

City of Lincoln Park

Receivership Transition Advisory Board Meeting Minutes

Tuesday, March 21st, 2017

Lincoln Park City Hall

Council Chambers

1355 Southfield Road

Lincoln Park, Michigan 48146

RTAB MEMBERS PRESENT:

**KEVIN BONDS
JESSICA THOMAS
JOHN ZECH
GENELLE ALLEN**

ALSO PRESENT:

**PATRICK DOSTINE
Michigan Department of Treasury**

Reported by:

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1 **Called to order at 1:00 P.m.**

2 **Tuesday, March 21, 2017**

3 * * * * *

4 MR. BONDS: Let's get this meeting started, and
5 we'll begin by roll call, please.

6 MR. DOSTINE: Brendan Dunleavy.

7 (No response)

8 MR. DOSTINE: Jessica Thomas.

9 MRS. THOMAS: Here.

10 MR. DOSTINE: John Zech.

11 MR. ZECH: Here.

12 MR. DOSTINE: Genelle Allen.

13 (No response)

14 MR. DOSTINE: Kevin Bonds.

15 MR. BONDS: Here.

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

17 MR. BONDS: All right, approval of the agenda.
18 Chair will entertain a motion to approve the agenda as
19 presented. And a reminder to any public comment, please
20 sign up.

21 MR. ZECH: So moved.

22 MRS. THOMAS: Support.

23 MR. BONDS: Okay, all those in favor of
24 approving the RTAB minutes -- or excuse me, the agenda as
25 presented, signify by stating aye. Aye.

1 MR. ZECH: Aye.

2 MRS. THOMAS: Aye.

3 MR. BONDS: Any opposed.

4 (No response)

5 MR. BONDS: Hearing none, motion passes.

6 Approval of the RTAB minutes from the February 21st, 2017
7 meeting. Chair will entertain a motion to approve the
8 February 21st RTAB minutes as presented.

9 MR. ZECH: So moved.

10 MRS. THOMAS: I'll support, maybe with one
11 exception. I did get married, so it's M-R-S now. So we
12 can do it for the next one.

13 MR. BONDS: So noted. Any other discussion on
14 the minutes?

15 (No response)

16 MR. BONDS: Hearing none, all those in favor,
17 with the changes as mentioned, signify by stating aye.
18 Aye.

19 MRS. THOMAS: Aye.

20 MR. ZECH: Aye.

21 MR. BONDS: No opposed, motion passes.

22 Old business, none.

23 New business, approval of resolutions and
24 ordinances from the city council meeting -- resolutions
25 from the regular city council meeting of February 6th,

1 2017, there were numerous resolutions from this council
2 meeting that were approved at our last board meeting.

3 So the chair would entertain a motion to approve
4 the remaining resolutions from the February 6th, 2017
5 regular city council meeting.

6 MR. ZECH: I move approval.

7 MRS. THOMAS: Support.

8 MR. BONDS: All those in favor, signify by
9 stating aye. Aye.

10 MR. ZECH: Aye.

11 MRS. THOMAS: Aye.

12 MR. BONDS: Hearing none, motion passes.

13 Resolutions from the goals and objectives, city
14 council meeting of February 21st, there were no council
15 action taken at this goals and objectives meeting,
16 therefore, no board action is necessary.

17 Resolutions from the regular city council
18 meeting of February 21st, 2017. Chair will entertain a
19 motion to approve the resolutions from the February 21st,
20 2017, regular city council meeting, with the exception of
21 Resolution 2017-70, which is the DUWA service agreement.

22 MRS. THOMAS: So moved.

23 MR. ZECH: Support.

24 MR. BONDS: It's been properly moved and
25 supported; any discussion?

(No response)

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

MR. ZECH: Aye.

MRS. THOMAS: Aye.

MR. BONDS: No opposed, motion passes.

Resolution 20 -- Resolution 2017-70, which is the DUWA service agreement. Mr. Coppler, please?

MR. COPPLER: Good afternoon, everyone.

MR. BONDS: Good afternoon.

MR. COPPLER: At the February 21st council meeting, following actually a couple special meetings of the mayor and council, regarding the DUWA service agreement, council and mayor approved said agreement. We think there may have been one or two objections to it, but it passed -- passed their muster.

This is important, and just to get it out of the way; I don't know if Mr. Hinchon had introduced himself, but, he is the professional helping DUWA navigate through I want to say the dirty waters of purchasing of the wastewater treatment from the county.

But he is the person that has been very important to the overall process of getting 13 communities together, to make a strategic decision to do that. So if there's any specific questions on DUWA, the service

1 agreement, you know, I'll defer to Dick, over here. Let
2 him answer that.

3 But generally, this was something that the
4 council, mayor and council, had spent a lot of time on,
5 reviewing. We had some issues that, with it -- we went
6 back to DUWA. I think some of the issues are corrected
7 now, from the city's perspective, and some will be
8 corrected at the point that the final purchase and sale
9 agreement comes back to the 13 communities.

10 MR. BONDS: Sir, you want to come to the podium,
11 please?

12 MR. HINCHON: Good afternoon.

13 MR. BONDS: Good afternoon, could you state your
14 name, please?

15 MR. HINCHON: Dick Hinchon. I'm the secretary
16 for the utility authority; I'm also the technical advisor
17 and I've been involved in the sewage business in this area
18 since 1994, so I've been around a bit.

19 MR. BONDS: Well, we appreciate you taking the
20 time to come to this meeting.

21 I have one question on this process. Now that
22 Lincoln Park has approved it through the city council, how
23 many other communities in this area are still waiting on
24 that type of approval, and what is the next -- so there's
25 three other communities?

1 MR. HINCHON: Zero.

2 MR. BONDS: Zero? So we're complete.

3 MR. HINCHON: Everybody is on board. Our last
4 community was March 14th, Allen Park.

5 MR. BONDS: Okay.

6 MR. HINCHON: That's 13 out of 13, which is
7 almost astounding. There will be a second bite at the
8 apple, as Mr. Coppler referenced. I mean, the way the
9 transfer of the sewage system is working, there was an
10 additional offer to purchase from the authority to the
11 county. That was accepted.

