

APPROVED - 11/18/15

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CITY OF PONTIAC

2

RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING

3

OCTOBER 21, 2015

4

1:00 p.m.

5

6

Meeting before the

7

RTAB Board at 47450 Woodward Avenue, Pontiac, Michigan, on

8

Wednesday, October 21, 2015.

9

10 BOARD MEMBERS PRESENT:

11

Edward Koryzno - The Chairperson

12

Keith Sawdon

13

Robert Burgess

Louis Schimmel

14

FROM THE CITY: Robert Widigan

15

16 OTHERS PRESENT:

17

Joseph Sobota

Mayor Deirdre Waterman

18

Nevrus Nazarko

19

Linda Hasson

Billie Swazer

20

21

REPORTED BY: Mona Storm, CSR# 4460

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1 Pontiac, Michigan

2 Wednesday, October 21, 2015

3 1:00 p.m.

4 THE CHAIRPERSON: Good afternoon. It's
5 1:00 p.m. and I'll call the City of Pontiac
6 Receivership Transition Advisory Board meeting to
7 order.

8 Roll call, please.

9 MR. WIDIGAN: Keith Sawdon?

10 MR. SAWDON: Here.

11 MR. WIDIGAN: Robert Burgess?

12 MR. BURGESS: Here.

13 MR. WIDIGAN: Edward Koryzno?

14 THE CHAIRPERSON: Here.

15 MR. WIDIGAN: Louis Schimmel?

16 MR. SCHIMMEL: Here.

17 MR. WIDIGAN: A quorum is present.

18 THE CHAIRPERSON: Thank you. I note, for the
19 public, that if you intend to speak during Public
20 Comment, that it's necessary for you to sign in on the
21 sheet in the back of the room on the table with the
22 agendas. If you do not sign, unfortunately, you will
23 not be recognized to speak.

24 Item B is approval of the agenda.

25 MR. SCHIMMEL: I'll move.

1 MR. BURGESS: Support.

2 THE CHAIRPERSON: Moved by Schimmel, support
3 by Burgess.

4 I would like to make one technical change to
5 the agenda. Under Item III C, I'd like to add an Item
6 Number 2, City Administrator Report. That was
7 inadvertently left off the agenda. If anyone has any
8 objections to that, if not, all in favor of the agenda,
9 as amended, say "aye".

10 BOARD MEMBERS: Aye.

11 THE CHAIRPERSON: Opposed, same sign.

12 The agenda's approved.

13 Item C, approval of the minutes. Entertain a
14 motion to approve the RTAB minutes of September 16,
15 2015.

16 MR. SAWDON: I'll make that motion.

17 MR. BURGESS: Approve.

18 THE CHAIRPERSON: Moved by Sawdon, support by
19 Burgess. Discussion?

20 Seeing none, all in favor of the motion say
21 "aye".

22 BOARD MEMBERS: Aye.

23 THE CHAIRPERSON: Opposed, same sign.

24 The minutes for our September 16th meeting
25 are approved.

1 Item II, Old Business, there is none so we
2 will move on to Item 3, New Business, III A, Approval
3 of Resolutions and Ordinances for City Council
4 meetings?

5 Item 1, September 10, 2015 Regular City
6 Council Meeting, I'd entertain a motion.

7 MR. BURGESS: I'd move to approve.

8 MR. SAWDON: Support.

9 THE CHAIRPERSON: Moved by Burgess, supported
10 by Sawdon. Any discussion?

11 Seeing none, all in favor of the motion say
12 "aye".

13 BOARD MEMBERS: Aye.

14 THE CHAIRPERSON: Opposed, same sign.

15 The minutes are approved.

16 Item 2, September 14, 2015 Special Meeting
17 Minutes. I'll entertain a motion.

18 MR. SCHIMMEL: I'll move.

19 MR. BURGESS: Support.

20 THE CHAIRPERSON: Moved by Schimmel,
21 supported by Burgess. Any discussion?

22 Seeing none, all in favor of the motion say
23 "aye".

24 BOARD MEMBERS: Aye.

25 THE CHAIRPERSON: Opposed, same sign.

1 Minutes. Entertain -- I'll entertain a motion.

2 MR. SCHIMMEL: I'll move with the exception
3 of Resolution 15-310.

4 MR. SAWDON: Support.

5 THE CHAIRPERSON: Moved by Schimmel, support
6 by Sawdon to approve all ordinances and resolutions
7 from the October 1st meeting with the exception of
8 Resolution 15-310. Discussion?

