

City of Lincoln Park
Receivership Transition Advisory Board Meeting Minutes
Tuesday, February 21, 2017
Lincoln Park City Hall
Council Chambers
1355 Southfield Road
Lincoln Park, Michigan 48146

RTAB MEMBERS PRESENT:

KEVIN BONDS
JESSICA THOMAS
JOHN ZECH

ALSO PRESENT:

PATRICK DOSTINE, Michigan Department of Treasury

MATT COPPLER, City Manager

LISA GRIGGS, Finance Director

Reported by:

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Called to order at 1:02 p.m.

MR. BONDS: Good afternoon, everybody. Let's call the meeting to order with roll call.

MR. DOSTINE: Genelle Allen.

(No response.)

MR. DOSTINE: Brenden Dunleavy.

(No response.)

MR. DOSTINE: Jessica Thomas.

MS. THOMAS: Present.

MR. DOSTINE: John Zech.

MR. ZECH: Present.

MR. DOSTINE: Kevin Bonds.

MR. BONDS: Here.

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

MR. BONDS: Okay. Approval of agenda. The chair will entertain a motion to approve the agenda as presented.

MR. ZECH: So moved.

MS. THOMAS: Support.

MR. BONDS: Any further discussion?

(No response.)

MR. BONDS: Hearing none, all those in favor, signify by stating aye.

MS. THOMAS: Aye.

MR. ZECH: Aye.

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MR. BONDS: Aye.

Motion passes.

Just a reminder, public must sign up to speak during the public comment portion of the meeting.

Approval of RTAB meetings (sic) from the regular meeting of January 17, 2017. Chair will entertain a motion to approve the January 17, 2017 RTAB minutes as presented.

MS. THOMAS: So moved.

MR. ZECH: I support the motion.

MR. BONDS: Any further discussion?

(No response.)

MR. BONDS: Hearing none, all those in favor signify by stating aye. Aye.

MS. THOMAS: Aye.

MR. ZECH: Aye.

MR. BONDS: Motion passes.

Old business. None.

New business. The RTAB evaluation.

Mr. Dostine, please provide a summary of this to the board, please.

MR. DOSTINE: Sure.

Mr. Chair, on December 22nd, 2015, the governor appointed the Lincoln Park RTAB. In the governor's appointment letter, there's a number of RTAB duties

1 listed, one of which is to perform an annual evaluation.
2 The evaluation is designed to do a one year lookback at
3 the operation of fiscal matters and variables of Lincoln
4 Park. The instrument itself, it's right here, it's about
5 12 pages, it is comprised of Order 60, operational fiscal
6 indicators, and to a lesser extent, PA 436. How it will
7 work is I will make an interview date with the, or
8 appointment with the city manager, the finance director,
9 and the mayor, that usually takes two to three hours, and
10 we will cover -- it's a very exhaustive instrument that's
11 been put together.

12 I will also reach out to each and every RTAB
13 member by way of telephone and conduct, I think I have six
14 questions that I'll ask you, and I integrate into the
15 actual narrative of the evaluation. Once the data is
16 compiled and written up and a narrative is developed, it
17 will be presented to the RTAB in draft form. At that
18 point then the evaluation is really up for your
19 consideration to approve it. If you have some comments on
20 it and you want to see some revisions, reworks, that can
21 happen. But ultimately you will then vote to approve it
22 to move it forward to the governor's office recommending
23 one of three paths: that status quo remain, the RTAB still
24 meets monthly and nothing changes; the second possibility
25 is a step-back, that the RTAB would not meet on a monthly

1 basis. The order would be revised in a way that would
2 hand back more local control to the city. Or the other
3 recommendation would be a full release of receivership.
4 And that's it in a nutshell.

5 MR. BONDS: Okay. Questions?

6 MR. DOSTINE: I'll be happy to take questions.

7 MR. BONDS: Yes.

8 Actually, I have a question.

9 MR. DOSTINE: Sure.

10 MR. BONDS: What are you estimating to be the
11 timeframe for this to come back to the board?

12 MR. DOSTINE: So ideally I would like to have a
13 draft for you at the March meeting.

14 MR. BONDS: March. Okay.

15 MR. DOSTINE: Yeah. But having said that, you
16 know, this I think will be my fourth or fifth evaluation,
17 and I've never turned it around within that 30 days. What
18 happens is, you know, I have to send it up the ladder,
19 show it to the managers.

20 MR. BONDS: So let's go with April.

21 MR. DOSTINE: Right. And then, of course, you
22 know, present it to you guys. Let you take a look at it,
23 the RTAB. So ideally March; probably more realistically,
24 April.

25 MR. BONDS: Okay.

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MR. ZECH: That was my question.

MR. BONDS: All right. Any other questions?

(No response.)

MR. BONDS: Chair will entertain a motion to commence the RTAB evaluation process.

MS. THOMAS: So moved.

MR. ZECH: Support.

MR. BONDS: Any discussion?

(No response.)

MR. BONDS: Hearing none, all those in favor signify by stating aye.

MS. THOMAS: Aye.

MR. ZECH: Aye.

MR. BONDS: Aye.

Motion passes.

Approval of resolutions and ordinances for city council meetings. Resolutions from the regular city council meeting of January 3, 2017. Please note that Resolutions 2017-04, 2017-10, and 2017-12 were approved at our last board meeting.

Chair will entertain a motion to approve the remaining resolutions from the January 3, 2017 regular city council meeting with the exception of Resolution 2017-05, which is the waive bid for purchase of Toughbooks.

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MS. THOMAS: So moved.

MR. ZECH: So I support.

MR. BONDS: You guys are on a roll. I haven't had a chance to get Mr. Coppler up. Let's have Mr. Coppler come. We'll keep that motion in place on Resolution 2017-05, which is the waive bid purchase Toughbooks.

MR. COPPLER: So you might remember that the city received a Distressed Cities Grant last year, and the grant was for the purchase of Toughbooks for the fire department, and the amount was about \$21,000. The fire department went through an exhaustive research process. I think they tested a couple different types of tough, ruggedized laptops and selected this particular brand that they're looking to purchase.

It's waving a bid because, you know, our policies currently say that anything over \$5,000 needs to be bid out. However, the process they went through I felt was probably more exhaustive than what a bid process would have been and is still within the \$25,000 expenditure authority that the city has before it has to go get authorization from the RTAB and council.

So I believe that they did a very exhaustive process, and the fire chief is here to explain what that process was if you have any questions in detail about

1 that, or in detail about what they're looking to purchase.

2 MR. BONDS: So this came out of the Distressed
3 Cities grant?

4 MR. COPPLER: Correct.

5 MR. BONDS: Yeah. I know that this is an
6 investment by the treasury.

7 MR. COPPLER: Yes.

8 MR. BONDS: And speaking on behalf of treasury
9 is definitely a good investment, so I will leave at --

10 MR. COPPLER: Yeah, it's definitely, it's going
11 to improve the ability for information to be shared in the
12 vehicles, going to fire scenes, not fire scenes, and at
13 rescue scenes, so.

14 MR. BONDS: Okay.

15 MR. COPPLER: It's needed, and that's one of the
16 reasons why they applied for it.

17 MR. BONDS: Any questions?

18 Yes, sir.

19 MR. ZECH: Thank you.

20 Is this through a state bid or does the state
21 through Mitten or one of the -- is there -- are you buying
22 these through the state or is this, you're going through a
23 private company?

24 MR. COPPLER: Yeah, this -- I don't believe that
25 the company that was selected is on state bid. The way

1 that, and I don't know if you're aware, but the way the
2 state bid had done it, they effectively, you know,
3 selected a couple different vendors that sell it. I think
4 they're Dell products for the most part, Toshiba made, and
5 may not be the one, because I think these are Toshibas,
6 right?