12 The purchase offer was to acquire the system for
13 57 and a half million. To do so, the communities have to
14 sell a revenue bond. The projection is that the debt
15 service on that revenue bond will be more than offset by
16 the savings achieved by taking over the system, and having
17 a more efficient operation.

18 So, the service agreement became the next
19 critical step, in the sense that the bond buyers,
20 underwriters, and the credit rating agencies want to make
21 sure that this authority has the wherewithal to collect
22 revenue, to pay for a revenue bond, and the service
23 agreement is that document that puts that in place
24 legally.

25 So the authority's obligated to accept

1 transport, treat the wastewater, and to comply with all
2 environmental regulations, the community, and to set
3 rates. The communities are obligated to pay those rates,
4 thus the revenue stream is generated.

5 So now we go into the credit markets. We
6 hopefully get investment grade or better, we need to
7 prepare to sell the bond, then we'll have a final transfer
8 agreement, with all the bells and whistles, about what
9 specific assets are being transferred, and the real
10 estate, and ta da, ta da, ta da, ta da.

11 That will all come back to the individual city
12 councils as well, so I get to make a second roadshow to
13 all 13, to get the transfer agreement approved. But the
14 service agreement is -- absent a service agreement, the
15 deal was dead, because the authority would not be able to
16 fulfill its purchase offer, of generating revenue to buy
17 the system.

18 MR. BONDS: So, my final question is this. So,
19 who is facilitating the issuance of those bonds? Are you
20 going through one of the state's financing authorities?

21 MR. HINCHON: Dykema Gossett has been retained
22 as bond counsel to the authority, and there's actually
23 several transactions taking place. There is outstanding
24 debt on the system, to the tune of about 151 million.
25 That debt has to be transferred from the county to DUWA.

1 So Dykema Gossett is working on that transfer.

2 And in conjunction with that, then, there will
3 be a new bond sale, new revenue bond sale, which will be
4 an -- it won't be financed through the state, it will be
5 an open market revenue bond sale.

6 MR. BONDS: I guess I was just questioning who
7 was going to be the issuer. Normally, this would go
8 through, a transaction as this, would go through one of
9 the state finance authorities.

10 MR. HINCHON: Oh yeah, Municipal Finance
11 Authority is intimately involved with the transaction.

12 MR. BONDS: Okay. Okay.

13 MR. HINCHON: I am familiar with SRF debt, where
14 the state is actually the holder of the debt, as opposed
15 to the approver of the issuance. I was making that
16 distinction.

17 MR. BONDS: You answered my questions, thank
18 you.

19 MR. HINCHON: Okay.

20 MR. BONDS: Any other questions from the other
21 board members?

22 MS. ALLEN: I would like to make a statement.
23 As the Chief Operating Officer of Wayne County, the
24 Department of Public Services reports to me, so I will be
25 abstaining from voting on this item.

1 MR. BONDS: Thank you very much. Appreciate
2 that.

3 Questions?

4 MRS. THOMAS: I know that at some point, we had
5 discussed, or, I'm just curious, I'd like to hear again,
6 from you, what are some of the concerns or the risk, and
7 or exposure, to Lincoln Park, with this particular deal?

8 MR. HINCHON: Well, that's a pretty broad
9 question. And I guess I would answer it that there are
10 risks of not purchasing the system, and there are risks of
11 purchasing the system, that's completely different.

12 If we purchase -- if the sale goes through and
13 the system transfers, the authority is the entity that has
14 the liability and the responsibility to comply with all
15 environmental laws, to do all the treatment, all the
16 monitoring, to protect the Detroit River, and so on and so
17 forth.

18 So there's a -- under the current setup, Wayne
19 County, at least legally, has that liability. Now, when
20 there have been problems, that require expenditure of
21 funds, capital improvements, additional staff, what have
22 you, the county has fulfilled that legal responsibility by
23 doing those things. And then charging back all the
24 customer communities.

25 So even though Lincoln Park didn't legally have

1 the liability with county ownership, that they will be
2 assuming as co-owners with the other 12 communities after
3 the transfer, in effect, they were still paying the same
4 amount. The financial exposure was really no greater. In
5 fact, arguably, it would be less, because the county's
6 charges are substantially higher than the charges DUWA
7 expects to charge.

8 But there is the legal bit about transferring
9 what is currently county obligation, to a utility
10 authority obligation, with the city presumably being a --
11 retaining its membership in the utility authority. Being
12 a co-owner. So it has that liability.

13 It also has control, that goes with that
14 responsibility, so the rate structure, and the
15 preservation of cash reserves, and the ability to secure
16 state and federal grant assistance, are all things which
17 in my judgment, substantially improve, as a result of the
18 transfer.

19 Now, Wayne County, with the threat of financial
20 problems, actually missed a year of funding, under the
21 state program, because they just weren't in a position to
22 incur new debt. Whereas we expect the authority to have a
23 stronger financial position, based on their status, as
24 opposed to the county's. So there is additional exposure.
25 But there's also additional control.

1 MRS. THOMAS: Thank you.

2 MR. BONDS: Any other questions?

3 (No response)

4 MR. BONDS: Hearing none, chair will entertain a
5 motion to approve, deny, or postpone Resolution 2017-70,
6 which is the DUWA Service Agreement.

7 MR. ZECH: I'd like to make a motion to approve
8 the DUWA Service Agreement, 2017-70.

9 MRS. THOMAS: Support.

10 MR. BONDS: It's been properly moved and second;
11 is there any discussion?

12 (No response)

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

15 MRS. THOMAS: Aye.

16 MR. ZECH: Aye.

17 MR. BONDS: And we have one abstention. Okay,
18 thank you for your time, we appreciate it.

19 City manager items. Items one through three.
20 While action on items one through three occurred during a
21 council meeting outside of the normal review period for
22 today's board meeting, the city manager has requested to
23 bring them forward for early review.

24 All of these items have been approved by the
25 city council at the March 6th, 2017, council meeting.

1 Items -- Resolutions 2017-85 to 2017-91, which
2 are the demolition orders, so Mr. Coppler, you want to
3 give us a quick rundown on these?

