

City of Hamtramck

Receivership Transition Advisory Board Meeting Minutes

Tuesday, January 23rd, 2018

Hamtramck City Hall

Council Chambers - 2nd floor

3401 Evaline

Hamtramck, Michigan 48212

RTAB MEMBERS PRESENT:

DEBORAH ROBERTS

KAREN YOUNG

MARK STEMA

AL BOGDAN

ALSO PRESENT:

R. ERIC CLINE

Michigan Department of Treasury

Reported by:

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Called to order at 1:00 p.m.

Hamtramck, Michigan - Tuesday, January 23, 2018

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MS. ROBERTS: It is 1:00, on Tuesday, January 23rd, and will call the City of Hamtramck Receivership Transition Advisory Board meeting to order.

Mr. Cline, would you please take roll?

MR. CLINE: Deb Roberts.

MS. ROBERTS: Here.

MR. CLINE: Mark Stema.

MR. STEMA: Here.

MR. CLINE: Karen Young.

MS. YOUNG: Present.

MR. CLINE: Al Bogdan?

MR. BOGDAN: Here.

MR. CLINE: You have a quorum.

MS. ROBERTS: Thank you. Just a reminder to the public, if anyone would like to speak during public comment, please sign up at the podium.

First on the agenda is approval of the agenda. I would entertain a motion to approve the agenda as presented.

MR. BOGDAN: Motion to approve.

MR. STEMA: Seconded.

MS. ROBERTS: Any discussion?

1 (No response)

2 MS. ROBERTS: Seeing none, all those in favor
3 say aye. Aye.

4 MR. BOGDAN: Aye.

5 MR. STEMA: Aye.

6 MS. YOUNG: Aye.

7 MS. ROBERTS: Opposed, the same.

8 (No response)

9 MS. ROBERTS: Motion carries.

10 Next on the agenda is the approval of the RTAB
11 minutes from the December 20th, 2017 regular meeting. I
12 would entertain a motion to approve the December 20th,
13 2017 RTAB meeting minutes as presented.

14 MR. STEMA: Motion to approve.

15 MS. YOUNG: Second it.

16 MS. ROBERTS: Any discussion?

17 (No response)

18 MS. ROBERTS: Seeing none, all those in favor
19 say aye. Aye.

20 MR. BOGDAN: Aye.

21 MR. STEMA: Aye.

22 MS. YOUNG: Aye.

23 MS. ROBERTS: Opposed, the same.

24 (No response)

25 MS. ROBERTS: Motion carries.

1 Next on the agenda is public comment. Mr.
2 Cline, has anyone signed up for public comment?

3 MR. CLINE: Yes, one comment. Mr. Zwolak.

4 MR. ZWOLAK: Good afternoon.

5 THE BOARD: Good afternoon.

6 MR. ZWOLAK: Again, I want to renew my appeal
7 for the TAB board to come and attend some of our council
8 meetings, especially now with all that's going on; we've
9 got a lot on the agenda. Not only tonight, but I think
10 the next couple months, pretty heavy schedule of things to
11 do. Especially fiscally.

12 On -- I want to comment, one important thing
13 that's been going on right now, and that's the search for
14 city manager. I think it's important that the TAB board
15 be aware or cognizant of the review process, or the
16 application process, interview process. Because you,
17 ultimately, are going to make the decision as to who the
18 council, city, you know, wants to hire for city manager.

19 So, and, in light of the problems that the city
20 has, I think we need a really significant, talented,
21 individual who's going to be dealing with the complexities
22 and problems of the city, as well as a lot of the legacy
23 problems and financial problems.

24 So I encourage you to, and especially at this
25 time, kind of be a little bit more engaged in the process

1 of the city manager's role, that we definitely need. I'm
2 not dispelling any of the achievements that our acting
3 city manager has been doing. I think she's been doing a
4 great job. Fantastic job. But that's not the process
5 we're that we're involved in right now.

6 I spent many hours reading over the audit
7 report, and comments. I would hope that you have done the
8 same thing too, because it's an interesting report, in
9 terms of our financial situation.

10 The other things that concerns me currently is
11 that the council will be considering a new water program.
12 Basically giving some discounts. It's a short-term
13 problem for some of the errors that we have in billing,
14 the equipment, infrastructure. But it's not a short-term
15 problem as much as it could be a long-term problem.