9 Seeing none, all in favor of the motion say
10 "aye".

11 BOARD MEMBERS: Aye.

12 THE CHAIRPERSON: Opposed, same sign.

13 The motion is approved.

14 Next item is Resolution 15-310 Bradberry
15 versus the City of Pontiac.

16 Mr. Sobota, could you provide the Board with
17 a summary?

18 MR. SOBOTA: This is one of those situations
19 where the legal system is working against the City of
20 Pontiac and not for us. We have a case that, if we
21 were to litigate it and had a judge that was following
22 the laws that was written, this case would have been
23 dismissed because the Plaintiff has no standing in the
24 case.

25 Unfortunately, the judge has failed to act on

1 our motion to dismiss and has moved it past the date of
2 accepting case evaluation. The judge has a history of
3 being plaintiff friendly so, if we go to trial in front
4 of this judge, we will probably lose, be required to go
5 to the Court of Appeals where we will most likely
6 prevail.

7 However, the costs of fighting at trial and
8 going to Court of Appeals is probably going to be more
9 than the \$10,000 proposed case evaluation value for
10 this case. So, very reluctantly, I am recommending the
11 settlement -- or acceptance of case evaluation in this
12 matter. Mayor and Council were consulted.

13 THE CHAIRPERSON: Any questions for
14 Mr. Sobota?

15 MR. SCHIMMEL: I'll move approval.

16 MR. BURGESS: Support.

17 THE CHAIRPERSON: Moved by Schimmel,
18 supported by Burgess to approve Resolution 15-310. Any
19 further discussion?

20 Seeing none, all in favor of the motion say
21 "aye".

22 BOARD MEMBERS: Aye.

23 THE CHAIRPERSON: Opposed, same sign.

24 The motion is approved.

25 Next item is Item 6, October 8th, 2015

1 Regular Meeting Minutes. I'll entertain a motion.

2 MR. SAWDON: A motion to approve except
3 15-320 and 15-331 (sic) resolutions.

4 MR. BURGESS: Support.

5 THE CHAIRPERSON: I think, for the record,
6 Mr. Sawdon, it's 15-321.

7 MR. SAWDON: Oh, 321. Sorry.

8 THE CHAIRPERSON: All right. So it's been
9 moved to approve all the resolutions from the City
10 Council meeting with the exception of Resolution 15-320
11 and 15-321. Further discussion?

12 Seeing none, all in favor of the motion say
13 "aye".

14 BOARD MEMBERS: Aye.

15 THE CHAIRPERSON: Opposed, same sign.

16 The motion is approved.

17 Next item Resolution 15-320, Graves versus
18 the City of Pontiac. Mr. Sobota?

19 MR. SOBOTA: This one will not cost us
20 anything. Mr. Graves was an employee of the water and
21 sewer system. With the sale of the assets, the
22 liability went with the system, so what we are doing is
23 we have reached a settlement that will relieve the rate
24 payers from having to pay these costs over the next
25 several years. Our Water Resources Commission has

1 approved the proposed settlement in this workers'
2 compensation case. Mayor and Council have also been
3 consulted. So I am recommending approval at this time
4 and, costs alone, net zero to the City.

5 THE CHAIRPERSON: Any questions from the
6 Board for Mr. Sobota?

7 If not, I'll entertain a motion.

8 MR. BURGESS: I move to approve.

9 MR. SCHIMMEL: Support.

10 THE CHAIRPERSON: Moved by Burgess, supported
11 by Schimmel to approve the resolution. Any further
12 discussion?

13 Seeing none, all in favor of the motion say
14 "aye".

15 BOARD MEMBERS: Aye.

16 THE CHAIRPERSON: Opposed, same sign.

17 The motion is approved.

18 Next item is B, Resolution 15-321.

19 Mr. Sobota?

20 MR. SOBOTA: This is a rather interesting
21 case. While our DPW employees were moving an ambulance
22 to be auctioned off, the vehicle touched -- and I use
23 the word "touched" very lightly -- the back of another
24 vehicle. That particular driver sued the City,
25 claiming injury. There were -- there was no damage to

1 either vehicle. The first case was dismissed, as she
2 filed suit against the individual. She has now filed
3 suit against the City.

