

CITY OF WARREN BUILDING AUTHORITY
REGULAR MEETING
October 1, 2013

A Regular Meeting of the City of Warren Building Authority convened in the Warren Community Center Conference Room A, 1st Floor, 5460 Arden, Warren, MI 48092, at 4:00 P.M., John Becher, Chairman.

Members of the Board present:

John (Jack) Becher, Chairman
David Koury, Secretary
Mark Wyer, Commissioner

Also present:

David Griem, City Attorney
Dennis Clark, Assistant City Controller

1. CALL TO ORDER

Chairman Becher called the meeting to order at 4:00 p.m.

2. PLEDGE OF ALLEGIANCE

All stood and recited the Pledge of Allegiance.

3. ROLL CALL

Chairman Becher called the roll and all were present.

4. ADOPTION OF THE AGENDA

Motion:

Secretary Koury made a motion to adopt the Agenda, supported by Commissioner Wyer. A voice vote was taken on the motion and it carried unanimously.

5. APPROVAL OF THE MINUTES of June 4, 2013.

Motion:

Secretary Koury made a motion to approve the Minutes of June 4, 2013, supported by Commissioner Wyer.

Roll Call:

A roll call was taken and the motion carried unanimously.

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Koury	Yes on the Minutes
Wyer	Yes on the Minutes
Becher	Yes on the Minutes

6. APPROVAL OF THE BILLS

- a. Request to issue a check in the amount of \$80.00, Invoice # 101-BA, payable to Mary M. Kamp, for transcribing and composing Building Authority minutes of June 4, 2013. Check # 1544.

Motion:

Commissioner Wyer made a motion to approve, supported by Secretary Koury.

Roll Call:

A roll call was taken and the motion carried unanimously.

Wyer	Yes on Item 6a
Koury	Yes on 6a
Becher	Yes on Item 6a

- b. Request of the Controller's Office to issue a check in the amount of \$112.50 payable to US Bank for Agency Fees 12/1/12 through 5/31/13 regarding Building Authority Bonds 6-1-05BI # 4965. (This check appeared on the July 24, 2013 Council list of bills check # 480106 which replaced check # 533218). **Check # 1548**

Motion:

Commissioner Wyer made a motion to approve supported by Secretary Koury.

Secretary Koury asked if the check had already been paid.

Dennis Clark, Assistant City Controller stated no, a check from the City was issued to the Building Authority, then the Building Authority turns around and formally writes a check to the Bonding Company.

Secretary Koury thanked Mr. Clark for the clarification and stated when he saw the July 24th Council meeting on there he assumed council paid the bill.

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Chairman Becher stated the City had to pay the Building Authority to pay them.

Roll Call:

A roll call was taken and the motion carried unanimously.

Wyer	Yes on Item 6b
Koury	Yes on 6b
Becher	Yes on Item 6b, check #1548 to US Bank for Agency fees.

- c. Request of the Controller's Office to issue a check in the amount of \$225.00 payable to The Bank of New York Mellon for Agency Fees 8/25/13 through 8/24/14 regarding Warren Community Center Refunding Bonds Series 2005 (This check appeared on the September 24, 2013 Council list of bills check # 534903). **Check # 1549**

Motion:

Secretary Koury made a motion to approve supported by Commissioner Wyer with discussion.

Commissioner Wyer asked if the payment of these fees was being done in advance. The item on 6b it was paid after the fact and here it extends a year out.

Dennis Clark stated yes this was being paid ahead.

Chairman Becher stated this was for the Warren Community Center Refunding Bonds and he did not think the Building Authority controlled those bonds anymore.

Dennis Clark stated yes the Building Authority still controls the Warren Community Center Refunding Bonds.

Chairman Becher asked if the City had refinanced them yet or not.

Dennis Clark stated the City was not refinancing that bond anymore. With everything that has happened with the City of Detroit in the last month, the interest rates have made it not worth refinancing.

Chairman Becher stated he was afraid that was going to happen and several kept saying it was not going to happen and yet here it did.

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Dennis Clark stated the rates jumped up over a percent. The City was in the mid 2's when the DDA bonds were done and when they looked at these last month, toward the end of August it was back up close to 4%.

Chairman Becher stated, so the Building Authority was still in the bond business at the moment.

Dennis Clark stated yes, until 2027.

Chairman Becher stated the Building was until 2027 and the equipment was for two more years.

Roll Call:

A roll call was taken and the motion carried unanimously.

Koury	Yes on Item 6c
Wyer	Yes on 6c
Becher	Yes on Item 6c, \$225.00 to Bank of New York Mellon, check #1549.

- d. Request of the Controller's Office to issue a check in the amount of \$706,308.75 payable to The Bank of New York Mellon Trust Company for Principle and Interest due November 1, 2013 for the Warren Community Center Refunding Bonds Series 2005. (A check will appear on the October 8, 2013 Council list of bills payable to the City of Warren Building Authority). **Check # 1550**

Motion:

Secretary Koury made a motion to approve supported by Commissioner Wyer.