16 We're looking at some 60 percent discounts to
17 some of our water users. I look at it as creating, might
18 be a good short-term election -- be a good situation. But
19 I think it's not really a fiscally responsible situation,
20 since this program will be going on as long as we will be
21 replacing stop boxes and water shutoff program. So --

22 MS. ROBERTS: Okay, sorry Mr. Zwolak, your time
23 is up.

24 MR. ZWOLAK: All right, thank you.

25 MR. STEMA: Thank you.

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MS. ROBERTS: Thank you.

We have no old business, we'll move onto new business. First on the agenda is approval of resolutions. First we'll have the resolutions from the regular city council meeting of December 12th, 2017.

Please note that Resolutions 96 and 99 were approved at our last meeting. I would entertain a motion to approve, deny, or postpone the remaining ordinances and resolutions from December 12th, 2017's city council meeting.

MR. STEMA: Motion to approve.

MS. YOUNG: Second.

MS. ROBERTS: Any discussion?

(No response)

MS. ROBERTS: Seeing none, all those in favor say aye. Aye.

MR. BOGDAN: Aye.

MR. STEMA: Aye.

MS. YOUNG: Aye.

MS. ROBERTS: Opposed, the same.

(No response)

MS. ROBERTS: Motion carries.

Next on the agenda are the claims and accounts from the regular city council meeting draft minutes of January 9th, 2018. I would entertain a motion to approve,

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deny, or postpone claims and accounts from the regular city council draft minutes of January 9th, 2018.

MS. YOUNG: Motion to approve.

MR. STEMA: Second it.

MS. ROBERTS: Any discussion?

(No response)

MS. ROBERTS: Seeing none, all those in favor say aye. Aye.

MR. BOGDAN: Aye.

MR. STEMA: Aye.

MS. YOUNG: Aye.

MS. ROBERTS: Opposed, the same.

(No response)

MS. ROBERTS: Motion carries.

Next on the agenda is the city administrator items; we have already taken care of the city council minutes.

Next would be the approval of invoice register of preapproved expenditures. I would entertain a motion to approve, deny, or postpone the invoice register of preapproved expenditures.

MR. BOGDAN: Motion to approve.

MS. YOUNG: Second.

MS. ROBERTS: Any discussion?

(No response)

1 MS. ROBERTS: Seeing none, all those in favor
2 say aye. Aye.

3 MR. BOGDAN: Aye.

4 MR. STEMA: Aye.

5 MS. YOUNG: Aye.

6 MS. ROBERTS: Opposed, the same.

7 (No response)

8 MS. ROBERTS: Motion carries.

9 Next on the agenda is approval of budget to
10 actual and cash flow reports. Ms. Angerer, would you
11 please provide a summary of this item for the board?

12 MS. ANGERER: Absolutely. I would call our
13 chief financial officer, Susan Hendricks, to give an
14 overview, Madam Chair.

15 MS. ROBERTS: Thank you.

16 MS. HENDRICKS: So, you have in front of you our
17 reports as of December 31st. We are continuing our
18 process of going through and looking at them, along with
19 next year's budget. There are two departments, that I
20 think you may notice, that we are paying attention to.

21 One is general administration for the general
22 fund. That's the department that's paying all our
23 insurances, and retirement benefits. I'm sure you'll be -
24 - we will be coming back and talking in more detail about
25 that, and we're trying to nail it down as we're working on

1 next year's budget.

2 The other is the drug law enforcement for the
3 state, and working with the chief. We believe we just had
4 a large settlement from a prior year that came through,
5 but we will get all that information to you. Our audit
6 was finished; you will be hearing from our auditor soon,
7 about how last year's audit ended.

8 And the other thing I wanted to make sure I
9 pointed out in the cash flow report, you are seeing a
10 negative cash CDBG. That's because in December, we spent
11 some money on CDBG projects. The requests for
12 reimbursement have already -- they went in December, to
13 the county. So we're just waiting to get that money
14 reimbursed to us from those grant funds.

15 MR. STEMA: I just have one question. We're
16 halfway through the year; what's -- anything, any
17 concerns? Any positives so far?