4 There is case evaluation in the amount of
5 \$12,500. Our attorney has advised us that we would be
6 required to call in some specialists to dispute the
7 claims of the Plaintiff in this matter and probably
8 fighting this case at trial would exceed the proposed
9 case evaluation.

10 Please note, however, in the first case,
11 Plaintiff rejected case evaluation and later had the
12 case dismissed, so we may be in a situation where
13 Plaintiff could reject again and, therefore, we would
14 go to trial and my guess is we'd most likely prevail.

15 THE CHAIRPERSON: Any questions from the
16 Board for Mr. Sobota?

17 MR. SCHIMMEL: I'll move approval,
18 reluctantly.

19 MR. SAWDON: Support.

20 THE CHAIRPERSON: Moved by Schimmel,
21 supported by Sawdon to approve Resolution 15-321. Any
22 further discussion?

23 Seeing none, all in favor of the motion say
24 "aye".

25 BOARD MEMBERS: Aye.

1 THE CHAIRPERSON: Opposed same sign.

2 The motion is approved.

3 Item 7, the October 13th, 2015 Special
4 Meeting minutes.

5 Mr. Sobota, could you please provide a
6 summary of the action taken on this resolution
7 regarding the drain assessments on the winter tax roll
8 for 2015.

9 MR. SOBOTA: The request was made to City
10 Council to authorize the levying of property,
11 individual property assessments to the parcels that
12 benefited from the drain improvements. City Council,
13 in their discussion, felt that the general fund has a
14 rather large surplus and that they -- the general fund
15 should pay for these particular expenses.

16 This is contrary to the action taken by the
17 Emergency Manager prior to his departure where these
18 assessments were spread to the individual parcel owners
19 and, also, contrary to the action City Council took one
20 year ago. They are fully aware that there will be a
21 budget amendment required in the amount of \$11,404 and
22 they have indicated that they will remove such amount
23 from City Council's projects that were in the general
24 fund budget and use that to pay for these assessments.

25 I was convinced after the meeting that the

1 Council members do not understand exactly what was
2 being asked of them and do not understand the
3 difference between at large assessments and property
4 assessments and I have made a request to the Water
5 Resources Commissioner and his deputy at the next
6 quarterly presentation to City Council to discuss these
7 differences. However, City Council is fully aware that
8 there will be 11,400 and some dollars less that they
9 will be able to use on projects that they identify in
10 the budget and also during discussion at the Council
11 meeting.

12 So they failed to take action is basically
13 what happened in this particular action. There's
14 nothing that you, as a Board, can do, nor I, as a City
15 Administrator, can do under the authority vested in us,
16 under the laws of the State of Michigan, to reverse
17 this. And the tax roll will be prepared before the
18 next meeting of the Transition Advisory Board.

19 THE CHAIRPERSON: Any questions for
20 Mr. Sobota?

21 MR. SCHIMMEL: What are you asking us to do
22 here?

23 MR. SOBOTA: Actually, there is no action
24 required by the Board on this.

25 MR. SCHIMMEL: Okay.

1 MR. SOBOTA: I think the question was
2 basically, does Council know what they did.

3 MR. SCHIMMEL: Okay.

4 MR. SOBOTA: Or, in this case, what they
5 didn't do.

6 THE CHAIRPERSON: Well, correct me if I'm
7 wrong. But there were three items on the agenda and
8 they did take action on two items. So what we would be
9 doing is approving those two items and then the third
10 in regards to the drain assessment, there would be no
11 approval because no action was taken by the Board -- or
12 by the City Council. So having said that, if the Board
13 members understand, I'll entertain a motion.