Chairman Becher asked if the Building Authority had the schedule on these bonds.

Dennis Clark stated yes, he had provided additional copies tonight.

Chairman Becher stated these were the \$10 million dollar ones and they do not go up a lot.

Dennis Clark stated that was correct and was part of the reason the City did not pursue refinancing them.

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Chairman Becher stated unlike Joe Coach that the payments were going up so fast. They were paying \$300,000-\$400,000.00 and the last two payments over the last five years were over \$1 million. That was when we asked that they refinance and that was when the City took over those bonds.

Roll Call:

A roll call was taken and the motion carried unanimously.

Koury	Yes on Item 6d for \$706,308.75
Wyer	Yes on 6d
Becher	Yes on Item 6d, \$706,308.75 to Bank of New York Mellon Trust Company, check #1550.

- e. Request of the Controller's Office to approve payment in the amount of \$24,100.00 payable to The US Bank for Interest Only on Building Authority Equipment Bonds; payment due December 1, 2013. **Check # 1551.**

Motion:

Secretary Koury made a motion to approve with discussion supported by Commissioner Wyer.

Secretary Koury stated this item was added to the agenda at the last minutes, well this morning. He would not sign the check today and have it sit around for a month. He would come back to the office in November sometime and sign it then so that it goes out on time.

Chairman Becher stated he would sign it today and Mr. Koury could add his name in November, in time to get everything handled ok.

Dennis Clark stated that would be fine, he just needed time to get everything on the list of bills for Council in time to cover the check amount.

Commissioner Wyer stated for the record the request for the interest payment now was to avoid having another meeting in November just to make that payment.

Roll Call:

A roll call was taken and the motion carried unanimously.

Koury	Yes on Item 6e
Wyer	Yes on 6e

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Becher Yes on Item 6e, Check in the amount of \$24,100.00 payable to US Bank for Interest ONLY, on equipment bonds, due December 1, 2013. Check # 1551. He would be signing that check today but Mr. Koury, the required second signature will sign that check in November.

7. MEETING ALLOWANCE

1. John Becher	Ck. # 1545	\$50.00
2. Dave Koury	Ck. # 1546	\$50.00
3. Mark Wyer	Ck. # 1547	\$50.00

Motion:

Secretary Koury made a motion to approve the meeting allowance for John Becher, Mark Wyer and Dave Koury, each in the amount of \$50, supported by Commissioner Wyer.

Roll Call:

A roll call was taken and the motion carried unanimously.

Koury	Yes on Item 7
Wyer	Yes on Item 7
Becher	Yes on Item 7, a check each to John Becher, Dave Koury and Mark Wyer, each for \$50, Check #1545, #1546 and #1547.

8. OLD BUSINESS

Commissioner Wyer asked if the packet handed out by the controller's office today was the summary of the Joseph Coach Rental account.

Dennis Clark stated yes sir, a summary of the beginning check register all the way through for Joseph Coach Rental account as requested.

Commissioner Wyer stated all the way through June 4, 2013 when the funds were transferred.

Dennis Clark stated there was still a few thousand dollars in that account and soon the City will get around to closing it.

Chairman Becher stated there was \$3,340.00 in that account.

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Chairman Becher continued, even though the Building Authority does not handle that bond, the City stretched that out over ten or eleven years, correct?

Dennis Clark stated yes.

Chairman Becher asked if it was kept rather level or did it have a blow up payment at the end.

Dennis Clark stated no the City flattened the payments out because they wanted to show a positive cash flow all the way through to the end. With all the repairs going on over there a lot of cash was going out of there for appliances and furnaces, etc. The City looked at the expenditures as being fairly high for the next two or three years, so they flattened it out all the way through.

Chairman Becher stated there was not a lot to discuss at this time and they would need to look through it. The check register was the outgoing, but did they have anything on the incoming.

Dennis Clark stated the income would be the rent for each month and interest earned.

Chairman Becher asked if that was all there was as far as income.

Dennis Clark stated you had the deposits for security deposits for the rentals and key deposits.

Secretary Koury stated no government grants or free money?

Dennis Clark stated the City did not get any money at all on that one. The grant money was on Stilwell project because that was for the low income and stuff like that. The city was looking at some type of grant for installing thermostats but he would have to get the report from Dan Fagan because it was a couple of years back, but the City was not qualified for it.

Chairman Becher stated they did get some money for the porches or something like that, he believed they settled with the insurances.

Dennis Clark state that was correct but he was not sure exactly how that went, it had been a while back.

Chairman Becher stated that at the last meeting there were questions raised to the City Attorney's office since there were some properties in the

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name of the Building Authority and it was questionable if they should be in the name of the Building Authority and stuff like that.