18 MS. HENDRICKS: Most departments are under
19 budget from where I would expect them. Exc -- the one big
20 one, being our administration, but most departments are
21 really holding to their budgets, they're coming in a
22 little under them. At this point, revenues are looking
23 pretty good. So I'm hoping we're going to have a year
24 similar to what you're going to hear about from last year.

25 MR. STEMA: Great.

1 MS. ROBERTS: Okay, thank you.

2 MS. HENDRICKS: Thank you.

3 MS. ROBERTS: I would entertain a motion to
4 approve, deny, or postpone the budget to actual and cash
5 flow reports.

6 MR. STEMA: Motion to approve.

7 MS. YOUNG: Second.

8 MS. ROBERTS: Any discussion?
9 (No response)

10 MS. ROBERTS: Seeing none, all those in favor
11 say aye. Aye.

12 MR. BOGDAN: Aye.

13 MR. STEMA: Aye.

14 MS. YOUNG: Aye.

15 MS. ROBERTS: Opposed, the same.
16 (No response)

17 MS. ROBERTS: Motion carries.

18 Next on the agenda is approval of Resolution
19 2018-06, the budget calendar for 2018-2019. While action
20 on this item occurred during a council meeting outside the
21 normal review period for today's board meeting, the city
22 manager is requesting that we bring this item forward for
23 early review.

24 City council passed this resolution on January
25 9th, 2018. Ms. Angerer, would you provide a summary of

1 this item for the board?

2 MS. ANGERER: Yes. So before you, you have the
3 budget calendar, which started in November. And what
4 you'll see as you look through that calendar, is that we
5 have the budget ending its process with the culmination of
6 the May 22nd RTAB meeting. And so, we wanted to work
7 backwards from that TAB board meeting, follow charter, and
8 have a budget calendar approved.

9 Staff at this time is working not only with the
10 chief financial officer, but myself, and other departments
11 are working internally so that they can come to both of
12 us. And we are on the schedule, as it's written right
13 now, and we intend to stay on that schedule.

14 MS. ROBERTS: Okay, thank you. I would
15 entertain a motion to approve, deny, or postpone the
16 approval of budget calendar 2018-2019.

17 MR. STEMA: Motion to approve.

18 MS. YOUNG: Second.

19 MS. ROBERTS: Any discussion?

20 (No response)

21 MS. ROBERTS: Seeing none, all those in favor
22 say aye. Aye.

23 MR. BOGDAN: Aye.

24 MR. STEMA: Aye.

25 MS. YOUNG: Aye.

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MS. ROBERTS: Opposed, the same.

(No response)

MS. ROBERTS: Motion carries.

Next on the agenda is the annual audit presentation for 2016-2017. I will turn it over to you gentlemen.

MR. TYRRELL: Good afternoon.

THE BOARD: Good afternoon.

MR. TYRRELL: First, I just want to kind of give an overview. We've performed the audit of the City of Hamtramck for the year ending June 30, 2017, according to government auditing standards of the U.S. General Accepted Auditing Standards.

In addition to that, we did perform an audit of the -- there are programs in accordance with the, what's now termed the Uniform Guidance, which kind of replaced OMB survey 133 under, kind of, one set of standard, rather than having to refer to all these different OMB circulars, they kind of put it under one, which we now refer to as Uniform Guidance.

Our objective of performing an audit is to obtain a reasonable, but not absolute, assurance, whether or not the financial statements were free from material mis-statement. Prior to the audit, we issued a -- have an engagement letter therein, we also have a contract with

1 the city to perform the audit.

2 We have held a planning meeting, which we met
3 with the acting city manager, Susan, and representatives
4 from Plante Moran. Kind of went over the scope and timing
5 of the audit, and our opinion on the audit is unmodified,
6 or a clean opinion on the financial statements of June 30,
7 2017. And again, once we completed the audit, we reviewed
8 the results with the management of the city.

9 Significant audit findings -- we noted no
10 transactions entered into by the city during the year that
11 lacked authoritative guidance.

12 Given that the transition, we didn't have any
13 difficulties in performing the audit. We got, you know,
14 extremely good cooperation through Susan and Kathy, and
15 representatives from Plante Moran, that assisted in
16 providing everything we needed for the audit.

17 Corrected or uncorrected mis-statements, we
18 didn't have any significant audit adjustments as a result
19 of performing the audit, from June 30, 2017.