14 MR. SAWDON: Motion to approve.

15 THE CHAIRPERSON: Support?

16 MR. BURGESS: Support.

17 THE CHAIRPERSON: Moved by Sawdon, supported
18 by Burgess. Any further discussion?

19 Seeing none, all in favor of the motion say
20 "aye".

21 BOARD MEMBERS: Aye.

22 THE CHAIRPERSON: Opposed, same sign.

23 The motion is approved.

24 Next item is Item B under the City
25 Administrator Items, Item 1, B 1, Graves versus the

1 City of Pontiac was addressed in New Business.

2 Item 2, Bradberry versus the City of Pontiac
3 was also addressed in New Business.

4 Item 3, McClendon versus City of Pontiac, was
5 also addressed in New Business.

6 Item 4, approval of Senior Center Specialist
7 hire, Mr. Sobota could you provide us with a summary,
8 please.

9 MR. SOBOTA: This position opened up two
10 weeks after we had hired our third full-time employee.
11 One of our long-time employees retired very rapidly so
12 we've been without having these centers properly
13 staffed now for probably about six months. This will
14 allow us to get to our approved staffing level that the
15 Board approved last year, which is three full-time
16 employees. It will help reduce overtime and, also, it
17 will assist in filling vacancies when one employee
18 needs to take time off, so that way we don't have to
19 close a center because we do not have enough staff to
20 staff both community centers.

21 The applicant, Ms. Linda Simpson, is a former
22 City of Pontiac employee who worked in the Recreation
23 Department, although her time in the City was primarily
24 geared toward working with the youth, however, what she
25 did is she brought the youth to the seniors as a form

1 of entertainment. She was like a cheerleading coach
2 and she would bring the kids to the senior centers to
3 help entertain the seniors there.

4 It's quite clear during the interview that
5 she does have a passion for senior citizens.
6 Definitely believe that she's going to be a good fit.
7 Mayor Waterman did sit in on the interview. So the
8 recommendation is to hire Linda Simpson at the \$9
9 hourly rate with the agreement that has been presented
10 for your consideration.

11 THE CHAIRPERSON: Any questions from the
12 Board for Mr. Sobota?

13 Seeing none, I'll entertain a motion.

14 MR. SCHIMMEL: I'll move.

15 MR. BURGESS: Support.

16 THE CHAIRPERSON: Moved by Schimmel,
17 supported by Burgess to approve the Senior Center
18 Specialist hire. Further discussion?

19 Seeing none, all in favor of the motion say
20 "aye".

21 BOARD MEMBERS: Aye.

22 THE CHAIRPERSON: Opposed, same sign.

23 The motion is approved.

24 Item 5, Amendment of Order S-331, change to
25 cell phone policy.

1 Mr. Sobota?

2 MR. SOBOTA: I can't believe I'm saying this.
3 I'm actually going to ask the Board to consider
4 postponing this until the next meeting for two reasons:

5 Number one, late yesterday we received a
6 technology request from the incoming Deputy Mayor that
7 does not conform with this policy. I have not had the
8 appropriate opportunity to investigate what the costs
9 are and what we need to do to implement that.

10 So, rather than amending the policy now,
11 sending it up and having to go up again a month later,
12 I think, would be redundant for the State Treasurer.

13 Number two, the City employees are not
14 satisfied with proposed compensation for the cell phone
15 stipend. They would like to see that increased. So,
16 since I'm requesting a postponement at this time to
17 consider the Deputy Mayor's request, I might as well
18 also reconsider the proposal that I was making
19 regarding the stipend for the cell phone reimbursement.

20 THE CHAIRPERSON: Any questions from the
21 Board for Mr. Sobota?

22 I'll entertain a motion.

23 MR. BURGESS: Move to postpone.

24 MR. SAWDON: Support.

25 THE CHAIRPERSON: Moved by Burgess, supported

1 by Sawdon to postpone this decision.

2 Any further discussion?

3 Seeing none, all in favor or the motion say
4 "aye".

5 BOARD MEMBERS: Aye.

6 THE CHAIRPERSON: Opposed, same sign.

7 Changes to the cell phone policy is
8 postponed.

9 Item 6, Michigan Energy Office Grant
10 Application.

11 Mr. Sobota?

12 MR. SOBOTA: This may seem like a case of
13 deja vu as I had requested this Board to approve a
14 grant application for streetlights, I think, a month
15 ago. Well, there's another grant out there. So, if
16 you don't ask, you may not receive it. We have plans
17 on spending this money next fiscal year. There is a
18 match required. If the grant is awarded from the State
19 of Michigan, we would be able to use next fiscal year's
20 budget in order to expend the funds at that time.