7 CHIEF MARTIN: These are Panasonic.

8 MR. COPPLER: Panasonics. That's right. So I
9 think they had Toshibas and Dells. But based upon the
10 review of the different type of equipment, this worked
11 better within the confines of the vehicles and the
12 operations that they saw, they felt that these machines
13 were a better fit than that.

14 MR. ZECH: How many are you wishing to purchase?

15 CHIEF MARTIN: Four.

16 MR. COPPLER: Four.

17 MR. ZECH: Okay.

18 MR. COPPLER: I was going to say three. I don't
19 know why three is in my mind, but four.

20 MR. ZECH: Okay, and so these would be on your
21 pumper, ladder truck, those kind of things, and rescue
22 vehicles? Yes. You have two rescue vehicles?

23 MR. COPPLER: I'll let him speak.

24 MR. ZECH: Okay.

25 MR. COPPLER: He's more fluent on this one.

1 CHIEF MARTIN: They'll be on all the apparatus.

2 MR. ZECH: Okay.

3 CHIEF MARTIN: But especially the biggest need
4 would be our rescue at this time.

5 MR. ZECH: Okay. I have no further questions.

6 MR. BONDS: All right.

7 MR. ZECH: Thank you.

8 MR. BONDS: Any other questions?

9 MS. THOMAS: I do as well. Can you just
10 describe the process that you did go through to evaluate
11 these?

12 CHIEF MARTIN: So I went to MiDeals, the state
13 bid website. I was unable to find anything remotely close
14 to what we had on there. So I was looking for vendors who
15 sold Toughbooks. There's a lot of resellers who added an
16 extra cost. So I was going right to customer vendors and
17 I asked for quotes. I found three vendors. They were,
18 all three of them I believe were in Michigan. Out of the
19 three, two of them submitted quotes, and I went with the
20 lower.

21 MS. THOMAS: Is there any room in there for
22 maintenance and upkeep for these?

23 CHIEF MARTIN: Yeah, there's a warranty, it's a
24 four year warranty and it's, they call it a public safety
25 package. Everything comes together. It's got extra

1 batteries, it's got truck mounts for inside the vehicles,
2 antennas, and I believe that's it.

3 MS. THOMAS: That's awesome.

4 CHIEF MARTIN: Actually I have the whole thing
5 here.

6 MR. BONDS: Okay.

7 MR. COPPLER: I think that was one of the
8 reasons that you selected this particular company is that
9 there was that package that --

10 CHIEF MARTIN: Right. It's called the public
11 safety premium package, and it's got vehicle docks, the
12 antenna, five year public safety bundle, add on warranty,
13 and spare batteries.

14 MS. THOMAS: And there's training I'm assuming
15 as well? Training on how to utilize the equipment and --

16 CHIEF MARTIN: We've been using mostly identical
17 equipment for the last two years now. It was loaned to us
18 from the transporting ambulance company, but they've been
19 in really bad repair. We've been struggling to keep them
20 operational, which was part of the reason why we were
21 trying to hurry.

22 MS. THOMAS: No further.

23 MR. BONDS: Okay. All those in favor of
24 approving the Resolution 2017-05, signify by stating aye.

25 MS. THOMAS: Aye.

1 MR. ZECH: Aye.

2 MR. BONDS: Aye.

3 Motion passes.

4 Resolution from the special city council meeting
5 of January 9, 2017. There were no resolutions adopted at
6 this meeting, therefore there is no board action.

7 So, we will have Mr. Coppler come back up,
8 please, and do an update on the DUWA process.

9 MR. COPPLER: One of my favorite topics. Thank
10 you.

11 MR. BONDS: Yeah. We realize that.

12 MR. COPPLER: So there was a special meeting at
13 some point in the past that you were talking about that
14 council had an opportunity to further discuss the
15 transaction or actually the service agreement.

16 Where we stand right now is it's actually going
17 back to, it's going onto the council agenda tonight.
18 Council has three choices: approve it, not approve it, or
19 potentially table it until they get, if there's more
20 questions or more information necessary. I believe
21 Southgate is the latest community of the 13 to approve it,
22 which leaves, to the best of my knowledge, just three
23 communities still to approve the service agreement, which
24 is Riverview, Allen Park, and the City of Lincoln Park.

25 I think at least how it's been portrayed at the

1 DUWA meetings, Allen Park is fundamentally in favor of it.
2 It's just they have a secondary issue in terms of
3 overpayment that they're trying to work with the county
4 and want to make sure that there isn't any, you know, it
5 doesn't affect anything related to the DUWA service
6 agreement going forward. And once that's resolved,
7 they'll probably vote for that.

8 Riverview, I'm not quite sure what their timing
9 is of when and if they're going to ultimately vote on it.
10 And so it's coming down to the City of Lincoln Park to
11 make a decision as well.

12 MR. BONDS: If I may ask a question on this,
13 once this has all of the, is it 13 communities?

14 MR. COPPLER: Yep.

15 MR. BONDS: Once the 13 communities have signed
16 on, what is the next layer of this process, and is there a
17 time -- does the clock start ticking at the point of, you
18 know, once we have a signed agreements by all 13?

19 MR. COPPLER: So right now this, what the
20 communities are voting on is just the service level
21 agreement should DUWA acquire the facility from the
22 county. So if that transaction never happens, then this
23 service agreement means nothing and it goes away.

24 But there are tentacles of the service agreement
25 that are going to be impacted by the next layer of

1 decisions, and the next layer of decision is should DUWA
2 purchase the facility from the county, and that really
3 can't be asked until DUWA and the county get together on
4 that definitive purchase and sell agreement. And, you
5 know, I'm editorializing a little bit here, so forgive me,
6 but there doesn't seem to be a lot of movement to get that
7 part done.

8 MR. BONDS: Okay.

9 MR. COPPLER: You know, the county, at least
10 what we're hearing is the county is, you know, has a lot
11 of other things going on right now, and apparently this
12 isn't as important as what we keep getting told it is, so.

13 MR. BONDS: Thank you for that. But let me ask
14 this question, because the county, I mean it is widely
15 been reported that the county has, you know, moved this on
16 their budget as an asset to sell, which means that if the
17 question is should DUWA purchase this, are there options
18 still on the table for that?

19 I mean, because I'd hate to see this community
20 get wrangled into something that's not going to be in its
21 best interest by virtue of the other 12 communities that
22 may say it is. I mean what are the options for the City
23 of Lincoln Park as a standalone if this is not in their
24 best interest?

25 MR. COPPLER: So, the likelihood that the city

1 can purchase and construct its own wastewater treatment
2 facility is zero.

3 MR. BONDS: Okay. That's emphatic.

4 MR. COPPLER: Yeah. You know, I just don't see
5 DEQ permitting a license permit to the city to build its
6 own facility when there is one, and, you know, EPA, you
7 know, federal EPA and the state environmentals have all
8 taken a position I mean across the United States that if
9 there is one available that has capacity and can do it,
10 you're going there. Even if the cost is about the same as
11 building a brand new one to pipe it there, they're going
12 to make you go to one facility. You think about it, it's
13 the fewer the facilities the less headaches you have,
14 right, because you don't have to pay as many to inspect
15 and so on and so on. So I seriously doubt that DEQ would,
16 in light of everything, say, "Oh, sure, City of Lincoln
17 Park, go ahead and do it."

18 MR. BONDS: Okay. All right.

19 MR. COPPLER: And even if it did, you know,
20 we're talking probably somewhere around \$100 million
21 dollars --

22 MR. BONDS: All right. Got you.

23 MR. COPPLER: -- that would have to be funded by
24 the local tax payers to do that.

25 MR. BONDS: Okay.

1 MR. COPPLER: So it just, it doesn't make sense.
2 So in the end, we're going to be going there.

3 MR. BONDS: Okay, I appreciate that.

4 Let me ask you the final question, and I'll
5 leave it open for the other board members, is will the
6 city and the other 12 communities have any opportunity to
7 challenge the valuation of that asset by the county?