4 MR. COPPLER: Sure. Continuing with the city's
5 attempt to help improve our neighborhoods, a number of
6 houses and or garages were identified as being dangerous
7 buildings. This is going through the dangerous building
8 board process, where they have had the owners come in,
9 talked to them, decide if they need to be torn down or
10 not.

11 If they have been deemed to be dangerous, they
12 then go on to the city council, who can either confirm or
13 modify what the dangerous building board has ordered.
14 This particular case, they have agreed with the orders of
15 the dangerous building, to have the houses or garage, I
16 believe there's one garage in this package -- to be torn
17 down.

18 Money has been appropriated, either in the CDBG
19 program, or the general fund, for demolition of these type
20 of structures, for the cranier (sic).

21 MR. BONDS: Okay. Let's see.

22 Chair will entertain a motion -- or, excuse me,
23 let's do it in the motion process. Chair will entertain a
24 motion to approve, deny, or postpone Resolutions 2017-85,
25 to 2017-91, as stated by Mr. Coppler.

1 MR. ZECH: I'll make that motion.

2 MS. ALLEN: Support.

3 MR. BONDS: And support.

4 Any discussion? Yes? My question is this --
5 outside of the -- it looks like, apparently one of them,
6 which is the garage.

7 Are these all residential?

8 MR. COPPLER: Oh, no, excuse me. Actually, 1580
9 Fort Street is a commercial structure.

10 MR. BONDS: Commercial structure?

11 MR. COPPLER: On our main street, yes.

12 MR. BONDS: And, with the demolition of these
13 properties, how do they play, or what is the plan, for the
14 next stage with the residential area? Because -- are they
15 going to leave any type of issue with neighborhood blight,
16 or is there going to be a issue of public protection and
17 safety issues because of these dwellings coming down?

18 MR. COPPLER: Well, in the end, they all will be
19 returned to what I would call a natural state. So they'll
20 be levelled off, so all the debris will be taken away.
21 Levelled off, and then grass will be seeded on the lots.
22 There is that potential that the owner then walks away
23 from the properties.

24 That's incumbent upon us, through our blight
25 prevention program, to keep an eye of them, and something

1 we hadn't talked about, the whole blight, the way we
2 maintain it. But we have a company that will then come
3 in, if it's tall, noxious weeds, grass, they'll mow it.
4 And just, again, we, if the owner doesn't pay that, it
5 gets assessed on their taxes.

6 I have never -- it's an interesting thought in
7 my mind is, you know, looking at the houses, in the past,
8 or those in the past that have gone through this process,
9 what ultimately happens to them, or what is the life after
10 the demolition? Just kind of popped into my mind as you
11 were talking about that, but it would be interesting
12 research to see what goes on.

13 MR. BONDS: My question is, I guess my follow up
14 would be, because of the size of Lincoln Park, do you
15 happen to know, is -- do you have a demand for affordable
16 housing, here in this community?

17 MR. COPPLER: As a matter of fact, you know, we
18 have worked through our CDBG program, with Habitat for
19 Humanity. And we do have our community development
20 director here, Doreen, and so she has firsthand knowledge
21 in talking with them. And so I'm hearing it through her,
22 that what they have said is, they have never had a problem
23 putting someone in a house here, in Lincoln Park.

24 MR. BONDS: I guess I was just wondering whether
25 or not the city would want to pursue, because it sounds

1 like, based on the profile of the city, that there may be
2 opportunities to leverage your CDBG funds against MSHDA
3 funds, and against Habitat for Humanity, so that you're
4 not sitting there with a neighborhood that's kind of like
5 a checkerboard effect.

6 MR. COPPLER: Sure.

7 MR. BONDS: And to be able to put up affordable
8 housing in its place, to keep your residents, and keep
9 those neighborhoods intact.

10 MR. COPPLER: I think it's -- you know, one of
11 the downsides to the way that the city has been laid out,
12 is that, you know, back in the day, in the 20's, 30's,
13 40's, 50's -- when a lot of the housing was constructed,
14 you could build a house on a 30 foot lot. And that's kind
15 of what we're seeing now, is we have an abundance of 30
16 foot lots that today, it's near impossible to build on.

17 MR. BONDS: Okay.

18 MR. COPPLER: And, and, and you know, when
19 you're looking at the marketplace, people that are looking
20 for new housing, you know, they want a garage. In a 30
21 foot lot, you're not -- you're not getting a garage on
22 there. So we have an abundance of those.

23 We're actually starting the process to look at
24 all those parcels that the city currently owns, and
25 weeding out, you know, those that are, you know, buildable

1 versus non-buildable. The non-buildable, we're going to
2 start a program of going to the property owners and
3 offering, yeah, to split it up, or to buy -- the one
4 neighbor buy it up.

5 MR. BONDS: Okay.

6 MR. COPPLER: And, you know, those lots that are
7 buildable, we're going to start packaging together and
8 seeing if we can either get a developer, or go through,
9 you know, some type of land bank program --

10 MR. BONDS: Glad to hear that, yeah.

11 MR. COPPLER: There's a couple different ways to
12 go about that particular thing, to get new construction
13 going, and you know, unfortunately, I think, there's
14 probably been five houses, new houses, built in the last
15 two years. Six. They've all been by us. Through the
16 CDBG.

17 MR. BONDS: That's great.

18 MR. COPPLER: So, that's the downside. The
19 upside is, that we think there's going to be -- especially
20 through some of the properties that we have taken through
21 the foreclosure process, that will be demolished. Again,
22 those that are buildable are just going to be a part of
23 that pool, that we are going to be able to go out and
24 market to get new houses.

25 We'd prefer a private sector company getting

1 involved as well, but short of that, you know, we have our
2 programs working, and may be able to work with again, a
3 state partner, or even a not for profit on that.

4 MR. BONDS: Well, you answered my questions,
5 because it sounds like a keen staff is on it, and you've
6 got a plan, and so that's reassuring. Any other
7 questions?

8 (No response)

9 MR. BONDS: Okay, all those in favor of
10 Resolution 20 -- or, the series of resolutions, signify by
11 stating aye. Aye.