21 So I am requesting authorization to apply to
22 the Michigan Energy Office for a grant to convert
23 streetlights to LED, maximum award is \$50,000. There
24 is a City match required up to 50 percent of the actual
25 cost but we do have a budget appropriation identified

1 for next fiscal year and the grant can be used next
2 fiscal year.

3 MR. SCHIMMEL: I'll move approval.

4 MR. BURGESS: Support.

5 THE CHAIRPERSON: Moved by Schimmel,
6 supported by Burgess to approve the grant application.

7 Any questions for Mr. Sobota?

8 Further discussion?

9 Seeing none, all in favor of the motion say
10 "aye".

11 BOARD MEMBERS: Aye.

12 THE CHAIRPERSON: Opposed, same sign.

13 The motion to apply for the grant is
14 approved.

15 Item C, Mayor Waterman.

16 MR. WIDIGAN: Mr. Chair, I have an additional
17 report the Mayor handed me before the meeting.

18 THE CHAIRPERSON: All right.

19 MR. NAZARKO: Do you want me to go and get
20 the Mayor? She just stepped out.

21 THE CHAIRPERSON: Yes, please.

22 Good afternoon.

23 MAYOR WATERMAN: Ready for me?

24 Sorry gentlemen. Okay. I'm coming from two
25 ribbon cuttings in the City of Pontiac today; one for

1 the Strand Theatre, the much-awaited ground-breaking
2 and announcement of Flagstar Bank finishing the
3 financing for the Strand Theatre can come to
4 realization as a real catalyst for economic development
5 and revitalization of downtown; in addition to another
6 ribbon cutting in the front of the public library for
7 the installation of bike racks, in terms of promoting
8 healthy activity recreational lifestyles in the City of
9 Pontiac, sponsored by the Friends of the Clinton River
10 Trail as well as Healthy Pontiac We can. So I've
11 become quite an advocate of cutting ribbons in Pontiac.
12 But that's other good news, so we're happy to hear
13 that.

14 As we're coming to this meeting, another
15 thing I'm happy that we are going to have the
16 realization of is that the Deputy Mayor, long-awaited
17 Deputy Mayor, will be starting next Monday and I, for
18 one, can't wait for her to come in with the expertise
19 and the technology that she will bring in. As well as,
20 you see she's already had an impact on some of the
21 policy-making within the City, she has started to make
22 her expertise and influence felt and will be a partner
23 in helping to develop the agenda that we have outlined
24 for the City of Pontiac.

25 So that's all good news and that will update

1 you on a couple of things that you have intimately been
2 involved in, in the terms of bringing -- recreating
3 that position as Deputy Mayor in the City of Pontiac
4 and identifying a capable, experienced person for that
5 role, who is highly acclaimed amongst both other
6 officials as well as her peers. So that is Jane
7 Bais-DiSessa and we'll announce that in a bigger way as
8 she starts her role here in the City of Pontiac.

9 Some other things that she will be -- on her
10 plate -- helping with are, of course, the budgetary
11 issues. And a number of people from State Treasury
12 have asked about the '16/'17 budget.

13 As you've heard today, there were still some
14 things we're still finalizing from the '15/'16 budget,
15 including two issues that have been passed by the City
16 Council, which have been deferred and which we have
17 finally been brought to a finalization of those, one of
18 which required a couple of special meetings. Because,
19 without Council's action on that, that was going to
20 leave a million dollar budget deficit, which we were
21 not -- I was not ready to accept.

22 So both with the aid of certain City Council
23 members as well as myself, we called two special
24 meetings to get this issue resolved and now we're able
25 to move forward with the '16/'17 budget. We are still

1 on track to do that. I've talked with the City
2 Administrator and the Finance Director and we're going
3 to be on track to present that '16/'17 budget to the
4 Finance Subcommittee of the City Council at their first
5 meeting in November, which I believe is November 2nd or
6 thereabouts. So that -- that is their process for
7 getting it, reviewing it and getting it to the full
8 City Council. And so that will be part of the process
9 that we're going to follow.

10 And we have previously vetted, as you know,
11 we went through another previous attempt to do the
12 '16/'17 budget, so we have done that amount of research
13 and communication with Council and we'll just make some
14 additional changes to -- that have happened because of
15 the number since that time it was originally
16 configured, so that we can get a finalization of that
17 and get back on track with the timing.