8 Because it sounds like it's clear the county has
9 ascertained whoever the firm was to come up with a value.
10 Will the 13 communities be able to challenge that or to,
11 you know, have an opportunity to maybe bring in another
12 party in terms of the value of that asset that they may
13 have to purchase?

14 MR. COPPLER: I don't believe -- well, so I
15 don't think on its own DUWA is going to do that. You
16 know, DUWA has had that opportunity and there has been
17 discussions on doing that, and that was put to the side.

18 MR. BONDS: Uh-huh.

19 MR. COPPLER: So by itself DUWA is not going to
20 do that.

21 This, and what I've said to council, is that
22 there's going to be two approvals. This one is not as
23 important, and we probably don't have as much ability to
24 direct the end result in the service level agreement
25 because, you know, the service, the reason the service

1 agreement is important now is because the way that DUWA's
2 going to be funding the purchases through revenue bonds,
3 and so they have to be able to show the bonding
4 authorities that there is revenue to cover the cost. You
5 know, I -- there's a number of different ways they could
6 have done that rather than make the communities today sign
7 service agreements. I mean they could have -- it'd have
8 been a little bit more work but they could have done it
9 that way, but they chose to do it this way. So push come
10 to shove I think they would figure out at some point that
11 they could probably do it in a different way. And so to
12 kick now doesn't make a lot of sense because you don't
13 really have as much ability to direct it.

14 But in the end, what we've been told is it's
15 going to take vote, positive vote of 13 communities to
16 have the transaction happen. That's where any individual
17 community is going to have the most ability to, you know,
18 have control over that. I think that's when the questions
19 need to be asked about the purchase price. I mean right
20 now there is a tentative agreement on the purchase price,
21 but there's no final agreement on the purchase price
22 because we don't have the definitive purchase and sell
23 agreement.

24 MR. BONDS: I understand.

25 MR. COPPLER: And there's a lot of issues there

1 like drainage districts and drainage assets that, you
2 know, the county keeps trying to throw back into this
3 whole deal that, you know, have to be worked out.

4 MR. BONDS: Yeah. And I appreciate it because I
5 know that you're asking the right questions.

6 I take it back. I have one more follow-up
7 question. I'll use my prerogative.

8 MR. COPPLER: Sure.

9 MR. BONDS: Because you mentioned the revenue
10 bonds which is, you know, what I do professionally is, I'm
11 assuming that if the concept is going to be that the
12 revenues is going to be based off of the service
13 agreement?

14 MR. COPPLER: Correct.

15 MR. BONDS: And so it would be very, very, very
16 important for the City of Lincoln Park to make sure you
17 understand what you're threshold is.

18 MR. COPPLER: Yeah.

19 MR. BONDS: Because that could be very, very
20 dicey, particular at the time of when these are going to
21 market and getting ready to close on the interest rates.
22 So I would just say make sure that the city is very, very
23 careful what your threshold is for that, you know, what
24 your current --

25 MR. COPPLER: Right.

1 MR. BONDS: -- budgeted amount is is what you
2 want to maintain.

3 MR. COPPLER: Yeah.

4 MR. BONDS: And fight for in that service
5 agreement.

6 MR. COPPLER: And again, I guess that's part of
7 the cart before the horse situation we have --

8 MR. BONDS: Yeah. Yes.

9 MR. COPPLER: -- right now because what DUWA has
10 effectively done is asked communities to make a decision
11 on things that have not even been decided yet.

12 MR. BONDS: Yeah.

13 MR. COPPLER: And again, to agree now to a
14 service agreement that locks us into paying whatever that
15 ultimate cost is, it doesn't make sense, but again, as
16 long as we're a part of the process we get to help
17 determine that end process, and you know, I just -- I
18 worry about our ability to have sway if we try to cause
19 the issue too soon, because again, you could probably
20 construct situations that could -- it could take the
21 decision making capabilities of a community that wants to
22 stop something that 12 other communities want to stop or
23 want to go forward and, you know, isolate them to where
24 they have no say in it.

25 MR. BONDS: Yeah.

1 MR. COPPLER: And unfortunately, you know, as I
2 said, we're going to that plant regardless.

3 MR. BONDS: Right.

4 MR. COPPLER: And not being a part and not
5 having good control means we have no control, and having
6 no control is the worst thing for our citizens because,
7 you know, again, I've unfortunately been to every one of
8 those meetings, I know what they're talking about, I've
9 heard what they've said, I know what they're willing to
10 do. And a 50 percent surcharge is not out of the
11 question. So.

12 MR. BONDS: Questions?

13 Yes, sir.

14 MR. ZECH: As Matt indicated, the City of
15 Southgate approved last week. Last week I think it was?

16 MR. COPPLER: Yeah.

17 MR. ZECH: Yeah, the 15th. We went through the
18 same kinds of discussions. And I joined this in August.
19 Matt has been involved for some time. And there was at
20 one point some discussion about, and it still perhaps is a
21 possibility, that you may not want to be an owner, you may
22 just want to be a customer. But what Matt just mentioned
23 relative to the owners could impose a surcharge on
24 customers, and so, and exempt themselves from the
25 surcharge.

1 I think that probably one of the most important
2 parts of approving the service agreement is to get some
3 idea as to how many people want to be an owner and then be
4 in a position to tell the folks that are looking into the
5 bond issue, the revenue bonds, as to how many cities are
6 willing to put their -- some skin in the game, so-to-
7 speak.

8 MR. BONDS: Yeah.

9 MR. ZECH: And from that perspective to get some
10 idea as to what the bonds would cost and interest and all
11 of that sort of thing. But as Matt indicated, which has
12 been very frustrating to the 13 communities, is somebody
13 wants to sell something, a lot of work has gone into
14 coming up with this figure of 57.5 million that the county
15 wants to use for OPEB costs and other things, and you'd
16 think they'd be real motivated to work real hard to get
17 the purchase agreement in a position for the lawyers from
18 DUWA to look at and resolve the issues, and it's not been
19 going very quickly, but the hope is that they will get
20 this started and that communities will, the 13 will be in
21 a position in May or June to be thinking about whether we
22 really want to go through with this or not, and they'll
23 know what the costs will be. And the idea here, as been
24 explained to me by the Southgate staff as well as others,
25 is that the -- if DUWA runs this, the thought is that we

1 will be able to run this much more efficiently and less
2 expensively as the county has run it, and to the tune of
3 about \$4 million dollars per year. So that's pretty
4 enticing to the 13 communities in terms of -- that would
5 be where the, how this would be paid for.

6 MR. BONDS: The debt service for the bond would
7 be paid --

8 MR. ZECH: Right.

9 MR. BONDS: -- through the savings.

10 MR. COPPLER: Right.

11 MR. ZECH: Through the savings. And, but that's
12 yet to be seen, and but that's kind of where this is all
13 coming from and so.

14 MR. BONDS: Thank you.

15 MR. ZECH: The City of Southgate, for whom I
16 work, wanted to go over this very carefully, just as the
17 City of Lincoln Park is going over this very carefully.

18 MR. BONDS: Thank you. I'm glad you're able to
19 walk both sides of the fence because we need you on this
20 side as well. Thank you.

21 MR. ZECH: I guess if we had voted no, this
22 would be kind of awkward here for me today, and I think
23 I'd be abstaining. And Pat would probably insist.

