.

5 THE CHAIRPERSON: I see.

6 Is there a motion that City Council
7 Resolutions 092 and 093, that has just been summarized
8 by Mr. Cline, be approved?

9 MR. FERGUSON: So move.

10 THE CHAIRPERSON: Is there support?

11 MR. FINNEY: Support.

12 MR. TOWNSEND: Support.

13 THE CHAIRPERSON: Any questions, gentlemen?

14 If not, those in favor of the motion, please
15 say "aye".

16 BOARD MEMBERS: Aye.

17 THE CHAIRPERSON: Opposed?

18 Motion is adopted.

19 Next item is Public Comment.

20 Mr. Cline, did anyone --

21 MR. CLINE: No, sir.

22 THE CHAIRPERSON: No Public Comment.

23 Is there a motion that we adjourn?

24 MR. FERGUSON: So move.

25 THE CHAIRPERSON: Is there support?

1 MR. TOWNSEND: Support.

2 THE CHAIRPERSON: Without objection, we are
3 adjourned. Thank you.

4 (Meeting was concluded at 2:12 p.m.)

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C E R T I F I C A T E

I, Mona Storm, do hereby certify that I have recorded stenographically the proceedings had and testimony taken in the meeting, at the time and place hereinbefore set forth, and I do further certify that the foregoing transcript, consisting of (13) pages, is a true and correct transcript of my said stenographic notes.

Date

Mona Storm
CSR-4460