20 Again, we were happy we didn't have any
21 disagreements with management; they wanted to make sure I
22 was here today. I had somewhat of a conflict, but they
23 made sure I was here at 1:00, so I'm here.

24 MS. ANGERER: That was our only disagreement.

25 MR. TYRRELL: With the staff, they are

1 basically, they are on point in terms of getting
2 information, keeping to schedules, and making sure that
3 things were done timely, so, appreciate that.

4 Management representation, once we complete the
5 audit, we get a written representation from management,
6 with respect to all the items we requested, every audit.
7 Just saying hey, you've given us everything we requested.
8 You made representations about, there was no, subsequent
9 events or things like that, and we kind of signed on the
10 dotted line.

11 Our consultations with other independent
12 accountants, this happens typically when a client may have
13 disagreements with the CPA firm, they want to go out and
14 get a second opinion from another firm. To our knowledge,
15 there was no incidents that caused management not to go
16 out and get a second opinion from another CPA firm.

17 Then, this last one is just basically no
18 conditions were placed upon us, for us to be the auditors
19 for the city, from June 30 2017. So what I wanted to do,
20 was I want to go through the major fund, operating fund,
21 is the general fund, and in the proprietary fund, the
22 water sewage funds, we're going to kind of review the
23 results of mainly those two, two different funds.

24 Here is a summary of the assets from the general
25 fund. Again, we'll see that the largest amount there is,

1 the last year is about \$6.8 million; this year is about
2 \$8.4 million. The largest amounts you see is really in
3 the cash area. Last year we're about \$4.3 million, this
4 year, try to read my own writing here -- we're about \$5
5 million.

6 So our cash position has increased overall. The
7 amount that's due from other governmental agencies and
8 receivables last year is about one million, \$772,000.
9 This year it's about \$2 million 204, so we have some
10 increase in what's owed from other governmental units.

11 Then we have the other amounts, is really due
12 to/do froms, either other funds, and the general fund, a
13 component unit, and a small amount of amounts that's
14 prepaid. Insurance and prepaid expenses that are on the
15 books.

16 The liability side, last year, our total
17 liabilities were about a little over one million; this
18 year is about one million six. Most of that is in accrued
19 expenses, which is basically accrued payroll, fringes,
20 things like that, and other accrued expenses. And then we
21 have the other biggest item was accounts payable. Our
22 accounts payable was actually a little bit down from last
23 year, about \$344,000 in 2016; we're about \$253,000 in
24 2017.

25 So overall, our, you know, our assets and our

1 cash position is up, and basically our liabilities are up
2 about close to \$600,000. But overall, our overall
3 financial position has improved this year over last year.

4 Next one is referring to inflows, outflows.
5 What this is, is really unavailable revenue. The state
6 has a provision that we don't collect -- we can bill
7 something, we don't collect it within a 60-day window
8 after the end of the year, we can't recognize it as
9 revenue, so, last year we had about \$12,000. This year,
10 we have about \$237,000. So, it's just a timing thing.
11 This is how we recognize, as revenue, in 2018, it's not a
12 loss or anything negative kind of thing; it's just a
13 timing thing, based upon the regulations that we have to
14 follow.

15 The next page is a fund balance of the general
16 fund. You'll see that in 2016, overall fund balance was
17 about five million eight. It's increased this year to
18 about six million five, so we've had some improvement in
19 terms of our operating results, and it also reflects in
20 the fact that our overall financial position has improved,
21 this year versus last year.

22 In terms of revenues, our revenues -- actually,
23 last year in 2016, we were about 17 million 304. This
24 year it went down a little bit, about 16 and \$350,000.
25 Then when you look at the areas where we actually received

1 revenues, it's pretty -- a lot of there is a pretty
2 comparable, in the income tax area. It's about two
3 million three, and 16's really about two million three in
4 '17.

5 Property taxes have gone down some, this year
6 versus last year. Last year it was about a little over
7 seven million, this year's about six million. A little
8 over six million eight. So that was some decrease there.
9 And then probably the other areas, the state shared
10 revenue, is down a little bit. Last year it was about
11 three million five, we're about three million 370, this
12 year.

13 MR. STEMA: I had a quick question. Just on the
14 revenue, really quick because I want to make sure I'm
15 color coding it. In 2016, for like fines and forfeitures,
16 it was 1.7; this year is 1.2, what kind of makes up that
17 revenue? That's a pretty big, for fines and forfeitures,
18 \$500,00 change. Unless I'm looking at the wrong color, I
19 think that was gray? Or was that a different color?