12 MS. ALLEN: Aye.

13 MRS. THOMAS: Aye.

14 MR. ZECH: Aye.

15 MR. BONDS: Any opposed.

16 (No response)

17 MR. BONDS: Hearing none, motion passes.

18 Approval of Resolution 2017-92, which is the
19 CDBG budget. Mr. Coppler?

20 MR. COPPLER: Sure. So every year, we go
21 through the budgeting process for what we believe will be
22 the amount of money that we get, as an entitlement
23 community, through the CDBG program, from HUD. This
24 particular year, we are estimating about \$698,000, to be
25 appropriated.

1 And that may or may not be the case, depending
2 upon what the federal government does, over the next few
3 months.

4 MR. BONDS: Yeah. Yeah.

5 MR. COPPLER: So this could change. As Doreen
6 and I were talking earlier today, and if it does, we may
7 come back for you, again, with a new budget.

8 MR. BONDS: Let them adjust it.

9 MR. COPPLER: But generally, the goals and
10 objectives that are obtained, or, attained through this
11 budget, are very similar to what you approved last year.
12 I think, from the city's perspective, the biggest change
13 is, last year, we had appropriated money to reimburse for
14 employee costs for our blight program.

15 You know, what we are attempting to do in this
16 upcoming year, we shifted that money away from going to
17 existing blight enforcement, into a more enhanced
18 neighborhood improvement concept.

19 Where we'll take that funding that we had last
20 year going into the general fund to support our blight
21 program, and hiring a contractor to actually go into the
22 CDBG eligible tracts, census tracts, and identify those
23 homes that are in violation of our blight code.

24 And this -- you may think, well, isn't this what
25 you do? This is a more intense effort, in identifying,

1 you know, those things that CDBG can also help fund.

2 Because the other part of this is, providing small -- you
3 know, I'm going to call them micro; it may not be micro
4 after all is said and done. Loans to the owners of those
5 properties, to then make those corrections.

6 You know, obviously, if it's tall grass, we're
7 not giving you a loan to mow that. But what we're finding
8 is that you know, a lot of the housing stock, within these
9 census tracts, because we're battling kind of the front
10 line blight issues, tall grass, trash. Some of the more
11 severe things actually lead to longer term blight issues,
12 and deterioration of neighborhoods and property values,
13 aren't being addressed.

14 And then they get in a state of limbo, that
15 nothing is getting done, and so by going through and
16 taking that census, of these homes, within those census
17 tracts, we'll be able to identify them, offer the resident
18 or the owner an opportunity to correct it. But even more
19 importantly, be able then to do the enforcement piece with
20 a lot more information than what we have now.

21 MR. BONDS: Okay. The chair will entertain a
22 motion to approve Resolution 2017 -- approve, deny, or
23 postpone, Resolution 2017-92. Which is adoption of the
24 CDBG budget.

25 MRS. THOMAS: So moved.

1 MR. ZECH: Support.

2 MR. BONDS: Any further discussion?

3 (No response)

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

6 MS. ALLEN: Aye.

7 MRS. THOMAS: Aye.

8 MR. ZECH: Aye.

9 MR. BONDS: No opposed, motion passes. Thank
10 you.

11 Next item is the approval of Resolution 2017-93,
12 which is a series of grants through the fiscal distress
13 program, through the Department of Treasury. Actually,
14 it's a -- supporting your application for those grants?

15 MR. COPPLER: Yes.

16 MR. BONDS: Which is for \$100,000 for the police
17 department roof replacement. Resolution 2017-94, is that
18 application for the grant for \$373,000, for I-75 water
19 supply replacement.

20 Mr. Coppler?

21 MR. COPPLER: Yes. So, the city was very
22 fortunate this FDCVT grant period. We received notice of
23 two grants being funded. The first, as the chairman said,
24 \$100,000 for the roof system on the police department.

25 I don't think you had an opportunity to walk

1 through our police department, which you know, before it's
2 all said and done, I would recommend you take the walk.
3 First off, you'll see a lot of great individuals within
4 our police department that you know, will give you a lot
5 of comfort, in knowing who's out there protecting the
6 citizens.

7 But more importantly, you'll see all the
8 problems we have within our police department. And we,
9 through this grant process, wanted to start at the top.
10 Because if, you know, you're not airtight, everything else
11 you do is going to be irrelevant. And that roof is long
12 past its prime. We constantly are repairing that; every
13 time it rains, we have buckets of water that we're
14 carrying out.

15 So the first grant is \$100,000 to replace that.
16 We've had estimates earlier, I think it was last year, for
17 about \$80,000, so we asked for more, just in case there
18 was any increases in that, or things that are underneath
19 the seen part of it, that needs to be repaired.

20 The second grant is for the I-75 water supply
21 line replacement, in the amount of \$373,000. We actually
22 asked for a little bit more, because the city has, in
23 total, I think it's five different lines that service the,
24 it would be the west side of the city, underneath I-75 and
25 the railroad.

1 We're down to two of those lines being
2 functioning right now. And we actually had a leak on one
3 of the two, that we were worried was going to have to be
4 shut down and not repaired as well, depending upon where
5 the leak actually occurred.

6 Fortunately, it occurred near an area where we
7 can easily get into, and take care of it without having to
8 go either to the railroad or MDOT to get that repaired.

9 MR. BONDS: Great.

10 MR. COPPLER: But unfortunately, it kind of
11 reminds us that we're down to two.

12 MR. BONDS: Yeah.

13 MR. COPPLER: At the same time, we're also
14 looking at alternative ways to provide water supply to
15 that side. Because even with this project, we believe we
16 may be able to restore one or two of those connections.
17 We still have that concern of, you know, what if.

18 And you know, three or four years down the road,
19 or ten years down the road, we're not able to make the
20 repairs and we have to shut them down again, how are we
21 going to supply that potable water to the west side?

22 And so we're also looking at some long term
23 water projects that maybe are going to be grant worthy, to
24 help supply us from a different line. So we don't have to
25 go get the permits from MDOT, or the railroad.

1 MR. BONDS: Great. Chair will entertain a
2 motion to approve, deny, or postpone Resolutions 2017-93,
3 and 2017-94.

4 MS. ALLEN: Move approval.

5 MR. BONDS: It's been properly moved, is there a
6 second?

7 MRS. THOMAS: Second it.

8 MR. BONDS: And second. Any discussion? The
9 only thing I would add, is that I think I have to give the
10 Department of Treasury a note, that the Treasury looks at
11 these as very wise and very good investments to a
12 community such as Lincoln Park.