24 MR. BONDS: Yes. Yes.

25 MR. ZECH: And you would as well.

1 MR. BONDS: Yes.

2 MR. ZECH: But they did vote last week to do it.

3 MR. BONDS: All right.

4 MR. ZECH: And I believe Riverview has it on
5 their agenda for later this week.

6 MR. COPPLER: Is it?

7 MR. ZECH: Is what I'm told. Allen Park I'm not
8 sure.

9 MR. COPPLER: All right.

10 MS. THOMAS: I have a quick question. Now
11 obviously this is a risky -- this is a risky deal; let's
12 call it for what it is, right?

13 MR. BONDS: Very.

14 MS. THOMAS: And my question is is what is the
15 City of Lincoln Park doing to mitigate some of these
16 risks?

17 I know that some of it is within the control of
18 Lincoln Park and some of it isn't. So my question is how
19 are we mitigating some of the risks associated with this
20 type of deal? Are there any ways in which you can
21 mitigate the risk? What are your thoughts on that?

22 MR. COPPLER: So I -- I guess, I don't know if I
23 would categorically say that it's a risky deal.

24 MS. THOMAS: Okay.

25 MR. COPPLER: Because I think doing nothing is

1 just as great of a risk as doing something in this case,
2 because, you know, here's what we know right now; the
3 county is not replacing key staff at the facility. And so
4 right now because of that, that causes operational issues.
5 You know, an operational issue for us is, you know, we
6 need to keep the retention basin drained, so, for the next
7 big storm that comes along we have capacity. Because the
8 staffing issues, make the call to them and try to get it
9 drained, it's a nightmare to try to do that. It's because
10 they don't have the staffing, and we can say, you know,
11 call up and say, "Is it okay if we start draining it?" So
12 there are operational issues.

13 You know, there's the interceptor that we drain
14 into, the section where we drain into it, and I know we
15 talked about this at the last meeting, when's the last
16 time that it's been inspected?

17 MR. ZECH: Oh, Viola has -- was the question to
18 me? Viola has inspected it and Pinchon (phonetic) has
19 that report.

20 MR. COPPLER: Well, that's not what they said,
21 that they actually inspected the section -- you know,
22 there's reports for the section downstream of us, but
23 there hasn't been any inspections done from a point south
24 of where we drain into to the north.

25 MR. ZECH: Oh. Okay.

1 MR. COPPLER: Yeah. And --

2 MR. ZECH: I guess I was looking at it from
3 Southgate's view.

4 MR. BONDS: Yeah, let's --

5 MR. COPPLER: Right. Right.

6 MR. BONDS: -- be clear.

7 MR. ZECH: We're south. We're south.

8 MR. COPPLER: Your part is fine. You're right,
9 that has been inspected. And again, you know, one of our
10 issues is that that interceptor, you know, becomes
11 surcharged and then, you know, presents our internal
12 systems issues. And so these are risks. I mean, these
13 are risks we know today that are at play for us. You
14 know, again as Mr. Zech said, you know, the thought is
15 that if we control this and we manage it we'll do a better
16 job. Now that to me is a risk going forward because
17 that's assuming that we're going to do anything
18 differently than what the county is doing, and you know,
19 as an individual community we could guarantee that, but as
20 1 of 13 you're less likely.

21 So, you know, I look at risk maybe a little bit
22 differently than maybe how you were talking about it.

23 MS. THOMAS: Uh-huh.

24 MR. COPPLER: No doubt that there's risks doing
25 it and there's risks not doing it. I think that we,

1 unfortunately we don't have a choice. Something has to be
2 done one way or the other because even, you know, not
3 approving it leaves us no better off than if we did
4 approve it. And so I think it's always better to have
5 control of your destiny than not have control. Staying
6 with the county we have no control over it. And, you
7 know, what we've seen is what we have right now. I mean
8 we could look at it and say, "Okay, this is the result of
9 the county managing that system." And there are a lot of
10 issues and there hasn't been the investment necessary to
11 keep the system to where it needs to be so we don't have
12 issues going forward.

13 So, you know, how you mitigate the risk, you
14 know, I think going forward, the first risk mitigation is
15 before the final decision is made, you know, the City of
16 Lincoln Park needs to make sure, you know, here are all
17 the issues that we see, you know, you tell us how going
18 with this DUWA concept is going to change this future we
19 see right now.

20 MS. THOMAS: Okay.

21 MR. COPPLER: Because if in the end there is no
22 change, what have we done?

23 MS. THOMAS: Right.

24 MR. COPPLER: You know, we can stay with the
25 county and probably spend a lot more money because that's,

1 their threat is they're going to increase the rates beyond
2 belief, and you know, I would probably be advocating at
3 that point that the court is the best avenue if they start
4 raising the rates too high, but, I mean that ultimately is
5 our best course of action because there is case law out
6 there in the United States on utilities charging too much
7 money, so.

8 MS. THOMAS: And long story short I think, you
9 know, the big picture is is that we're factoring in these
10 unknowns, although we don't have a crystal ball, but we're
11 factoring in some of these unknowns because at the end of
12 the day Lincoln Park is responsible for Lincoln Park.

13 MR. COPPLER: Correct.

14 MS. THOMAS: And so that's the one thing that
15 I'm hopeful --

16 MR. COPPLER: Yeah.

17 MS. THOMAS: -- that we're keeping that in the
18 back of our heads here is that at the end of the day
19 Lincoln Park is responsible for Lincoln Park.

20 MR. COPPLER: Yeah.

21 MS. THOMAS: And in the event of something
22 happening, you know, what are you willing to sacrifice, if
23 it is a sacrifice, there might be a gain, might be a loss,
24 who knows, but are we factoring that into the decision.

25 MR. COPPLER: Yeah. And I think that's -- you

1 know, one of the interesting things, and I haven't seen
2 the Southgate resolution, but you know, the resolution
3 that DUWA presented to everyone includes language that,
4 you, know we pledge up to 25 percent of our revenues from
5 the state should we not pay our bill. And you know, I've
6 had now a couple different in conflicting readings of what
7 that means, because to me when I'm making a pledge, that
8 means, you know, I'm putting that aside every year in case
9 something happens. And that was actually what our
10 auditing firm said first to me, but you know, as I think
11 you're aware, our auditing firm also represents DUWA, and
12 there was a different reading given at the DUWA meeting
13 that, "Oh, no, no; that's not what that means." I'm going
14 to go with the first understanding. And so in that
15 resolution that, you know, we're presenting to council,
16 you know, we've taken that language out, and that may not
17 be acceptable to DUWA; you know, I don't care. I'm not
18 going to put the city at risk, because as you know to put
19 25 percent of \$4 million dollars aside every year, I can't
20 do that.

21 MR. BONDS: No.

22 MR. COPPLER: Without keeping you guys around
23 for another five or six years.

24 MS. THOMAS: Might be more.

25 MR. COPPLER: And it's not that we don't like

1 you, but understand --

2 MR. BONDS: Yeah, we need to go.

3 MR. COPPLER: Yes. And so, you know, there's
4 things that we are doing to protect our interest, and they
5 may be contrary to what DUWA thinks is in the best
6 interest of them, but we're going to protect ourselves.

7 MS. THOMAS: Very good. Thank you.

8 MR. BONDS: Okay. Thank you very much for that
9 update, and we'll look forward to I think the next layer
10 around the May/June timeframe.

11 Resolutions from the regular city council
12 meeting of January 17, 2017, which is attachment 4 in your
13 packs. Chair will entertain a motion to approve the
14 resolutions from the January 17, 2017 regular city council
15 meeting.

16 MS. THOMAS: So moved.

17 MR. ZECH: Support.

18 MR. BONDS: All those in favor?

19 MS. THOMAS: Aye.

20 MR. ZECH: Aye.

21 MR. BONDS: Motion passes.

22 And one point of interest is in this resolution
23 the city is doing a schedule of goals and objectives.
24 We'd ask that, Mr. Coppler, if you could come back to us
25 so that we are firmly on the same page in terms of

1 understanding what the city's goals and objectives that
2 are going to be set by the mayor and the city council.