20 MR. TYRRELL: Fines and forfeitures was one
21 million, I think, one million seven, 175 --

22 MR. STEMA: Add to one/two, so about 500. So
23 what makes up those, that revenue possible for that
24 increase?

25 MR. TYRRELL: That is, and Susan want to jump

1 in. I think, most of that is just basically fines that
2 are issued. I think we get a lot of stuff from, I think,
3 from the courts, that maybe come over, related to that.
4 And so, I think that's probably --

5 MS. HENDRICKS: I didn't add up, to get to his
6 numbers, to the numbers that are being presented. I'm
7 happy to do that and get back with.

8 MR. STEMA: I was just curious, because that's,
9 you know, about 33 percent change, you know.

10 MS. HENDRICKS: Yeah, just because I don't know
11 what groupings he's presenting.

12 MR. STEMA: Oh, okay.

13 MS. HENDRICKS: I hesitate to answer without
14 looking at that.

15 MR. STEMA: Okay.

16 MR. TYRRELL: And I apologize I don't have my
17 schedule with me; I apologize, I should have that and tell
18 you the specific accounts that go into that.

19 MR. BOGDAN: With the revenues going down, do
20 you have any idea what the projections might be in the
21 future? What the futures for Hamtramck are, what, or,
22 will any of these revenues disappear?

23 MR. TYRRELL: I think we should some improving,
24 or just trending a lot. I think we should see some
25 improvements, hopefully in the property tax areas. I

1 think that actually should see some improvement this year.
2 And as the economy improves, I would think the income
3 taxes would probably increase some, overall.

4 The other areas, some of it's kind of dependent
5 upon, you know, like the federal revenue area, dependent
6 upon what, you know, is available to be applied for and be
7 approved for, so that's kind of subject to that whole
8 process. But everything else, I think, I think is
9 probably trending in a positive direction. And then,
10 probably once you get it into your budget, you'll probably
11 be --

12 MS. HENDRICKS: And currently, our taxable value
13 on property taxes is on a good trend. So --

14 MR. STEMA: Could some of this also be timing
15 with the revenue, because of the way things are recognized
16 versus, like, regular corporate and all that, or not
17 really?

18 MR. TYRRELL: Well, we got that unavailable --

19 MR. STEMA: Yeah, that's --

20 MR. TYRRELL: That's about 200 and some
21 thousand.

22 MR. STEMA: Yeah, I'm just curious, because I
23 know being from the corporate world, it's a lot different.
24 Timing recognized and all that.

25 MR. TYRRELL: So you know, about 200,000 of that

1 would be added, you know, received it earlier, it would
2 have been recognized here, but you still would be a little
3 bit below, kind of, what we were in 2016.

4 Okay, on the expenditure side, this is, you
5 know, basically how we budgeted for the various sections
6 or components of the reflections of the city. In 2016,
7 our total expenses were, expenditures were about 15
8 million five, and this year we're pretty close to the same
9 thing, 15 million 514 overall.

10 From a proprietary side, in terms of water and
11 sewage fund, we have our summary of assets. Here we have,
12 last year, total assets were about nine million 118. This
13 year, we have about 15 million 579. Biggest increase
14 there is the fact we've been spending money for capital
15 improvements in the water and sewage area.

16 So we have, you know, the cash and cash
17 equivalents last year about one million 705; this year we
18 got about five million 99, almost \$6 million. A lot of
19 that is we borrowed about \$6 million for the clean water
20 fund. We use that money to make improvements, and you'll
21 see that we've actually, we've got some debt, moving to
22 the debt side, and we've actually increased the terms of
23 our capital assets significantly, over last year.

24 The liability side, again, last year our
25 liability was about two million one; this year it's about

1 seven million 455. The biggest change there is the debt
2 we incurred, the clean water stuff, and we do have some
3 additional kind of legacy costs, that we've got but
4 overall, the biggest change is really the increase in the
5 overall debt.

6 Next page is our summary of our net position for
7 the water and sewage fund. Last year, our net position
8 was about seven million overall, and then this year, it's
9 about eight million 123, so, we did have some improvement
10 in terms of our overall net position, increased about one
11 million one, versus the prior year.