David Griem, City Attorney stated he had the entire list it was pages 8 and 9 of the minutes from June 4, 2013. The questions were very good questions and he did not have answers for the Building Authority today but he would like to indicate that he became aware of the questions last week. He sat down with Annette Gatarri-Ross and talked about it and the office would like to give the answers in writing and the answers to be carefully researched and thought out and what he was suggesting to the Building Authority if they did not think the time frame was a problem, he would like to have answers in writing shortly after the first of the year and scheduling a meeting with the Building Authority to discuss everything. Possibly meet the second week in January?

Commissioner Wyer stated that the building Authorities next meeting to approve an interest payment and from what he could see was a payment due in May and a payment due in June. Definitely need to have a meeting in April to approve those, he does not mind waiting to meet and have answers for them to review in early March to go over and be prepared to discuss in April at regular meeting.

General discussion took place about the adopted meeting schedule.

Chairman Becher stated when he was doing research for his report there was information about the property reverting back to the City once the Building Authority was done.

David Griem stated the Building Authority should look at the questions and decide if any should be added, subtracted or amended and get them to his office in the reasonable near future and he would get everything together and provide the answers two weeks before the meeting.

General discussion took place on notice of meetings.

Chairman Becher said meeting to discuss the questions only might be good.

Secretary Koury stated he would address the calendar of meeting dates and could not remember if it was part of State Statue or the bylaws. Does it state that the Building Authority must meet in January to set the calendar or does it say the calendar must be set by a certain date in January? He believes it must be adopted and published by a certain date in January not that the Building Authority needs to meet just for that

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reason. There was no reason the calendar could not be set at this meeting. That way it would be done. Have the City Attorney forward the members the documents a few weeks before the next meeting which will be in April, they have time to put it together and the Building Authority has time to review it and there is no need for a meeting in January. He thinks it should be scheduled for every month and just cancel the meeting when not needed.

Commissioner Wyer stated he was fine with that and wanted to know if the meeting should be set for the first Tuesday of every month.

Chairman Becher stated he did not have a calendar present.

Secretary Koury stated he believed the first Tuesday in January was the 7th of 2014.

Commissioner Wyer stated they could schedule it but not have the meeting until needed in April.

Chairman Becher stated if the Board did not have a problem then they would adopt the calendar for meetings to take place on April 1, 2014 and October 7, 2014. If anything else comes up the other meetings are scheduled and will be cancelled if not needed.

Commissioner Wyer stated tonight they approved the December payment and he did not see why they could not do the same thing again next year.

David Griem stated his office would have the answers to them no later than February 15, 2014 but he would ask that they review the questions and see if anything else should be added, subtracted or amended and get back to his office by October 15, 2013. If they were fine with the questions as asked and he does not hear from anyone by the end of the 15th he would proceed.

Chairman Becher stated he just wanted things to be handled properly and keep the matters straight.

9. NEW BUSINESS

Secretary Koury stated he would like to discuss how to go about getting payments made to the recording secretary in the same calendar year if meetings were only going to be conducted in April and October. As it

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stands right now, payment for this meeting would not be made until April 2014 and he thought there should be a way to handle that.

Chairman Becher stated a meeting needs to take place in order to approve a bill. A blank check could not be authorized and the amount would not be known until the item was completed and a bill submitted.

Secretary Koury stated he believed in paying for services when rendered and he did not think it anyone should have to wait six months to be paid.

Chairman Becher stated he believes legally they have to wait. He was still waiting for them to pay Donna Caumartin for her meeting fees.

Dennis Clark stated the DDA and TIFA Boards had sent e-mails to all board members and have had them approve the checks that way.

Commissioner Wyer asked the City Attorney if that was an acceptable way to have a vendor paid for something like that?

David Griem stated he believed it was.

Chairman Becher stated so we can do things electronically now.

Dennis Clark stated once in awhile.

Secretary Koury made the Motion in an effort to pay the recording secretary in a timely fashion that an e-mail be sent from the controller's office for services rendered and at that time, the three members of this body can vote aye or nay via electronic communication. Once approved the signatory's will come to the office and sign the check.

Chairman Becher clarified if the request would come from the controller's office.

Dennis Clark stated no. The recording secretary would submit the minutes and the invoice for services to the board. The board would reply with approval or disapproval. Once approved the item would be submitted to Council for approval and payment would be made.

Motion:

Secretary Koury made the motion to approve the process for payment of transcription services, supported by Commissioner Wyer.

Roll Call:

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A roll call was taken and the motion carried unanimously.

Koury	Yes
Wyer	Yes
Becher	Yes on item 9 for paying the recording secretary in a timely fashion.

10. AUDIENCE PARTICIPATION

There was no one present to speak under Audience Participation.

11. ADJOURNMENT

Motion:

Commissioner Wyer made a motion to adjourn, supported by Secretary Koury.

A vote was taken on the motion to adjourn, and it carried unanimously.

Chairman Becher adjourned the meeting at 4:46 p.m.

Minutes Declared Adopted this _____2013, by David Koury Building Authority Secretary.