18 I'd like to report for you on the blight
19 situation in Pontiac. We had occasion to pull a lot of
20 data together because there were some reports from a
21 news reporter, I believe Fox 2, who was searching out
22 some of the results from various cities, in terms of
23 demolition process and I think there was a highlight
24 story in Detroit, the fact that Mayor Duggan was called
25 before the City Council to report why their demolition

1 costs were upwards of \$23,000. So this news reporter
2 was using comparable cities to see what our figures
3 were and we have the data that we have collected and
4 have been following rather closely, in addition to the
5 management firm that we're bringing in to do the next
6 phase of demolition for the City of Pontiac.

7 But we are now in the 13th phase batches of
8 demolition and, with that, our average cost for
9 demolition is \$11,484, much better record than what we
10 have heard around us. And we think that is because we
11 have expedited the process, we have kind of cleared up
12 the bureaucratic tape that went in slowing down the
13 process from getting to Hearing Officer to getting to
14 the process of demolition. And we've also had the
15 expediency of the bidding process in which we have also
16 held our contractors to task to make sure that they
17 were following the timeframe for -- from demolition to
18 get -- to getting that down.

19 Not only have we spent the money for CDBG and
20 MSP that we have dedicated to this but we also have
21 used home funds to -- for rehabbing because we don't
22 want to be all about just tearing down, we want to be
23 about rehabbing where the incentive is to do that. And
24 we have spent some \$1.7 billion for rehabbing Pontiac
25 structures and homes. So I think that report is --

1 that's what I was just checking, I'm not sure whether
2 you received that report.

3 THE CHAIRPERSON: We have it.

4 MAYOR WATERMAN: But I wanted to make sure
5 that that was in front of you because that will give
6 you all the figures and the latest data.

7 In terms of other economic development and
8 things that I wanted to report to you and follow up on,
9 the Silverdome is in play now, after having long been a
10 non-motivated developer. In fact, is in such a
11 situation that the -- the brokerage firm that we have
12 report to us on a regular basis is now in the process
13 of doing a concept plan, and to such an extent that
14 we're going to have that be our showcase presentation
15 to the Oakland County Development Showcase that we've
16 been invited to participate in. So we have changed
17 that from being a stagnant situation to being a
18 motivated situation and we hope to further report that
19 that owner is incentivized to moving forward to making
20 that an economic development picture.

21 In addition to Bloomfield Park JDC is moving
22 along, we just met this morning, we also have a very
23 motivated developer and we're trying to just keep that
24 moving along and keep it out of the kinds of
25 controversy that delayed the completion of that project

1 over the last eight years.

2 Also, we have done a lot of -- through
3 Developing Partnerships, I'm happy to announce that
4 November 1st will be the completion of the first year
5 of the partnership with Oakland University and they
6 have committed, in a larger way, to commit resources to
7 helping with capacity for a number of things that
8 Pontiac needs and wants to do.

9 So I'm very pleased that we have a good
10 relationship both with President Hynd and all the
11 people that he has brought to help with that Oakland
12 University partnership and the ways that they are going
13 to double-down, in terms of supporting Pontiac, not
14 only in terms of economic development but in terms of
15 educational issues and also helping with our capacity
16 and grant writing and expertise in a number of areas as
17 well as interns for a number of the communication
18 projects that we are bringing to the City of Pontiac.

19 So I'll try to talk very fast to get in a
20 bunch of good news but I just wanted to update you and
21 show you where we are on a number of different
22 initiatives here in the City of Pontiac. Thank you.

23 THE CHAIRPERSON: Thank you, Mayor Waterman.
24 Next item is City Administrator Report.

25 MR. SOBOTA: I want to begin by highlighting

1 a subject I covered in my written report, and that's
2 the litigation update. Assuming the case evaluations
3 are accepted, the City's insurance company will be
4 defending us for two lawsuits, only two left. And one
5 is a slip and fall and one is an allegation of tearing
6 down a building without proper notice.

7 Workers' comp, assuming we have the
8 settlement, we will be down to eight, seven of which
9 you could consider to be DPW related-type, work-related
10 injuries and one police officer. Just before coming
11 into the meeting today, we have another proposed
12 settlement that has been presented to the City for
13 consideration, so we may be down to seven by next
14 month. So, once again, we're moving in the right
15 direction with our litigation.