12 In terms of operating and non-operating
13 expenses, in 2000 -- not operating, revenue, sorry. 2016
14 was about seven million seven; this year, about seven
15 million nine. And again, the components are pretty
16 comparable, in terms of sewage charges that we pass on and
17 we collect on. Sixteen was about four million four; this
18 year about four million eight.

19 The sale of water last year was about 2 million
20 728; this was about two million 583. And then we had some
21 other revenue that we collected. And last year, we did
22 have some forgiveness of debt, related to one of the bond,
23 with debt issues, was \$100,000.

24 Page 16 is the operating/non-operating expenses;
25 2016 about 5 million 947, 2017 about six million 796.

1 Again, the largest item is the cost of sewer treatment.
2 And in 2016, was about three million 996. This year, it's
3 about four million 138. Our operating expenses, last year
4 it was about one million 131, this year is about one
5 million 640. So we have operating costs did go up some.
6 Our cost of sewage treatment did go up some.

7 And then we recorded a little more depreciation
8 because we've got more assets that we depreciated, so it's
9 some additional depreciation costs, this year versus last
10 year. And the cost of water, again, is a little up. Last
11 year it was about 726,000, this year it's about 758,000.

12 In addition, I mentioned earlier, we did a
13 single audit of federal grants and programs. Here, we
14 look at a couple things, one being we determine which,
15 what we consider to be a major program or a large program.
16 And we go through some steps to determine how much we have
17 to cover, in terms of federal dollars.

18 Then once we determine what program it is,
19 they're all catalogued by CFDA number, and we look at the
20 OMB compliance supplement that provides us with the types
21 of testing we have to do for compliance. Whether or not
22 we spent the money on, what costs were allowable, of the
23 grant. For allowable activities, whether or not we
24 completed our financial reports timely and accurately,
25 that we sent to the federal government.

1 If we acquired property, we would properly
2 identify that property in the books and records. If there
3 was any other specifics, as far as terms of cash
4 management when we drew the funds down, did we immediately
5 expend those, or did we draw them down for reimbursement
6 and then hold those funds an excess period of time?

7 Things like that, we'll go through and look at,
8 based upon what's in the compliance supplement. And then
9 the second part of that is, we look at control over
10 compliance. You know, what control has been placed to
11 ensure compliance with allowable costs, allowable
12 activities, cash management, property management, things
13 like that.

14 And so, we've done that, we've looked at it for
15 year end June 30. And the results is we had an unmodified
16 opinion in terms of compliance, with respect to the
17 programs and awards. We did have a couple deficiencies
18 related to financial reporting. We talked about it, and
19 one weakness in terms of controls, with respect to the
20 federal grants.

21 We had no significant deficiencies in terms of
22 the internal control over the financial reporting or
23 compliance, with respect to that area.

24 MR. STEMA: I have one quick question, the
25 comment for the, when you did the single audit? Were the

1 ones from last year cleared up, if they had any issues or
2 deficiencies?

3 MR. TYRRELL: Yeah, those were -- the ones we
4 had last year still, they're repeat findings.

5 MR. STEMA: Okay, so these are repeat findings?

6 MR. TYRRELL: Yes.

7 MR. STEMA: None of them are cleared?

8 MR. TYRRELL: No.

9 MR. STEMA: Okay.

10 MR. TYRRELL: And so the programs we tested are
11 here, in terms of major programs, the capital grants from
12 state revolving funds, and Edward Byrne Memorial Justice
13 Assistance grant programs.

14 And the findings -- these were financial
15 statement findings, related to the second, basically,
16 repeat findings. It deals with the utility billings and
17 adjustments, which was a finding we had last year. This
18 just really talks about the billing process that, the
19 meter readings, because of faulty equipment.

20 The city's put together a plan, it's not
21 included here, that addresses that. It's also addressed
22 in the actual reports that have been issued, in terms of
23 the steps the city's taking to correct these findings that
24 we have here.

25 The next line is just, deals with property tax

1 distributions, this is a repeat. Only this relates to,
2 there's about 43,000 that hadn't been distributed, related
3 to personal property. Again, and the city has basically
4 made some improvements in that area, but still, there's
5 some things that can be done to improve the situation. In
6 terms of not only collecting, but the distribution of
7 those taxes.