3 MR. COPPLER: Will do.

4 MR. BONDS: All right. Resolutions from the
5 city council study session -- oh, that was it actually.
6 The item is the resolutions from the city council study
7 session of January 23rd, 2017, which is attachment 5. No
8 resolutions were adopted at this study session, therefore
9 there is no board action on this.

10 I -- the only thing I had, is that spelled
11 right, on the medical marijuana facility? Is that how
12 they're spelling it legally?

13 MR. COPPLER: That is how the city's ordinance
14 spells it.

15 MR. BONDS: Oh, got you.

16 MR. COPPLER: And there is a couple different
17 ways to spell it, so.

18 MR. BONDS: Oh, okay. All right. I just wanted
19 to make sure.

20 MR. COPPLER: It's all up to preference I guess.

21 MR. BONDS: All right.

22 MS. THOMAS: There's a lot of jokes.

23 MR. BONDS: All right. Got you. Thank you very
24 much.

25 Okay, moving right along, resolutions from the

1 city council study session on January 30th, 2017,
2 attachment 6. No resolutions were adopted at the study
3 session, therefore no board action is required.

4 City manager items 1 through 5. While action on
5 these items occurred during a council meeting outside of
6 the normal review period for today's board meeting, the
7 city council -- the city manager is requesting to bring
8 these items forward for early review.

9 Items 1 through 5 have been approved by the city
10 council at the February 6, 2017 meeting. The chair will
11 entertain a motion to approve, deny, postpone items 1
12 through 5 as stated in your packs.

13 MS. THOMAS: So moved.

14 MR. ZECH: I support that.

15 MR. BONDS: Any further discussion?

16 Yes, sir.

17 MR. ZECH: Can I just have Matt kind of run
18 through these just kind of quickly? I left my --

19 MR. COPPLER: Quickly. Oh.

20 MR. ZECH: -- packet at --

21 MR. BONDS: My apologies.

22 MR. ZECH: No, no.

23 MR. BONDS: You could have pulled mine.

24 MR. ZECH: No, no. It's okay. I left my packet
25 at.

1 MR. COPPLER: No problem. Let's see how quickly
2 I can do this.

3 So number one is a partnership between the city
4 police department and the city schools where we will have
5 two liaison, police liaison positions there. They'll be
6 paying upwards of 75 to 80 percent of the cost. We'll be
7 responsible then for only 25 percent of the cost. And the
8 way this works out actually allows us to bring on
9 additional staffing as well.

10 MR. ZECH: Okay.

11 MR. COPPLER: So it allows us to bring in more
12 officers on without spending more money. I think it makes
13 a lot of sense in terms of what our needs are, especially
14 as we're seeing a growing issues within the school
15 district.

16 MR. ZECH: One in the high school, one in the
17 middle school?

18 MR. COPPLER: Correct.

19 MR. ZECH: Cool. Thank you.

20 MS. THOMAS: I have a quick question.

21 MR. BONDS: Yes. Please.

22 MS. THOMAS: A quick question with regard to
23 that. Obviously we're seeing a lot in the news about
24 different things, and I've seen a couple of cases where
25 the insurances are fine. Can you talk a little bit about

1 the insurance as relates to these types of relationships?

2 Because there's a lot of liability obviously for
3 the city to be involved with the school, and I'm just
4 curious, was there any -- I don't know -- is that
5 something that's being factored in?

6 I'm assuming that the regular insurance that you
7 have will cover that.

8 MR. COPPLER: Yeah, we --

9 MS. THOMAS: You know, is there anything with
10 regard to liability essentially.

11 MR. COPPLER: You know, the reality is we're in
12 the schools now because when issues, you know, kind of go
13 to a certain level we get called in. You know, the hope
14 of this, and the similar type school resource officer
15 concepts is that by having a police officer in there on a
16 daily basis we won't have it escalate to the point where
17 we have to, you know, do those things that we usually get
18 called there because it's escalated. And so you would
19 expect that fewer incidences occur within the schools.

20 Now the reality is that, you know, you'll have a
21 few incidents that you wouldn't have had because we're
22 there all the time, but you know, I think in the end it's
23 going to promote a better relationship between, you know,
24 obviously the schools and the police department, but also
25 the students and the police department. And remember,

1 we're there 24/7, seven days a week, 365 days a year, so
2 we're dealing with these kids outside of the school as
3 well, so I think there's going to be a lot of benefit to
4 our -- our abilities to help them and help the community
5 as well by having that interaction.

6 MS. THOMAS: Okay, and does this entail training
7 as well?

8 MR. COPPLER: There will be -- you know, there
9 will always be a lot of training --

10 MS. THOMAS: Okay.

11 MR. COPPLER: -- associated with school -- I'm
12 calling them what I'm used to --

13 MS. THOMAS: School resource officers.

14 MR. COPPLER: -- school resource officers.
15 Because there is a different mindset. You know, one of
16 the things that you have to do is make sure that you match
17 the officer to the assignment, and I know our chief has a
18 really good handle on his personnel, knows the people that
19 will make the best fit for this, but, you know, what we'll
20 see is there's always going to be a lot more education
21 necessary. You know, the school's committed to help us
22 out with that as well. So, I think, again, it's going to
23 be a really good thing for the community, and probably the
24 best thing about it is it allows us to add more staffing
25 on top of this, so.

1 MS. THOMAS: Thank you.

2 MR. BONDS: Yes, sir. Mr. Zech.

3 MR. ZECH: Just a comment is my experience, not
4 just in my past life with the City of Wayne, is the school
5 resource officer, high school, middle school, really,
6 really works well. If you have the right officer, as he's
7 talked about, it can head things off, and it's great that
8 they're willing to go three-quarters/one-quarter.

9 MR. COPPLER: Yeah.

10 MR. ZECH: I was only able to get the schools,
11 Wayne Westland School District to go half and half with
12 the city, but we felt it was money well spent, and if
13 you're police chief --

14 MR. COPPLER: Yep.

15 MR. ZECH: -- has got the right person and all,
16 it'll pay dividends really.

17 MS. THOMAS: Yeah, and like I said, I mean
18 mindset is one where, yes, sometimes they work great;
19 sometimes they don't work so great.

20 MR. ZECH: Yeah.

21 MS. THOMAS: And I think that that training
22 piece is, you know, I sit on the school board as well --

23 MR. ZECH: I know. In Birmingham.

24 MS. THOMAS: -- and so we think about some of
25 those different things.

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MR. ZECH: Right. Yep. Yep.

MS. THOMAS: I work with other districts, and, you know, it can be a benefit, definitely, I think that we can all agree, but the training, because the liability is increasing, everyone's looking at what's happening within police departments, the relationships with the community, and that training piece isn't something that we should just, you know, breeze by, everything's great, but, you know, we always have to stay trained and up to date on new measures and/or approaches on how to respond and act with kids.

MR. COPPLER: Let me just add, and I don't want to belabor this, but let me just add that, you know, the other part of this is that there has to be a different -- there has to be a change in the mindset of the schools and the teachers as well. You know, places where I've been where this worked really good, you saw that change and understand what the role of the school resource officer is because you kind of see this -- you know, they -- the longer an officer is in the schools, they tend to adapt to the culture in the school, which kind of created the situation where it was important to have the resource officer there, and so, you know, you have to make sure that the schools don't, you know, keep their culture in place without understanding the difference in having a

1 police officer there. And that's as critical as the
2 officer understanding how to deal with the children.
3 Because it's a different world.

4 MS. THOMAS: It's completely different.

5 MR. COPPLER: I mean it really is a different
6 world, but we both have to recognize that there's a
7 change, and, you know, that's something that we have
8 talked to the school superintendent about, and I think
9 there's a good understanding of, you know, a vision of how
10 the officers are going to be used, what they're going to
11 be doing. It's not just, well, we're going to have a
12 school resource officer to say we have one. I think
13 there's an understanding of how they're going to be used
14 and how they'll fit within the school, so.

