

CITY OF WARREN BUILDING AUTHORITY
REGULAR MEETING
June 4, 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:

Dennis Clark, Assistant City Controller

1. CALL TO ORDER

Chairman Becher called the meeting to order at 4:01 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 May 7, 2013.

Motion:

Secretary Koury made a motion to approve the Minutes of May 7, 2013, supported by Commissioner Wyer.

Roll Call:

A roll call was taken and the motion carried unanimously.

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Koury	Yes
Wyer	Yes on the Minutes
Becher	Yes on the Minutes of May 7, 2013.

6. APPROVAL OF THE BILLS

- a. Request to issue a check in the amount of \$30.00, Invoice # 100-BA, payable to Mary M. Kamp, for transcribing and composing Building Authority minutes of May 7, 2013. Check # 1540.

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, check for 30.00, Invoice number 100-BA for payable to Mary M. Kamp for the Minutes of 5-7-13, Check #1540.

- b. Request of the Controller's Office to issue a check in the amount of \$2,200,000.00, for transferring funds which are in the possession of the Building Authority. This relates to the Joseph Coach Project and funds must be transferred immediately to the City of Warren. **Check # 342**

Secretary Koury asked for discussion and further explanation from Dennis Clark, Assistant City Controller for this request before making a motion.

Dennis Clark stated he just provided the Board the reconciled bank statements for April showing where this money would be transferred from. New laws have changed the responsibility of bonds. Where the Building Authority used to hold that responsibility, it has been changed to the City. The money that was supposed to pay for these bonds is in these accounts and therefore must be moved over to the City's control for the principle and interest payments. Right now we want to transfer the even amount of money and once we get it down and once we start running money through the other two accounts the City can then

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close these accounts and get new ones established under the City Treasurer's control.

Secretary Koury asked what would be done with outstanding checks?

Dennis Clark stated Plante Moran said to take them back into our bank account and just hold the money there. Most if not all of these will probably not be cashed. The alternative would be to submit the funds to the State of Michigan's unclaimed property and have them hold the funds until someone requests them.

Secretary Koury stated that checks number 1200 and 1400 series would remain in control of the Building Authority and Mr. Clark agreed.

Chairman Becher stated once the account is closed the fund from uncleared checks would have to be sent to the State of Michigan.

Commissioner Wyer asked about the bonds that the City redid, were they put in the name of the City or was it turned over to the Downtown Development Authority?

Dennis Clark stated no, they were turned over to the City.

Commissioner Wyer continued the funds that are being turned over will then go before the City Council for deposit returns or future payments.

Dennis Clark explained that yes, these would now be handled on the list of bills and there are separate accounts that will be controlled by the Treasurer and the City.

Chairman Becher asked if the deposit of funds and money earned will remain under the Joseph Coach fund?

Dennis Clark stated that was correct, but under the City's two new accounts, not the Building Authority.

Commissioner Wyer asked why the letters DDA and the words "qualified statement" were listed on the original agenda?

Dennis Clark stated that was a typo of some kind, the DDA does not have anything to do with this.

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Commissioner Wyer clarified that his concern was not just the agenda before it was revised, but also an email that was provided to them from Meredith Shanle from May 3rd, in it she is asking for the qualified statement and that it should be approved by early next week. That email was sent from Meredith to you and those two words qualifying statement, he felt like the bond was taken away from the Building Authority. Eight or ten months ago Mr. Becher questioned the refinancing of these bonds and all of a sudden it happened, the City took care of it, Mr. Axe took care of it, we had questions and they were never answered by the Administration. The bonds were taken away, the City controls it and now he sees the letter DDA, he hopes these bonds were not taken out of the hands of the Building Authority and switched to the DDA.

Dennis Clark stated it was not and it is not the City's intention to his knowledge in the future. The DDA should have nothing to do with Joseph Coach; it is not even in the DDA district. Regarding the email Mr. Wyer was referring to, Mr. Clark apologized, and that information was contained in an e-mail that he had launched off of rather than creating a new one and finding Meredith's e-mail address again. That is why there was DDA references in the title and such. It is a separate issue. The City had to register with the State of Michigan, which has to be done each year and when there are new bonds. In addition, the DDA had new bonds as well and they too had to register and that is why the e-mail about qualifying statements. The State was cutting off on May 1st or April 30th to go to a new qualified statement and they had to hustle and get the signatures they needed to enter them before the change of forms. That is the e-mail he launched off of and it was just reminding her to send a letter about the transfer of funds between the City and the Building Authority.

Commissioner Wyer stated the e-mail response of Tuesday, May 28, 2013, it looked as though Mr. Clark e-mailed Mr. John Axe and questioned Mr. Axe for something on the Building Authority, transferring the Joseph Coach rent monies over to the City accounts and that was brought to us today. The current checking number to 1852832078, for \$700,000.00. So, that was a recently opened account under the name of the City of Warren?

Dennis Clark stated yes.

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Commissioner Wyer continued, and account number 1055067771 is also a newly open account under the name of the City of Warren?

Dennis Clark stated yes and it was approved at a Council meeting back in April, or maybe March, but it should be part of the minutes. Carolyn Mocerri, City Treasurer would have sent the request over to Council and requesting those accounts be opened. The second one is a J fund as they are called which is some type of interest bearing savings.

Chairman Becher asked that the two accounts are specifically for Joseph Coach and Mr. Clark stated yes.

Chairman Becher continued and asked for two things. The Board never really did get a good final accounting of the Joseph Coach, at least he didn't feel they did and this has been talked about before.

Dennis Clark stated they could wait for the City's Audits and provided the bank balances, etc. then. Was that what Chairman Becher was looking for? Controller's Office also keeps detailed records of key deposits and security deposits on each of the rental units over there.