13 Okay, all those in favor, signify by stating
14 aye. Aye.

15 MS. ALLEN: Aye.

16 MRS. THOMAS: Aye.

17 MR. ZECH: Aye.

18 MR. BONDS: Any opposed.

19 (No response)

20 MR. BONDS: Motion passes. Entertain a motion
21 to approve, deny, or postpone the city manager's
22 appointments as stated above. He has moved for approval a
23 full time firefighter, and a full time police officer.
24 The chair will entertain a motion to approve the
25 appointments by the city manager.

1 MRS. THOMAS: So moved.

2 MR. ZECH: Support.

3 MR. BONDS: And supported. Any discussion?

4 (No response)

5 MR. BONDS: Hearing none, all those in favor,

6 signify by stating aye. Aye.

7 MS. ALLEN: Aye.

8 MRS. THOMAS: Aye.

9 MR. ZECH: Aye.

10 MR. BONDS: Motion passes.

11 MR. ZECH: The reason I hesitated, I thought he

12 was going to speak about it.

13 MR. BONDS: We can move on, because we donate,

14 are valued and the notes show that there is -- they are

15 within the budget.

16 The next item is, and I should have made this

17 change when we talked about the agenda. Instead of OPEB

18 OPED, this is a pension update. And this is our ongoing

19 slot from Mr. Coppler, to provide us just a short where

20 we are to date. And it could be, we are nowhere from the

21 last meeting to date, but if you would go ahead.

22 MR. COPPLER: We've kind of taken the last

23 meeting's -- kind of the first meeting on this topic was,

24 you know, what happened way back when. Then the next one

25 is where are we at today? And this one, my intent is to

1 just kind of give you an update on the progress we've
2 made, in meeting with the police and fire pension board
3 system.

4 We've impaneled a committee, made up of myself,
5 Lisa Griggs, our director of finance and operations, as
6 well as representatives from the police and fire pension
7 board themselves. And you know, we -- this year, the
8 current years' budget, the arc that they're expecting us
9 to pay, is about \$6 million, roughly \$6 million.

10 We've budgeted about 5.3 million of that, so we
11 have about a \$7 million, or \$700,000 shortfall, in what
12 that payment is. Now, depending upon how the end of the
13 budget works out, and we're going to have a pretty good
14 understand here, probably within the next month, of you
15 know, where we're projecting everything to be.

16 You know, our belief is that we'll be able to
17 make that \$700,000 payment. So that really isn't, you
18 know, an issue in our minds. The issue is going forward.
19 You know, what are we going to be doing to try to rectify
20 a system where you know, we're about 22 percent funded
21 within the police and fire pension system. That amount is
22 declining, unfortunately.

23 You know, what can we do to work together, short
24 of, you know, writing a check of money we don't have
25 today. And so what we've come up with, are some, actually

1 some cash management ideas that, if we can make our
2 payments, rather than on a monthly basis, or a quarterly
3 basis, if we could make it, you know, twice a year in the
4 fiscal year, you know, towards the beginning of each of
5 those years, you know, that's going to have a positive
6 impact on what the interest, or what we're going to have
7 to pay as part of that arc in future years.

8 And so, effectively, as I know all of you are
9 aware, you know, if you make the money work for you, you
10 have to use less money.

11 MR. BONDS: Right.

12 MR. COPPLER: And I think that's really what
13 we've been looking at, is how to do that. We've also
14 looked at different ways to change how the, you know, the
15 employee contributes to that, what their benefits are,
16 when they retire, as well. That based upon some of the
17 recommendations that came out of that meeting, we've
18 started already negotiating the union collective
19 bargaining agreements that are expiring at the end of this
20 fiscal year.

21 And we're applying a lot of those things that
22 came out of that -- those meetings, to those collective
23 bargaining agreements. And you know, although what we're
24 doing is not going to solve the problem, it's going to
25 improve what we have to actually solve. We're not going

1 to be as bad off if we make these changes that are coming
2 out of these meetings.

3 Again, and I said this, I think, the first time
4 I talked to you, you know, in the end, it's going to be,
5 you know, the employee, the city, and the resident that's
6 going to correct the situation. And you know, we need to
7 make sure that we've done everything as a city, that we
8 can do, to make that, you know, what we ask of the
9 employees as well as the residents, have to do.

10 The employees are going to have to make some
11 changes, so when we ask the residents, it's going to be
12 less than what they would have to do if we didn't make any
13 changes. But in the end, a lot of the strategy is to get
14 us into a position that, when we go to the resident, we've
15 done everything that we can, to manage the problem. And
16 it makes it less of a, you know, impact on what they have
17 to do to correct the situation.

18 MR. BONDS: I appreciate that, and thank you.
19 Is this topic also being discussed openly and publicly at
20 the city council meetings?

21 MR. COPPLER: You know, not as much as there is
22 what we're doing here. I think, you know, there is
23 definitely of council, mayor and council, on this. I
24 think they're letting us, as staff, kind of do our process
25 to recommend ultimately to them the steps that need to be

1 made. They've been very supportive of us.

2 You know, when we had talked about creating this
3 committee, they not only said yes, great idea, do it, they
4 pushed, and said, get it done. So.

5 MR. BONDS: I think that was one of our
6 strategies of why we're having you do it here, on a
7 monthly basis. I mean, I don't know how many of your, the
8 city residents, actually look at the cable piece. But we
9 need to make sure that they're aware.

10 MR. COPPLER: Yes.

11 MR. BONDS: Because when we looked at this in
12 January, the percentages were 16 and 18 percent funded.

13 MR. COPPLER: Yeah.

14 MR. BONDS: For both plans, and that is a very
15 serious issue, and I think as you want to build your
16 momentum, you're going to need the public to definitely
17 weigh in on this very strongly.

18 MR. COPPLER: Yeah.

19 MR. BONDS: So thank you very much for that.
20 Any other questions?

21 MR. ZECH: Mr. Chairman, thank you. Mr.
22 Coppler, the -- which of your collective bargaining
23 agreements expire this year? I'm just curious.