16 There was one matter, a personnel matter with
17 the 50th District Court, that I want to ensure that the
18 Board is fully aware of. I have been working with
19 Treasury staff on this. We had a situation where the
20 union filed a grievance on behalf of a retiree for not
21 receiving retiree healthcare benefits.

22 The union represented the former employee,
23 grieved, went to arbitration and, believe it or not,
24 the Arbitrator ruled that the employee is entitled to
25 retiree healthcare, despite the emergency manager's

1 order. And his reasoning is, well, the court can pay
2 the employee back and that's not violating the EM
3 order.

4 I immediately contacted the courts and
5 advised them that this is unacceptable; we need to
6 fight this. I have contacted the City attorney. We
7 have two legal options. We're actually meeting with
8 the court after this meeting today. But we actually
9 had an arbitrator with the audacity to overrule an
10 order of the EM and approved by the State Treasurer and
11 this is the same Arbitrator who, 15 years ago, issued a
12 ruling that ended up putting another local municipality
13 under a financial emergency back in 2000.

14 And then finally, I had indicated to the
15 staff at our meeting on Friday we're still having some
16 concerns, complaints regarding compensation from the
17 City employees and I want to put this to bed. So what
18 I've decided to do, and I do have the ability under the
19 order that Mr. Schimmel left, I will be hiring a
20 compensation study company to come in and review the
21 compensation of all employees. I'm hoping that a
22 third-party evaluation of compensation levels will be
23 sufficient to satisfy the employees for those that are
24 requesting raises and those that maybe were unsatisfied
25 because their raise wasn't granted or because they

1 weren't even considered for a raise. I hope to have
2 this compensation study completed for the '16/'17
3 fiscal year budget so that those numbers can be
4 properly reflected.

5 And when the study is complete, I will be
6 sharing that information with this Board. So,
7 hopefully, that will resolve the issues that we have
8 regarding employee compensation.

9 And that will conclude my report unless
10 anyone has any questions.

11 THE CHAIRPERSON: Any questions for
12 Mr. Sobota?

13 MR. SAWDON: A question about the
14 compensation study. Would it include both wages and
15 benefits so you have a total cost?

16 MR. SOBOTA: Correct.

17 MR. SAWDON: Thank you.

18 THE CHAIRPERSON: Any other questions?

19 Thank you, Mr. Sobota.

20 Next item is public comment -- oh, Mr. --
21 sorry. I apologize. Mr. Nazarko. A financial report?

22 MR. NAZARKO: Good afternoon. I believe the
23 oversight, kind of like, gives the idea that finances
24 are well so that's why we don't need a lot of financial
25 report here, I hope. As required from -- by the EM

1 Order S-334, I have submitted the quarterly reports
2 this time, as I do every month.

3 But the two additional reports in front of
4 you are the investment report as well as the cash flow,
5 the quarterly cash flow statement, both of which show
6 good news. The cash flow situation expects no issues,
7 no bumps in the road, as far as the cash flow is
8 concerned. Obviously, we have an approximate
9 \$10 million fund balance so you don't expect to have
10 cash flow issues when you have that fund balance.

11 The investment report is another piece of
12 good news. For the quarter ending September 30, 2015,
13 we have earned \$24,000 worth of interest; by the end of
14 the calendar year, \$64,000 and to be increased as we
15 have invested in longer-term investments such as bonds
16 and other money market investments. So, all in all,
17 the investments are going well; so is the cash flow and
18 the financial situation.

19 We did complete the field work for the audit
20 and they expect to file the reports sometime next
21 month. We are in process of finalizing the items that
22 the auditors requested after the last day of field
23 work, once we have a draft and, again, hash out any
24 items that they may bring in front of us. My
25 preliminary meeting with them did not indicate any

1 items that require our attention. However, that can
2 change in the course of the next couple of weeks. So
3 I'm optimistic that we are going to have a good report,
4 timely done as well and things are going well.

5 THE CHAIRPERSON: Very good. Thank you,
6 Mr. Nazarko.

7 Now we will move on to public comment.
8 Pursuant to the Board rules, you have two minutes to
9 speak. And our timekeeper?