8 And then the last item is related to compliance
9 finding with respect to internal control. Uniform
10 guidance that came out, it basically requires all agencies
11 that receive federal dollars to have certain types of
12 written procedures, controls, in place.

13 And even though the city does have it, not
14 everything they have conforms to what's requires in the
15 Uniform Guidance, and so, we're just, our recommendation
16 here is that the city just take a look at the
17 requirements, and make sure, going forward, that all of
18 the documentation in terms of internal control,
19 procedures, and processes, in accordance with federal
20 guidelines.

21 And that's it.

22 MR. STEMA: Thank you.

23 MS. ROBERTS: Thank you. Very thorough. Just
24 have one question. So have they started documenting the
25 internal controls, and --

1 MS. HENDRICKS: We started documenting internal
2 controls the first day I worked here. It's an ongoing
3 process, because we're identifying things, we're working
4 on it. But that is definitely in process.

5 The other one, that I'd like to address right
6 away, is the property tax distribution. That was the
7 delinquent property taxes that the city is collecting,
8 that weren't being distributed. And worked with the
9 treasurer, we have set up a policy so that they are
10 distributed, the beginning of every month. Everything
11 that has been collected this fiscal year has been
12 distributed at this point. So that one's taken care of.

13 The utility billing is a little more difficult
14 to say is taken care of, because it -- we've got that
15 whole long-term process of replacing those meters, but
16 definitely being watched, and we're looking at some other
17 things there, to try to improve that area. Thank you for
18 that that opportunity.

19 MS. ROBERTS: Okay.

20 MS. ANGERER: To that end, Madam Chair, if I
21 may? One of the things that was disturbing to me was
22 repeat findings. And so, in a 12-month period, the city
23 should be able to address those things, and not have them
24 come back again. So, that is the goal for the next audit
25 that we do. Thank you.

1 MS. ROBERTS: Okay. Anyone else have any
2 questions? Okay, thank you. Next item on the agenda is
3 approval to hire one full time police officer. Ms.
4 Angerer, would you please provide a summary of this item
5 for the board?

6 MS. ANGERER: Thank you. And I would call the
7 police chief up. Again, this is, you know, our ongoing
8 effort to fully staff our police department, and this
9 officer has met with muster, passed through the HR
10 process, the background check, et cetera, and I will have
11 the chief finish this conversation.

12 CHIEF MOISE: Good afternoon.

13 THE BOARD: Good afternoon.

14 CHIEF MOISE: It is a budgeted position. He is
15 filling a vacancy. He has completed all the necessary
16 requirements, pre-employment testing, and he is ready for
17 immediate hire.

18 MS. ROBERTS: I would entertain a motion
19 approve, deny, or postpone hiring of one full time police
20 officer.

21 MR. STEMA: Motion to approve.

22 MS. YOUNG: Second.

23 MS. ROBERTS: All those in favor say aye. Aye.

24 MR. BOGDAN: Aye.

25 MR. STEMA: Aye.

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MS. YOUNG: Aye.

MS. ROBERTS: Opposed, the same.

(No response)

MS. ROBERTS: Motion carries.

MS. ANGERER: Thank you.

MS. ROBERTS: Next on the agenda is approval to hire one part time clerk. Ms. Angerer, would you please provide a summary of this item for the board?

MS. ANGERER: Thank you. And this is the request to have a part time clerk in the clerk's office. You'll remember that this body passed an election clerk, and that was a temporary position. We now have a vacancy in this office that the position, a person went on to another full-time job, and so this is to fill the vacancy.

Raven Watson did act as the election clerk during that time, turned out very well, and we would like to hire permanently, as a part time position there. And it is budgeted for. And she has passed all background checks.

MS. ROBERTS: Okay. I would entertain a motion to approve, deny or postpone hiring one part time clerk.

MS. YOUNG: Motion to approve.

MR. STEMA: Second it.

MS. ROBERTS: Any discussion?

(No response)

1 MS. ROBERTS: Seeing none, all those in favor
2 say aye. Aye.

3 MR. BOGDAN: Aye.

4 MR. STEMA: Aye.

5 MS. YOUNG: Aye.

6 MS. ROBERTS: Opposed, the same.

7 (No response)

8 MS. ROBERTS: Motion carries.

9 Next on the agenda is approval of the citywide
10 overtime report. Ms. Angerer, would you please provide a
11 summary of this item for the board?