15 MS. THOMAS: Very good. Thank you.

16 MR. BONDS: Any further questions?

17 Okay.

18 MR. COPPLER: The second one, second item, we,
19 as you might remember, we purchased three new police
20 vehicles. The camera systems in those we need to replace
21 two of the three because two of the systems are old and
22 they're not worth moving into the new vehicles, so we're
23 going to be purchasing two new ones, and the third one
24 will come from one of the vehicles we're taking out of
25 service. Actually items 3, 4, and 5 deal with the SAW,

1 the Sanitary and Wastewater -- excuse me -- Stormwater and
2 Wastewater Asset Management Grant, whatever that stands
3 for. Sorry.

4 The first one, we're required to have an
5 agreement with the engineering firm, so it's the owner
6 engineering firm as required by DEQ for that, so that's
7 the first item.

8 The second item is the first phase of that where
9 we're going to be doing a cleaning and televising and we
10 awarded the bid to Pipetech for that.

11 And the third item, which is number 5 on your
12 list, is for the engineering oversight agreement with
13 Hennessy for that particular phase.

14 So the first one is kind of the overall 2
15 million plus project agreement, and then each subpart of
16 that plan we're going to be having a specific engineering
17 agreement with them as well so we can kind of contain what
18 those costs are.

19 MR. BONDS: Okay. Any other questions?

20 (No response.)

21 MR. BONDS: All those in favor of approving the
22 items from the city manager's report, items 1 through 5,
23 signify by stating aye.

24 MS. THOMAS: Aye.

25 MR. ZECH: Aye.

1 MR. BONDS: Aye.

2 Motion passes.

3 Approval of Resolution 2017-51, which is the FY
4 2016/17 midyear budget amendment. This item is a pull-
5 forward item and was approved by the city council at the
6 February 6, 2017 council meeting.

7 Can you provide us a summary of this, Mr.
8 Coppler? Or Ms. Griggs?

9 MS. GRIGGS: Hello.

10 MR. BONDS: Hello. Good afternoon.

11 MS. GRIGGS: One of the things that the city
12 does on an annual basis is reviews the budget at the
13 midyear point. So what we did this year was we met with
14 all of the departments and went through all of the items
15 that they felt either were not sufficient or issues that
16 they've had come up, for instance buildings and grounds
17 has had a lot of building maintenance issues. So we met
18 with each department, went through, and these are based on
19 those recommendations from the input of the departments as
20 well as myself and the city manager.

21 MR. BONDS: Okay. Any questions for Ms. Griggs?

22 MR. ZECH: No.

23 MS. GRIGGS: And just to give you a kind of an
24 overview, overall the budget is still balanced with the
25 exception of the pension payment that was approved by you

1 back in December or January for the additional pension
2 payments, so that's coming from fund balance. Other than
3 that it is balanced. We had -- there was some revenue
4 changes as far as some grant reimbursements that were
5 coming in, some miscellaneous items, so they both are
6 around \$300,000 on each side, so we were still able to
7 balance the budget. There was -- buildings and grounds
8 has had a lot of issues, so there's an increase in their
9 expenditures there.

10 We also had a couple positions that we increased
11 from part-time to full-time, and those are ones within the
12 finance department. The other is in the water department.
13 So as currently we budgeted as part-time positions and
14 they're both now being recommended to go to full-time.

15 The motorpool fund which services all of the
16 vehicles has also had -- we have a lot of older fleet as
17 we've talked about in the past, so we made some changes
18 there. And then the water and sewer department, the main
19 change there is due to the SAW grant reimbursement that he
20 just spoke of, so we are going to be reimbursed for 90
21 percent of that.

22 MR. BONDS: Yeah.

23 MS. GRIGGS: So that reflects in both the
24 revenues and the expenditures.

25 MR. BONDS: Okay. Mr. Coppler?

1 MR. COPPLER: And if I can just add on those
2 position upgrades we're looking at, the one in the
3 finance, we actually I think offline had a conversation
4 about getting help within the finance department, they'll
5 actually reduce our auditing costs.

6 MR. BONDS: Right. Right.

7 MR. COPPLER: You know, there is a potential
8 savings there. We've kind of earmarked about \$40,000
9 which more than covers the increase in the position.

10 And then within the water office, you know, we
11 have had one full-time position, which we are going to be
12 replacing today on your agenda, and the part-time has been
13 very difficult keeping that. Again, looking at the
14 revenues in the water/sewer fund, we felt that there was
15 room enough to increase the part-time to a full-time. The
16 belief is that that will, you know, give us the
17 consistency and allow us actually to do more on the, let's
18 see, the collection of revenues that aren't being
19 collected easily. So I think both ultimately end up
20 paying for themselves more so than what I can talk to you
21 about right now. But we think both are positives for
22 that.

23 MR. BONDS: Excellent.

24 MS. THOMAS: Very good.

25 MR. BONDS: Further questions?

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(No response.)

MR. BONDS: Okay, the chair will entertain a motion to approve, deny, or postpone Resolution 2017-51, which is the fiscal year 2016/17 midyear budget amendment.

MS. THOMAS: So moved.

MR. ZECH: Support.

MR. BONDS: Any further discussion?

(No response.)

MR. BONDS: Hearing none, all those in favor signify by stating aye.

MS. THOMAS: Aye.

MR. ZECH: Aye.

MR. BONDS: Aye.

Motion passes.

Approval of Resolution 2017-55, which is the award demolition of 1737 and 1738 Garfield to Direct Construction Services, LLC, for a price not to exceed \$21,125. This item is a pull-forward item and was approved by the city council at their February 6, 2017 city council meeting. Mr. Coppler?

MR. COPPLER: Yes.

MR. BONDS: Summary, please.

MR. COPPLER: These are two properties that went through the dangerous building process. The city has budgeted money within the general fund to allow for

1 demolition of dangerous buildings. They went out to bid
2 for these two particular buildings. They're not in CDBG
3 areas so it's not eligible for that funding. Direct
4 Construction Services was the lowest and best bidder.

5 MR. BONDS: Okay. Questions?

6 MS. THOMAS: No.

7 MR. BONDS: Hearing none, chair will entertain a
8 motion to approve, deny, or postpone Resolution 2017-55.

9 MR. ZECH: So moved.

10 MS. THOMAS: Support.

11 MR. BONDS: Further discussion?

12 (No response.)

13 MR. BONDS: Hearing none, all those in favor,
14 signify by stating aye.

15 MS. THOMAS: Aye.

16 MR. ZECH: Aye.

17 MR. BONDS: Aye.

18 Motion pass.

19 City manager appointments, which is the
20 administrative clerk in the water office as Mr. Coppler
21 has mentioned, and the community center manager recreation
22 special assistant. The chair will entertain a motion to
23 approve, deny, or postpone the city manager appointments.

24 MR. ZECH: So moved.

25 MS. THOMAS: Support.

1 MR. BONDS: Moved and supported. Any
2 discussion?

3 (No response.)

4 MR. BONDS: Hearing none, all those in favor,
5 signify by stating aye.

6 MS. THOMAS: Aye.

7 MR. ZECH: Aye.

8 MR. BONDS: Motion pass.

9 Items 9 through 14. The following financial
10 reports, items 9 through 14, are received and filed. Any
11 questions by the board?

12 We're receiving and filing the budget to actual
13 report, cash flow and balance sheet, the check
14 disbursement report, overtime report, tax collection, and
15 the monthly report. Any questions?