24 MR. COPPLER: Every last one of them.

25 MR. ZECH: Every one. All right.

1 MR. COPPLER: Yes.

2 MR. ZECH: And that's June 30th, or December 31?

3 MR. COPPLER: June 30.

4 MR. ZECH: Thank you.

5 MRS. THOMAS: I have a follow up question with
6 regard to that. I mean, is there any strategy --

7 ~~MR. COPPLER: Yes, we have good healthcare~~
8 ~~related psychological issues I'm going to develop.~~

9 MRS. THOMAS: Well, a strategy that some
10 communities made, is staggering these out a little bit, so
11 that it's not so much, and it -- the impact on the budget
12 can currently be spread out some. So I don't know if
13 there's been any thought to strategically staggering these
14 in any way, shape or form? And just out of curiosity, how
15 many bargaining units are we looking at?

16 MR. COPPLER: You know, I knew you were going to
17 ask that question. I started thinking about it, oh, she's
18 going to ask how many. It's six? I think seven,
19 including the crossing guards.

20 MR. ZECH: Police, and police command, are two
21 units?

22 MR. COPPLER: Yes.

23 MR. ZECH: Fire?

24 MR. COPPLER: Fire.

25 MR. ZECH: Public works?

1 MR. COPPLER: Public works, clerical, then
2 general.

3 MR. ZECH: Court?

4 MR. COPPLER: No. Court is not. And then the
5 two members of the crossing guard unit.

6 MR. ZECH: Okay. All right.

7 MR. COPPLER: But, you know, I think that's
8 exactly what we want to do. But again, you know, we're
9 trying to be strategic in how we do that. You know, we
10 have some benefit, some benefit from the collective
11 bargaining process, as being in receivership.

12 And so, we need to make sure that, you know, we
13 take advantage of those benefits as we can, to lay out,
14 you know, the future years, and some will be able to lock
15 in a little bit longer because of that, so.

16 We're trying to work that out, but it's, you
17 know, and I think, overall, without getting into the
18 overall strategy in terms of what we're trying to
19 negotiate, you know, the three big ones, I'll tell you,
20 are pension, healthcare, and wages. And that's
21 everywhere, isn't it?

22 MR. ZECH: Just for the board's interest, the
23 City of Southgate, all of their collective bargaining
24 agreements expire June 30th of '18. All of them.

25 MR. COPPLER: God bless you.

1 MR. ZECH: Thank you.

2 MR. BONDS: All right, okay, any other questions
3 or discussion? All right, the following items of the
4 finished reports, items six to eleven, have been received
5 and filed. I know each board member has received them,
6 and now would be the time to ask any questions regarding
7 these reports?

8 (No response)

9 MR. BONDS: All right, moving on, we're going to
10 move right into the city administrator's report.

11 MR. COPPLER: I don't have anything to report
12 on.

13 MR. BONDS: All right.

14 MR. COPPLER: But let me just say one thing,
15 just on the monthly performance reports. We're actually
16 coming up on the first year of doing those, so 12 months
17 full of a lot of information.

18 We've already started looking at modifying some
19 of the data that we're collecting. And you know, what
20 everyone else doesn't know, that I know, is we're going to
21 start moving more now towards the performance piece of the
22 data we're collecting. Because all we've been doing is
23 collecting, this is what we've done.

24 Now we're going to start transitioning into,
25 okay, how do we benchmark what we've done, and set goals,

1 performance related goals, based upon that? So that's
2 going to be a fun transition we're doing here. But we're
3 going to putting a yearend report, first 12 months, of all
4 the data that we have collected, and present some analysis
5 of what it means.

6 Because I think the end, you know, as you look
7 at these on a monthly basis, you kind of get lost, at
8 least some people could get lost, and saying well, you
9 know, what does it mean, that you had X amount of calls?

10 You know, we're going to tie that in to what it
11 really means in terms of service levels, the number of
12 police officers. Because when you look, interestingly
13 enough, at some of the things the police department's
14 doing, you'll see that some of the call volumes, based
15 upon certain types of calls.

16 You know, the types of crime that's happening
17 are going down, and our staffing has been going up. And
18 there is a correlation there. And I think it's important
19 that people, you know, understand that correlation to what
20 we're doing, and the benefit it's providing.

21 So, we're putting that together. Next month, I
22 think, is when it'll be the first full year. Something to
23 look forward to.

24 MRS. THOMAS: I have a quick question. How
25 receptive has everyone been to this additional reporting?

1 You know, because one question that always goes across my
2 mind, you need data, you know, and that's the one way that
3 you can actually analyze the performance.

4 Not just the performance, but the information
5 itself, will allow you to make better decisions, as it
6 relates to these departments. And you know, a question
7 always -- right now they're doing these, participating,
8 there's communications taking place, I would say. Or I
9 would assume, you know.

10 How receptive have they been, how are you
11 utilizing this information? For monthly meetings, or
12 that's the next phase of this? Or is that occurring now?

13 MR. COPPLER: That's a lot of questions. I'm
14 going to try to separate those questions. So I think, you
15 know, as when you're trying to do anything that's going to
16 add a little more burden onto the daily workload, I think
17 there was a little pushback in the beginning.

18 But you know, it wasn't anything severe, that
19 you know, stopped it from happening. I mean, maybe some
20 complaints here and there. But you know, the staff has
21 done a great job in working with us, to get, you know, the
22 reports that you see on a monthly basis done.

23 So I think the answer to your first question, a
24 little pushback, but in the end, you know, they are true
25 professionals. And they did a great job in putting these

1 things together. Some departments already are kind of
2 predisposed to utilize data.

3 One of the things that the emergency manager did
4 when he got here, and it was through actually a grant from
5 the treasury department, a Financially Distressed
6 Communities grant. Got the city up on commstat for the
7 police department.

8 And that, I think, already opened the mind of
9 the police department to the benefit of collecting data,
10 and using it to make decisions, and again, it's something
11 I wish people could see the commstat meetings, where you
12 know, decisions are being made, you know.

13 Right there is the area that you have a lot of
14 crime going on of a certain type. Let's redirect the way
15 that we're utilizing our personnel. The next month, you
16 don't see that happening that in that neighborhood. I
17 mean, there are direct correlations between the data we're
18 collecting, how management uses that data, and a benefit
19 to the residents.