12 MS. ANGERER: And I would call our police chief
13 up, and then subsequently, our fire chief for that.

14 MS. ROBERTS: Okay.

15 CHIEF MOISE: Pretty much the same as it is each
16 month, so if I can answer any questions you may have.
17 Didn't notice anything that really stuck out that was
18 unusual. Hopefully as we continue to hire, and now we've
19 got staff and we're getting people trained, that we will
20 continue to see those numbers go down.

21 MS. ROBERTS: Are we at full staff yet?

22 MS. MOISE: We are -- this person you approved
23 today should bring our patrol division to full staff. And
24 then we have those contractual special assignments that we
25 need to look into bringing back. They're per contract.

1 MS. ROBERTS: Okay.

2 MS. MOISE: But it should bring the patrol
3 division up to full budgeted staff. Yes.

4 MS. ANGERER: And while the fire chief is coming
5 up, I would mention that in our DPS Department, because of
6 weather conditions, we have both the overtime for snow
7 removal, salting, and for water main breaks that happen
8 due to season. So you're going to be seeing that. We are
9 working diligently to keep that under wraps and under
10 control, but that's something that we can't predict until
11 the weather tells us what's going to happen.

12 CHIEF HAGEN: Good afternoon.

13 THE BOARD: Good afternoon.

14 CHIEF HAGEN: How are you? I'm sure you
15 diligently looked at the overtime for the fire department
16 for the last couple months. You can probably see that we
17 are down \$2200 from the previous report, which is good.
18 It's kind of like flowing into the direction you were
19 heading.

20 Unfortunately, you will see in the next couple
21 months, it's going to go in reverse, due to the nasty
22 weather that we are dealing with, what with Christmas
23 time, I made a decision, that it was proper to increase
24 staffing to be at a certain level. So the guys can
25 maintain their performance. It's too damn cold. With the

1 numbers they had.

2 So, you will notice a bump in the next couple
3 months, when it gets to that period of time, and that's
4 the rationale why. We're still dealing with a couple
5 people that are injured. We're still dealing with the
6 wonderful flu bug that kicks in and kicks out, but we're
7 doing our very best. But nothing is off the wall.

8 MS. ROBERTS: Okay, thank you. I would
9 entertain a motion to approve, deny or postpone the
10 citywide overtime report.

11 MR. STEMA: Motion to approve.

12 MS. YOUNG: Second.

13 MS. ROBERTS: Any discussion?

14 (No response)

15 MS. ROBERTS: Seeing none, all those in favor
16 say aye. Aye.

17 MR. BOGDAN: Aye.

18 MR. STEMA: Aye.

19 MS. YOUNG: Aye.

20 MS. ROBERTS: Opposed, the same.

21 (No response)

22 MS. ROBERTS: Motion carries.

23 Next item is the 31st District Court report,
24 which is for information. Does anybody have any questions
25 or comments on that?

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(No response)

MS. ROBERTS: Seeing none, is there any board comment?

MR. STEMA: I actually, what is the status of the city manager search? Have you guys started interviewing qualified candidates, the ones that met the charter qualifications?

MS. ANGERER: No, no one has been interviewed yet. The search firm, Gov HR, is presenting to mayor and council, at the February 12th council meeting. Mayor and council all have a report of the search, what the search consultants have done thus far. And they'll be presenting that at that meeting. So at that time, the city council can determine how they want to move forward.

MR. STEMA: Cool.

MS. ROBERTS: I would entertain a motion to adjourn.

MS. YOUNG: Motion to adjourn.

MS. ROBERTS: All those in favor say aye. Aye.

MR. BOGDAN: Aye.

MR. STEMA: Aye.

MS. YOUNG: Aye.

MS. ROBERTS: Opposed, the same. Thank you, everyone.

(Proceedings adjourn at 1:35 p.m.)

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STATE OF MICHIGAN
COUNTY OF WASHTENAW) .ss

I certify that this transcript is a complete, true, and correct transcript to the best of my ability of the RTAB meeting held on January 23rd, 2018, City of Hamtramck. I also certify that I am not a relative or employee of the parties involved and have no financial interest in this case.

RESPECTFULLY SUBMITTED: January 26th, 2018
s/ Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)
Certified Electronic Reporter