16 MR. ZECH: No questions.

17 MR. BONDS: No questions.

18 We will move on to the city administrator
19 report.

20 MR. COPPLER: Well, we already talked about
21 DUWA, so I've taken that off my report for you now.

22 I just wanted to let you know that we have begun
23 the budget process. The department directors have to, I
24 think to the end of this week to have everything
25 submitted, and we'll begin the daily slog with the

1 department directors to put that together.

2 We're also finalizing the most recent CIP, which
3 we're going to be getting to you in March.

4 MR. BONDS: Fantastic.

5 MR. COPPLER: Still not where I want it. Just
6 letting you, we still have a long ways to go.

7 MR. BONDS: But it's a start.

8 MR. COPPLER: But I think, you know, each
9 passing year we're going to get better and better.
10 There's just a lot of work to be done, and we're slowly
11 but surely getting that done. So the budget process is in
12 full swing right now.

13 The last thing I had for you -- well, actually
14 the second to the last thing I had for you is we've been
15 on this theme of the pensions, and we talked a little bit
16 about where we are today at the last meeting. I handed
17 out a sheet I think is -- it's only for the police and
18 fire pension, and this came from the most recent valuation
19 that was done for the city. Let me just say that if I
20 gave this same document for the municipal employee, you're
21 going to see the same thing because it's almost identical.
22 And as I had said to a couple of you before the meeting, I
23 was going to do this elaborate, you know, PowerPoint with
24 a bunch of fancy charts and everything, but this one
25 document --

1 MS. THOMAS: Says it all.

2 MR. COPPLER: -- says everything you need to
3 know about why we are where we're at today. And there's a
4 number of different things going on here that, you know,
5 had I think one, just one of the issues that you see on
6 this chart happened, the city probably would have been
7 fine, but unfortunately there's like three different
8 things that happened all at the -- not at the same time,
9 but caused by the same thing. And so let me give you the
10 quick rundown on this.

11 You know, we're at in the police and fire funded
12 I think it's around 18, 19 percent based upon these
13 numbers. What you need to look at is in 2004/2005, that's
14 right after the early retirement program happened, what
15 you're going to see is employee contributions dropped
16 because you have fewer people there now putting money into
17 it. You're going to see that the employees that left took
18 their annuities out, which eroded away the asset. You're
19 also going to see in that period of time, you know, after
20 9/11 the stock market crashes, but then starting in 2003,
21 2004, 2005, 2006, and in 2007 you have a growth because
22 the stock market is rebounding and those -- that money
23 that we're putting into the system at that point is buying
24 low value stocks that are climbing. So you buy a lot more
25 and you get a bigger return.

1 But what hurt, one of the things that hurt is,
2 you know, we lost over 7-and-a-half approximately million
3 dollars' worth of investment. So that's 7-and-a-half
4 million dollars of investment that down the road could
5 have, you know, if it was returning at the 8, 10, 15
6 percent that you were seeing back at that time would have
7 made a difference today

8 MR. BONDS: Yeah.

9 MR. COPPLER: And so one of the bigger issues
10 right now we have is that ability for employees to
11 withdrawal, you know, through that annuity. It's severely
12 hampered the ability of the system to adequately fund down
13 the road.

14 Another part of all this is that -- and this is
15 all Monday morning quarterbacking. I don't know if you're
16 looking at this in 2005 or 2006, if you see this or not; I
17 don't know that, but sitting here, you know, 10 years, 12
18 years afterwards it's really easy to see this, but you
19 know, the other part is that, you know, the amounts that
20 the city then was contributing did not increase at a rate
21 that you would expect based upon the reduction in the
22 employee contribution and the loss in the value of the
23 asset and the loss of the potential for the investment.
24 And so what all that means is now we're in a world of
25 hurt.

1 MR. BONDS: Yeah.

2 MR. COPPLER: I think it's -- you know, I'm very
3 pessimistic on this one issue in my life. Mostly I'm
4 always positive if you haven't noticed. But this is going
5 to take a lot, a lot to turn this around.

6 MR. BONDS: Yeah.

7 MR. COPPLER: And I think, you know, then
8 strategy that we are putting together first off is we now
9 set up meeting with the pension, police and fire pension
10 board. Had our first one last week. I thought it was
11 very productive. We talked about a number of the issues
12 that have led us to where we're at here from an
13 administrative standpoint because, you know, that's the
14 first thing we need to do is make sure that everything
15 that we're doing is right, you know. We talked about, you
16 know, the way that, you know, we make our payments. You
17 know, if we could move our payments up sooner that means
18 more money going into the fund sooner, which I think
19 proves our investments, and again, we're at one of those
20 points where investments are actually going to be turning
21 around doing positive.

22 MR. BONDS: Uh-huh.

23 MR. COPPLER: So we need as much money in there
24 as we can to get positive investment. So there's things
25 like that, timing, that would make a big difference to how

1 we do it.

2 Now, two years ago we couldn't even talk about
3 that because we didn't have any money to do that. We
4 didn't have the flexibility to say, "Well, maybe we can
5 move this up two months and make that payment now." But I
6 guess the point being that we're now, you know,
7 substantive talking about changes that can be made that
8 will improve the operations of it.

9 You know, in the end there's going to need to be
10 an infusion of cash into this.

11 MR. BONDS: Uh-huh.

12 MR. COPPLER: And so that's what we have to
13 start working for. And I think, you know, we need to make
14 sure that what we're doing is right so if I'm correct and
15 we need that infusion of cash and there's not a lot of
16 options to do that, and we have to go to our tax payers,
17 we want to make sure we've turned it around so everything
18 we're doing is done right.

19 MR. BONDS: Uh-huh.

20 MR. COPPLER: And we've maximized everything
21 else. I mean, there's going to be some pain, more pain
22 that unfortunately our employees are going to have to go
23 through to get this turned around, but I think, you know,
24 we all have to understand that our -- all of our goals is
25 at the end of the day we have a fully funded pension plan

1 that is self-sustaining, and it can be done, but as I
2 said, I'm pessimistic because it means a lot of pain
3 potentially for people.

4 MR. BONDS: Yeah. Well, it sounds to me like
5 you're doing a lot of excellent problem solving with the
6 teams on this. But let me ask you a question that might
7 be presumptuous.

8 MR. COPPLER: Uh-huh.

9 MR. BONDS: Has the city ever engaged a
10 financial advisor?

11 MR. COPPLER: For the pensions?

12 MR. BONDS: Yeah. For looking at this.

13 MR. COPPLER: So I know during the -- while the
14 emergency manager was here he did bring in different
15 review actuarial companies to review --

16 MR. BONDS: But that's not part of a plan --

17 MR. COPPLER: Right.

18 MR. BONDS: -- that you're contemplating?

19 MR. COPPLER: Right.

20 MR. BONDS: Okay.

21 MR. COPPLER: So, I think, you know, right now
22 the -- so there's two different -- there's a lot of
23 different thoughts going on. I'm trying to narrow it down
24 --

25 MR. BONDS: Sure.

1 MR. COPPLER: -- to just a couple of -- a couple
2 different thoughts on this.

3 So I understand where you're going with that. I
4 think we need to bring someone in to help us be able to
5 explain to both, well, at least in this case the police
6 and fire pension, how we best see their needs and our
7 needs are.

8 MR. BONDS: Yeah, because --

9 MR. COPPLER: Because --

10 MR. BONDS: -- your key word was the timing of
11 those deposits.

12 MR. COPPLER: Yeah.

13 MR. BONDS: And that's where that -- well, I'm
14 not advocating --

15 MR. COPPLER: Yeah.

16 MR. BONDS: -- but it's someone who is trained
17 with the market who could help guide you on that.

18 MR. COPPLER: And that's -- and actually so the
19 investments of their portfolio was handled by another
20 firm. So not the actuarial firm, but I think it's FEG.
21 They do the -- and so they unfortunately were not able to
22 be at that particular meeting, but they will be at the
23 next one and we're going to be talking about that.