20 So I think, in some departments it's already
21 being used, and it's working very well. We saw it a ways
22 ago in some of the other departments, and I think that's
23 again, the evolution of what we're doing. First, we had
24 to just get them collecting the information. You know,
25 six months really doesn't tell much of a story. Twelve

1 months tells us a little bit more of the story.

2 You know, obviously five years tells us a heck
3 of a lot about the story, so we have, you know, four more
4 years to get there. But we're going to start that
5 performance measurement piece now, on top of it, and
6 setting goals based upon that.

7 MRS. THOMAS: Thank you.

8 MR. BONDS: All right, Mr. Coppler, excuse me.
9 Is there a way that, because I think back to the great
10 presentation that was done by the city attorney, or was it
11 the judge?

12 MR. COPPLER: Judge.

13 MR. BONDS: The judge, excuse me. And, his
14 statistics were such that it showed that it can have a
15 significant implication on the city's overall budget,
16 based on the fees and fines that are going to that.

17 MR. COPPLER: Definitely.

18 MR. BONDS: We don't seem to get any updates in
19 this report. And I understand why, because of the
20 organizational structure. But I would think that when you
21 look at the proposal that you gave us initially, about the
22 data, that there would be some way for you to weave that
23 in.

24 Because there's two fronts there. One is the
25 revenue piece, that the city has come to rely on. And if

1 his stats are anything in contradiction to what the police
2 is showing, there might -- that might be a precursor to a
3 budgetary issue, coming down the road.

4 And the second piece was, that he was actively
5 engaged in a campaign for fundraising for a facility. And
6 at some point, I would imagine that the facility, that is
7 probably multijurisdictional, meaning that it would
8 probably encompass a couple of these other, you know,
9 bedroom communities. And probably want to keep that on
10 the radar screen, as well.

11 MR. COPPLER: Sure.

12 MR. BONDS: So I mean, that's just my
13 suggestion. To look for connectivity, of that. And then
14 I have one more piece, I'm sorry.

15 MR. COPPLER: No, no problem.

16 MR. BONDS: As I was talking, it rolls out. Is
17 that with the areas of the city that I don't -- and I
18 understand why, because of kind of riding on Jessica's
19 question, is the receptivity of data collection.

20 But it seems to me there's two areas here, where
21 there's -- I don't want to label them as low hanging
22 fruit, but you have the treasurer, office of the
23 treasurer, and the city clerk. Both those have revenue
24 generating mechanisms, but lack the ability -- it's the
25 "but for clause". But for the lack of staff, they could

1 rev it up.

2 To me, it seems like there should be some
3 activity there, of looking for whatever resources could be
4 applied, if there's some tangibles for revenue,
5 particularly in the property area. Because whether or not
6 there's you know, the need for student interns, or short
7 term workers, or support from the other communities.

8 But I would think that you'd want to -- and you
9 probably are -- looking at those opportunities, as well as
10 strategic low hanging fruit, as revenues for the city.

11 MR. COPPLER: And you know, part of the budget
12 amendment that we did last -- can't remember when we did
13 it, now. Actually had, had some faction -- fraction of
14 what we're trying to do to address our ability to do those
15 things. You know, the city, as it was going through the
16 financial difficulties, kind of got away from full time
17 employees.

18 MR. BONDS: Right.

19 MR. COPPLER: And started relying on part time
20 employees.

21 MR. BONDS: Right.

22 MR. COPPLER: And you know, in an environment
23 where there, you know, you have the pay, because you know,
24 unfortunately, in the public sector, we used to be able to
25 get away with a little bit lower than average pay,

1 compared to the private sector, because we had a lot of
2 really good benefits.

3 And that's how people kind of felt, okay, I'll
4 go work there, because you know, I'd rather have life
5 insurance for life, or, you know I'll have this pension
6 that's better than the, you know, a 401(k).

7 Well, that all changed. Now, when you look at,
8 you know, what we pay individuals, it's not as attractive,
9 and you know just, you know, one of the positions we have
10 had an opening in since almost the first day I started,
11 actually it was a little bit after that. But it's a
12 mechanic. We can't fill a mechanic's position, and you
13 know, top end of the mechanic's position, I think, is
14 about 20 bucks.

15 Just saw one of our sister cities, to the south
16 of us, they're starting pay at \$21.65 an hour. You know,
17 our starting pay is about 14, 15 bucks an hour.

18 MR. BONDS: Yeah.

19 MR. COPPLER: And so, you know, we have some of
20 those things, and you know, our part time wages are not at
21 the level of what some of the surrounding communities are
22 paying, as well. So you know, the people that we have
23 working for us part time are incredible people.

24 But you know, it's hard to attract them and keep
25 them. And so we are looking at moving, and, the budget

1 that was, the budget amendment was adopted, actually moved
2 the revenue or the costs that were for part time, into the
3 concept of hiring a couple full time people.

4 One of them is going to be in the finance
5 department, which I think we talked about, a little bit
6 about that. Another in the water office. We've actually,
7 you know, moved some part time people in, more part time
8 people in, for the treasury water office concept as well.

9 So, as well as in the clerk's office, and we've
10 also moved the clerk's office up into the latest version
11 of the financial software we have, so, you know, it's
12 going to reduce some of the workload there as well.

13 And I think that's really, you know, the future
14 that we need to look at is one, make use of the technology
15 that's there. You know, a project that the finance
16 director has been tasked with, that we're working on, is
17 taking advantage of the kiosks, that you know, where you
18 can go pay.

19 For instance, like right now, Wayne County
20 Treasurer's office, you can pay your tax bill at a kiosk.
21 And they have them throughout the county, many here in
22 Lincoln Park. But it's something that we're now looking
23 into, and possibly either with the county or through the
24 company the county uses, have one of those kiosks here.

25 Now, one thing, you know, is hopefully we want

1 to avoid, is a situation we had last week, with a
2 resident, you know, driving to the county, after they were
3 told they couldn't pay their taxes, because after March
4 1st, you can't pay them locally.