Chairman Becher requested a general overview of the original bond fund that was put up that they started with, then they made these payments and this is what the money earned and here is the balance.

Dennis Clark stated they could update that and provide that information by the next meeting.

Commissioner Wyer suggested the statement go as far as April 30, 2013 to match the bank statement they were provided today.

Chairman Becher stated when the account is actually going to be closed; they will need a final accounting to cover anything after 4/30/13 until the time of closing. The property of Joseph Coach was never in the Building Authority name, which was a mistake. Started it and never registered it.

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Motion:

Commissioner Wyer made a motion to transfer the funds of \$2,200,000.00 as requested, and making the motion under the fact that the accounts are under the City of Warren and the DDA is not involved at all in this project as discussed today. Supported by Secretary Koury.

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 for \$2,200,000.00 payable to City of Warren, Check #342.

7. MEETING ALLOWANCE

1. John Becher	Ck. # 1541	\$50.00
2. Dave Koury	Ck. # 1542	\$50.00
3. Mark Wyer	Ck. # 1543	\$50.00

Motion:

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

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 #1541, #1542 and #1543.

8. OLD BUSINESS

Commissioner Wyer had a couple of questions for the Assistant Controller. The Board was unable to contact him at the May 7, 2013 meeting and the City Attorney was not present. The April meeting was

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cancelled and an emergency wire transfer for payment of \$196,308.75 was conducted through the City Controller and Council Secretary Scott Stevens. Any particular reason the meeting was cancelled, so the Building Authority could have handled this matter?

Dennis Clark stated the bonding company did not send a bill and the Controller's Office caught it at the last minute and contacted Mr. Stevens and asked him to approve this and send the money direct. We have since put in a check list of when bond payments should come due.

Chairman Becher stated the transfer was done electronically.

Commissioner Wyer asked if the electronic payment costs any extra and Dennis Clark, stated no.

Commissioner Wyer continued and would like to know if wire transfers can be done in the future and recommended the Board have a discussion with the City Treasurer on the matter and request that.

Secretary Koury asked who had authority to cancel a Building Authority meeting? The procedures should be clarified that only the Secretary or Chairman of the Board can cancel meetings.

Chairman Becher wished the City Attorney were present to answer whether or not the Board needed to take any action on the wire transfer from April. The end of the fiscal year is at the end of this month and he feels the Board should show some acknowledgement to the transfer of the funds and have a record of them either approving, or disapproving of the actions taken on their behalf.

General discussion on how the motion should be worded took place.

Motion:

Commissioner Wyer made a motion to acknowledge and approve a wire transfer of \$196,803.75 to the Bank of New York Mellon and Trust, approved by the City Controller and executed by Council Secretary Scott Stevens of Building Authority Refunding Bond Series of 2005, completed on 4/30/13. Supported by Secretary Koury with discussion.

Secretary Koury commented that the Board found out about this after the fact and not before, that there would be an emergency transfer.

Roll Call:

A roll call was taken and the motion carried unanimously.

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Wyer	Yes
Koury	Yes
Becher	Yes to approve.

9. NEW BUSINESS

Commissioner Wyer asked for discussion on the calendar of meeting dates. With the Board being reduced in its responsibilities he stated the Board has payments due in November and December and payments due in May and June. The payment in June is for the 2005 Bond issue, the June portion is for interest and principle, not due again until December 1, 2013 for interest only. Then Building Authority Refunding Bonds 2005 the Community Center Bonds are the same situation. November calls for principle and interest payment and May only an interest payment. Just recommending the Board holds a meeting in October for November and December bond checks and again holds a meeting in April for approval of the bonds due in May and June. Two meetings a year for the Building Authority and it will save money. Notice can always be given if additional meetings are needed.

Chairman Becher stated he does a write up that he forwards to Council of the Building Authorities activities and he will send a copy to the Board members to review. The other issue was that the Building Authority has property that they own and if the City is going to refinance any one of those properties, the DPW, Fire Admin., Fire Station 2, the Police Station, Sanitation, Water Garage and Warren Community Center then the Building Authority has to be involved. It is his understanding that the Community Center cannot be refinanced as of yet.

Dennis Clark stated he would check into that and report back.

Chairman Becher questioned what the Board should do with the other properties that no longer have outstanding bonds.

General discussion took place about questions that should be directed to the City Attorney and the request that the minutes specifically reflect the questions that were raised. The questions raised are as follows:

Is the Building Authority still needed, with the new laws in effect?
Should the Building Authority retain ownership of the properties that no longer have outstanding bonds?
Is it best to keep oversight of these properties?

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Is there a problem for the Building Authority to retain ownership of the properties?
Can bonds still be issued through the Building Authority?
Should the Building Authority hold the properties until such time that the City may want to issue bonds in their own name and transfer ownership at that time?
Does it hurt anything for the buildings to remain in title to the Building Authority?
Is there any additional responsibility or liability on the part of the Building Authority, if something should happen at one of these buildings, someone gets hurt, killed or the building blows up, etc?
What are the liabilities?
How would they go about transferring these properties to the City, if they chose to do that?
Does the City have to accept them?
What are the Pro's and Con's of transferring them to either entity?
If the properties are transferred to the City, does it go before City Council?
Legally should the Building Authority still retain the title, now that bonds are paid off on 5 of these properties?

Secretary Koury will forward a notice to the City Attorney of the October Meeting and will reference these questions, so the City Attorney can be prepared with answers.

10. AUDIENCE PARTICIPATION

There was no one present to speak under Audience Participation.

11. ADJOURNMENT

Motion:

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

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

Chairman Becher adjourned the meeting at 4:54 p.m.

Minutes Declared Adopted this _____ 2013, by David Koury Building Authority Secretary.