10 MR. WIDIGAN: Are you all set for the clock?

11 THE CHAIRPERSON: All set.

12 MR. WIDIGAN: Okay, Linda Hasson.

13 THE CHAIRPERSON: Good afternoon.

14 MS. HASSON: Good afternoon. Hi. Under the
15 Uniform Budget and Accounting Act, the definition of
16 "appropriation" means an authorization granted by the
17 legislative body to incur obligation and to expend
18 public funds for a stated purpose. The reason why I
19 say this is because I was under the understanding that
20 tomorrow's meeting I was going to sign up a card to
21 talk about the budget amendments, I believe, for the
22 '15/'16 because there has been a communication thing
23 because of the TAB, as I explained, authorizing two
24 positions and different things prior to the legislative
25 body.

1 A wise person -- and I think he is wise --
2 said, at one point, "You cannot amend a budget after
3 your fiscal year has ended. Technically, budget
4 amendments are supposed to be done before the over
5 expenditure results so you have to have a good
6 foreshadowing as to knowing your budget expenditures."
7 That was said by a wise person, as I do think he is
8 wise, Mr. Joseph Sobota, at a May 2015 meeting.

9 I want the dots connected for Council about
10 these positions and that just because the Mayor gets a
11 position, it is a position for the whole city. We
12 cannot counteract and give the other side the branch
13 monies to give them an employee. These employees, once
14 they're approved properly, are to be employees of this
15 City, not just of the Mayor.

16 These are -- we're all benefiting, these dots
17 need to be connected for the City Council to
18 understand. Because, right now, they want the tinsel
19 on the Christmas tree, according to what I'm hearing.
20 And, if this is true, that they want staff to match her
21 staff, we realistically cannot do it. Whoever works
22 for the Mayor works for me as a taxpayer, period. And
23 I think that we need to have the City Council
24 understand this and -- you know, this political issue.
25 Thank you for your time.

1 THE CHAIRPERSON: Thank you, Ms. Hasson.

2 MR. WIDIGAN: Billie Swazer.

3 MS. SWAZER: Good afternoon.

4 THE CHAIRPERSON: Good afternoon.

5 MS. SWAZER: I wasn't going to speak but,
6 after hearing that, the one of the things that I was at
7 the City Council meeting and heard was that they had
8 asked for three weeks for where is the money coming
9 from out of the budget when they were going to change.
10 They said, "Okay. Just tell us, where is the money
11 coming from? Show us where you're getting the money
12 from and we can go ahead and settle this issue with
13 this budget amendment" and it was silence.

14 The Mayor wasn't going to say it and they're
15 not going to tell them where the money is coming from.
16 You know, you can work together with someone if they're
17 honest and just tell you where it's coming from. If
18 they need to know if it's coming from A, B and C, just
19 tell them where it's coming from. You don't have to
20 agree; you just have to be honest and communicate.
21 Thank you.

22 THE CHAIRPERSON: Thank you, Ms. Swazer.

23 MR. WIDIGAN: That is it for public comment.

24 THE CHAIRPERSON: All right. Next item on
25 the agenda is Board Comment. Any comments from the

1 Board members?

2 MR. BURGESS: Yes.

3 THE CHAIRPERSON: Mr. Burgess.

4 MR. BURGESS: I continue to be well pleased
5 with the communication between the Mayor and the City
6 Manager. I wish that I had known that that would work
7 a long time ago. But good job. I see it in your
8 writings and I see it at these meetings. So thank you
9 for doing that.

10 THE CHAIRPERSON: Anyone else?

11 MR. SAWDON: Nothing.

12 THE CHAIRPERSON: All right. Seeing none,
13 I'll entertain a motion to adjourn.

14 MR. SAWDON: So move.

15 MR. BURGESS: Support.

16 THE CHAIRPERSON: Moved by Sawdon, supported
17 by Burgess. All in favor of the motion say "aye".

18 BOARD MEMBERS: Aye.

19 THE CHAIRPERSON: Opposed, same sign.

20 We are adjourned at 1:39 p.m. Thank you for
21 coming.

22 (Meeting was concluded at 1:39 p.m.)

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I, Mona Storm, do hereby certify that I have recorded stenographically the proceedings had and testimony taken in the meeting, at the time and place hereinbefore set forth, and I do further certify that the foregoing transcript, consisting of (34) pages, is a true and correct transcript of my said stenographic notes.

Date

Mona Storm
CSR-4460