5 Went to the county; for whatever reason, they
6 were told, or misunderstood, that they couldn't pay them
7 there. They came back here, and was a little upset with
8 us.

9 MR. BONDS: Yeah.

10 MR. COPPLER: But you know, if we had that kiosk
11 right there, you can pay them right there. And then, same
12 thing for us. And you know, that was, a certain amount of
13 traffic that would be going to one of our windows, it
14 could easily be done within 90 seconds, they could pay
15 that, you know, in 90 seconds, and move on without
16 actually, you know, engaging the full time employee or
17 part time employee of the city.

18 So, there's things like that, that we're looking
19 at as well. That will help reduce that need down the
20 road, for either part time or full time staffing by the
21 city.

22 MR. BONDS: Okay. Yeah, I wanted to look back
23 to the city's goals and objectives, and it looks like the
24 ordinance enforcement program, they identified as one of
25 the areas that they want to put some energy behind.

1 But I don't see anything else that would really
2 have a impact on revenue. Well, actually, the first one,
3 as well. So they do have two items that would have a
4 impact on, hopefully, looking for additional revenues for
5 the city. Because that's the name of the game right now.

6 MR. COPPLER: Yeah. And I think, you know,
7 that's -- I think we're going to talk about it, at the
8 next meeting. But just to kind of give you a little bit
9 of that, I think this is the first foray into goal setting
10 for the council, mayor and council.

11 MR. BONDS: Oh, okay, well that's good. That's
12 very good.

13 MR. COPPLER: It's not the full blown type of
14 goal setting that I think we all would say needs to be
15 done, and we're going to be doing that in the future. But
16 they wanted to get started on some goals that, you know,
17 are important.

18 And you know, from the blight and property
19 maintenance perspective, you know, that's the main part of
20 what they're trying to address right now. And it is
21 something that you know, stabilizes the tax base. And
22 actually allows us to increase the tax base. So one could
23 argue that there's a large motivation to, you know,
24 improve the revenues coming into the city, just from that
25 perspective.

1 MR. BONDS: Very good. Okay. Anything else?

2 MR. COPPLER: I'm done.

3 MS. ALLEN: I just want to applaud your
4 performance management efforts. We are undertaking a very
5 similar initiative at Wayne County, and at our level,
6 where there are just various departments, as you say, who
7 may start collecting data. But they're not using it.
8 Others who don't collect, or if they're collecting, it's
9 not necessarily data that's informational or helpful to
10 job performance.

11 So, again, we are underway with a similar
12 project, and it too, it will take time. We've had
13 resistance, a lot of resistance, because people, as you
14 say, do see it as more just adding to their administrative
15 responsibilities. But they haven't seen the fruits of
16 their labor yet.

17 But as you explained, too, you start seeing
18 outcomes and you can see, you start seeing issues, and you
19 can then delve into the cause, and then come up with
20 solutions.

21 I think that's why I'm trying to encourage our
22 staff just to be patient and keep doing this, so again, I
23 applaud you for doing it. Because I know a lot of
24 governmental entities, given that we all have to do so
25 much more with less, they just don't think that -- they

1 don't see the value of it, in investing the time and
2 effort. When it's one of those things I think we can't
3 afford not do it.

4 MR. COPPLER: Yeah, remember the saying that, if
5 you can't measure it, you can't manage it.

6 MS. ALLEN: You can't manage it, that's exactly
7 what I'm saying.

8 MR. COPPLER: And I'm late to the party on this.
9 I mean, there, many years early on in my manage -- you
10 know, it's a waste of time. But you know, the more mature
11 I became in the management, and started seeing, you know,
12 the correlations, between the data -- and good data. I
13 mean, you still collect information, you collect
14 information. And it takes a lot of time, because you find
15 out, you know we collected all this data, and it really
16 means nothing. It's like, we wasted that, but here, we
17 have to do it this way, instead.

18 MS. ALLEN: And what I've saw -- like, I had a
19 number of staff say to me that yeah, it's a waste of time.
20 But then in different conversations, they'll say, people
21 don't understand what we do. And they don't know what
22 we're doing right. I'll say, that's why we have metrics.
23 It's just how you explain to them, how you define success.

24 MR. BONDS: Yes, that's the key.

25 MR. COPPLER: That is, that really is. And you

1 know, from -- I won't get -- I could go on forever. I
2 better not.

3 MS. ALLEN: You're a proponent now; me too.

4 MR. BONDS: All right, good point. All right,
5 we'll move on to public comment.

6 Any public comment?

7 MR. DOSTINE: So Mr. Chair, there are not
8 requests at this time.

9 MR. BONDS: Okay.

10 And board comment. The only thing I have is, I
11 want to thank all of those who have answered Patrick's
12 call. He is busily pulling together the report, on our
13 RTAB evaluation, which I would assume is probably going to
14 be in the next 60 days? By the -- were you targeting the
15 May board meeting?

16 MR. DOSTINE: Well, I mean, it's a possibility
17 to be ready for April.

18 MR. BONDS: Okay. We've given you enough
19 leeway.

20 MR. DOSTINE: So you know, I did send a version
21 three forward to my immediate manager, and it's going to
22 begin the review process.

23 MR. BONDS: All right, thank you for your work
24 on that. Any other announcements? Okay, I know
25 everybody's busy, so we'll move for adjournment.

1 MS. ALLEN: So moved.
2 MRS. THOMAS: Support.
3 MR. BONDS: All those in favor, signify by
4 stating aye. Aye.

5 MRS. THOMAS: Aye.

6 MS. ALLEN: Aye.

7 MR. ZECH: Aye.

8 MR. BONDS: Good meeting.

9 (Proceedings adjourned at 1:53 p.m.)

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1 STATE OF MICHIGAN

2 COUNTY OF WASHTENAW) .ss

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4 I certify that this transcript is a complete, true, and
5 correct transcript to the best of my ability of the RTAB
6 meeting held on March 21st, 2017, City of Lincoln Park. I
7 also certify that I am not a relative or employee of the
8 parties involved and have no financial interest in this case.

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16 RESPECTFULLY SUBMITTED: March 31, 2017

17 s/*Amy Shankleton-Novess*

18

19 Amy Shankleton-Novess (CER 0838)

20 Certified Electronic Reporter

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