24 MR. BONDS: Okay, great.

25 MR. COPPLER: Because the other part of all this

1 is that even -- you know, there is -- a large infusion of
2 cash in and of itself may not be a good thing either
3 because there's some other issues that get developed when
4 you do that.

5 MR. BONDS: Yeah.

6 MR. COPPLER: And so, again, I think, you know,
7 we have -- you know, we have probably a long time, a large
8 amount of work over a long time to get this figured out to
9 where we can actually say, okay, here's the solution to
10 that. But I think there are some intermediate things we
11 can do, you know, in working -- you know, we're opening up
12 every one of the bargaining unit agreements, so there's
13 going to be some discussion on that with all of our
14 bargaining units. There's a lot of work to be done, but
15 there's some things we can do now going forward that are
16 going to help ease that transition.

17 MR. BONDS: Okay. Further questions?

18 This is great, by the way.

19 MS. THOMAS: Yeah, it's good.

20 MR. BONDS: Thank you for doing that.

21 MR. COPPLER: Yeah, I thought, you know, when I
22 saw that, it's like I don't need to --

23 MR. BONDS: Yeah, it's great. I mean --

24 MR. COPPLER: -- give you more work.

25 MR. BONDS: For me, when I use this is

1 conjunction with the chart that was provided you and the
2 firm at the last presentation of this, it really tells the
3 complete story. So thank you.

4 MR. COPPLER: And the last thing I have for you
5 is, we've been doing some review of our retention basins.
6 You can tell we've been spending a lot of time there. We
7 have some pump work that needs to be done and we're just
8 getting the final numbers on it. It's probably going to
9 be exceeding the \$25,000 amount. And because of the
10 nature of the fact that we have pumps not operational
11 there and we're coming up on the spring, which I predict
12 is an early spring by the way, so the weather is going to
13 be great.

14 MR. BONDS: You got ties with that groundhog?

15 MR. COPPLER: You know, I don't buy into any
16 rodent telling me what the weather is going to be like.
17 But, you know, unfortunately spring means rain.

18 MR. BONDS: Yes.

19 MR. COPPLER: So we're kind of under the gun
20 with that. Once I have the final numbers, I just want you
21 to be aware I may be invoking the emergency expenditure
22 clause, which, just to remind you, is me and the mayor
23 saying that we need to do this --

24 MR. BONDS: Yeah.

25 MR. COPPLER: -- we notify council, and we'll

1 let Pat know to notify you. But it's probably going to be
2 an expensive fix unfortunately, so.

3 MR. BONDS: Thank you for the heads-up.

4 MR. COPPLER: But I still don't have the numbers
5 --

6 MR. BONDS: We appreciate that.

7 MR. COPPLER: -- finalized yet to be able to say
8 that.

9 MR. BONDS: Yeah, we appreciate that heads-up.

10 MR. COPPLER: That's all I have.

11 MR. BONDS: All right. Public comment, please.

12 MR. DOSTINE: Mr. Chair, the first request comes
13 from Richard Kudrak.
14 Not here.

15 UNIDENTIFIED SPEAKER: He left.

16 MR. DOSTINE: He left.
17 There's one more request. Larry Kelsey.

18 MR. KELSEY: He must have got his answer. That
19 long DUWA thing really messed him up.
20 Good afternoon.

21 MR. BONDS: Good afternoon.

22 MR. KELSEY: My name is Larry Kelsey. I'm a
23 citizen as well as a councilman in the city. Just a
24 couple comments more than anything, and I'm not going to
25 beat the DUWA thing to death, but if I was in private

1 industry, that thing smells to high heaven. And the last
2 thing with DUWA, there's a joke in politics, I've been in
3 politics a long time, it's a bribe if you give somebody
4 money in an envelope, but if you've got a -- what do you
5 call it -- a political action committee, you can give them
6 all kinds of money to vote your way and it's legit, and
7 everybody looks the other way. So figure that one out.
8 It's the same thing only one's got an envelope and one's
9 out in the open and you declare it, but they still vote
10 your way. So it's kind of interesting politics where I
11 kind of see -- I don't see the difference as a politician,
12 but evidently the court system and everybody else does,
13 which is kind of funny to me, but anyways.

14 One of the comments in the Order 60 was that the
15 council has to go to training. When I first became a
16 councilman three years ago I went to four years -- or four
17 years -- four months -- four months. How about four hours
18 training for MML. And I don't know what the difference is
19 between that and the fact now that I've got to go again,
20 okay, and I talked that with Matt, but that's up to the
21 treasury. But I'm kind of confused about that. I already
22 went to training like I was supposed to when I first got
23 elected, okay?

24 The other comment I'd want to make about that is
25 as a politician I've come to see, even though we're

1 underneath the RTAB and the emergency manager, that the
2 politicians, and this is my take, in Lansing get treated a
3 lot differently. I see them go to court and all that and
4 all of a sudden the rules don't apply, but we're talking
5 about because they're elected official. The court -- or
6 the judge looks at them and says, "I can't force you to do
7 that; you're elected. You're elected by the people."

8 So my comment is is, it's a little bit funny to
9 me, and I don't want to call it discrimination, but I
10 think it is a little bit, I'm an elected official. So are
11 those people in Lansing, and more than I am quite frankly,
12 okay; they got elected by a larger constituency, okay, and
13 I take a little affront to that, okay? We've been
14 underneath this for a long time, since the '60s -- '60s --
15 geesh; since Order 60. And I'd just like to say my
16 frustration as a politician, as an elected official, I
17 find that very disheartening to have that kind of
18 relationship the way I'm being treated, okay?

19 And I understand that the law is the law and all
20 that, but I understand also when I see politicians that
21 are held to a higher standard go in front of a judge and
22 we haven't done that here, we haven't challenged it in
23 court, and the judge says, and there's a couple
24 representatives I can name but I'm not going to that were
25 in the news just recently, and the judge says, "I can't

1 force him to do that; they're elected. If they were
2 appointed it's a little bit different story." If you're
3 elected there's a little bit of a constitution area issue
4 in there we're talking about. And I know the state's been
5 getting hammered on the issue with the emergency manager
6 through Flint and all that. I won't go through that.

7 But I'd just like to say as a politician who
8 does his job, and that's just the -- you can ask anybody
9 here, or see, I do my job. I find it very disheartening
10 to have that gratis (phonetic) kind of, "Hey, everybody's
11 underneath the same policy; have a nice day." And nobody
12 went back to see what happened to the people that were
13 here before. Nobody. Nobody's taken 'em to court, the
14 state hasn't subpoenaed them, the state hasn't asked for
15 anything. They just come in, says, "We're going to take
16 everybody here and make them responsible." I don't like
17 that quite frankly. As a citizen I don't like it, and as
18 a politician I don't like it.

19 Thank you very much.

20 MR. BONDS: Thank you.

21 MS. THOMAS: Thank you.

22 MR. BONDS: Any board comment?

23 (No response.)

24 MR. BONDS: All right. Motion for adjournment.

25 MR. ZECH: So moved.

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MS. THOMAS: Support.

MR. BONDS: All right, the meeting is adjourned.
Thank you very much, ladies and gentlemen.

(At 2:07 p.m., meeting adjourned; off the
record)

1 STATE OF MICHIGAN
2 COUNTY OF WASHTENAW) .ss

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5 I certify that this transcript is a complete, true, and
6 correct transcript to the best of my ability of the RTAB
7 meeting held on February 21, 2017 at the City of Lincoln Park.

8 I also certify that I am not a relative or employee of the
9 parties involved and have no financial interest in this case.

10
11

12 RESPECTFULLY SUBMITTED: February 24, 2017

13 *s/Amy Shankleton-Novess*

14
15

16 _____
17 Amy Shankleton-Novess (CER 0838)
Certified Electronic Reporter