

Pontiac Receivership Transition Advisory Board (TAB)

Minutes

October 23, 2013

1:00 PM

(Approved November 20, 2013)

Pontiac City hall
Council Chambers – 2nd Floor
47450 Woodward Avenue
Pontiac, MI 48342

Members Present

Edward Koryzno
Robert Daddow
Keith Sawdon
Louis Schimmel

Members Absent

None

Staff Present

E. Cline, Dept. of Treasury
A. Dempkowski, Dept. of Treasury
J. Naglick, City of Pontiac
J. Sobota, City of Pontiac

I. CALL TO ORDER

A. Roll Call

Mr. Koryzno called the meeting to order at 1:00 pm. Let the record show that all Board Members are in attendance.

B. Approval of Agenda

Motion made (Daddow) and supported (Sawdon), the Board unanimously voted to approve the October 23, 2013 TAB agenda.

C. Approval of Draft Minutes of September 25, 2013

Motion made (Sawdon) and supported (Daddow), the Board unanimously voted to approve the Draft Minutes of September 25, 2013.

II. OLD BUSINESS

A. Resolution #13-173 – Appointment of Shila Grandison, Acting City Clerk

Koryzno - I would entertain a motion to deny Resolution #13-173.

Koryzno - The City Administrator informed the TAB that this resolution was adopted in error and unnecessary. The Administrator is recommending no additional TAB action on this issue.

Motion made (Sawdon) and supported (Schimmel), the Board unanimously voted to deny Resolution #13-173. This resolution is NOT approved.

B. Report from City re Erebus Entertainment Parking Management

Sobota – The City has entered into an agreement with Erebus to operate the lots through November 2013. The City is looking for a long-term commitment with the original vendor and will report back to the Board at its November meeting.

C. TAB Liaison re Phoenix Center Litigation Report Out

Koryzno – The Attorney General's office did not find any authority that would permit the TAB to make this appointment with respect to Louis Schimmel serving as a liaison in settlement meetings related to the Phoenix Center. The City can request that Louis Schimmel work with them regarding this matter. Therefore, no formal appointment is necessary.

III. NEW BUSINESS

A. Approval of Resolutions & Ordinances for City Council Meetings

1. September 26, 2013

Koryzno - I would entertain a motion to approve all City Council resolutions from the September 26, 2013 regular meeting.

Motion made (Schimmel) and supported (Daddow), the Board unanimously approved the motion.

2. October 3, 2013

Koryzno - I would entertain a motion to approve all City Council resolutions from the October 3, 2013 regular meeting, with the exception of Resolution #13-211.

This resolution changes the signatory from the City Administrator to the Mayor on a conditional rezoning agreement between the City and another party. This change appears to be in violation of Section 1, A(p) of EM Order S-334.

Sawdon – If we approve this resolution, will we be inconsistent with the final EM Order?

Cline – Final EM Order S-334 does state that the City Administrator is to sign all contracts. It is my opinion that we stay consistent with the Order and not approve this.

Motion made (Schimmel) and supported (Sawdon), the Board unanimously approved the motion. Resolutions from October 3, 2013, with the exception of Resolution #13-211 are approved.

3. October 10, 2013

Koryzno - I would entertain a motion to approve all City Council resolutions from the October 10, 2013 regular meeting.

Motion made (Schimmel) and supported (Daddow), the Board unanimously approved the motion.

4. October 17, 2013 – Resolution #13-242

Koryzno - I would entertain a motion to approve City Council Resolution #13-242, as adopted at the October 17, 2013 City Council meeting, confirming the appointment of Nevrus Nazarko as City Finance Director.

This item was approved by the City Council at the October 17, 2013 meeting and the meeting is outside of the TAB's normal deadline. This item is being entertained due to operational and staffing issues faced by the City.

Sawdon – Was the position advertised and did you go through a selection process?

Sobota – The position was not advertised and we did not go through a selection process. Due to the timing issue of this position being filled the decision was made to call in Nevrus Nazarko to be interviewed by the Mayor and Council. Mr. Nazarko knows the software we work with, has worked with Plante Moran, and has knowledge of income tax law and the department.

Schimmel – Worked with Nevrus Nazarko in Hamtramck. He comes with very high recommendations. If this position is not filled immediately it would leave the City in a critical position with the departure of the current Finance Director.

Motion made (Sawdon) and supported (Schimmel), the Board unanimously approved the motion.

Koryzno - I would also entertain a motion to recommend to the State Treasurer the amendment of Emergency Manager Order S-273, dated May 28, 2013. This amendment would change the existing language in the Health and Dental Insurance sections for *Employees Not Covered under a Collective Bargaining Agreement* and permit the City Finance Director, as appointed on October 17, 2013 and confirmed by the TAB, to enroll in a Blue Cross Glidepath insurance program and a Delta Dental Core Plan A, with a reduction in annual salary from \$120,000 to \$104,500, as denoted in Section 7, sub-sections a-c of the Employment Agreement.

Amending an EM Order requires the TAB to make a recommendation to the State Treasurer, who makes the final determination on the recommendation.

Motion made (Sawdon) and supported (Schimmel), the Board unanimously approved the motion.

Koryzno - I would also entertain a motion to recommend to the State Treasurer the amendment of Emergency Manager Order S-325, dated August 15, 2013. This amendment would change the existing language and name the positions of Finance Director, City Administrator, and Deputy City Treasurer as authorized signers on City bank accounts.

Amending an EM Order requires the TAB to make a recommendation to the State Treasurer, who makes the final determination on the recommendation. This recommendation is necessary as EM Order S-325 specifically lists individuals instead of positions as authorized signers on City bank accounts.

Motion made (Sawdon) and supported (Schimmel), the Board unanimously approved the motion.

B. City Administrator Items

1. Appointment of Acting City Treasurer

Koryzno - I would entertain a motion to confirm the appointment of the City Finance Director as Acting City Treasurer, as appointed by the City Administrator pursuant to Section 1, A(g) of the Final EM Order S-334.

Motion made (Sawdon) and supported (Daddow), the Board unanimously approved the motion.

2. Bloomfield Park Project – October 17, 2013 meeting

Koryzno - I would entertain a motion to refer this matter to the Oakland County Brownfield Redevelopment Authority and request that they review the proposed project.

Gibb (Brownfield Authority) – The original brownfield project was terminated. We are seeking a better remedy and a new brownfield to determine any issues going forward. This has been referred to Oakland County Brownfield Redevelopment Authority.

Motion made (Sawdon) and supported (Schimmel), the Board unanimously approved the motion.

3. Lundy vs. Pontiac Litigation – October 17, 2013 meeting

Koryzno - I would entertain a motion to authorize the appeal in the case of *Lundy v. City of Pontiac*. This item was approved by the City Council at the October 17, 2013 meeting. The meeting is outside of the TAB's normal deadline. This item is being entertained due to a filing deadline for appeals of October 25, 2013.

Sobota – There were eleven (11) claims originally filed. All but two (2) have been dismissed. Of the two (2) that remain, the insurance company attorney recommends the City file an appeal. During the appeal, it is the City's hope that both parties come to a settlement agreement.

Motion made (Schimmel) and supported (Daddow), the Board unanimously approved the motion.

4. OPRA Exemption Certificate

Koryzno - I would entertain a motion to approve the resolution adopted by the City Council approving the Obsolete Property Rehabilitation Exemption Certificate for Stand Theater Manager, LLC. This item was approved by the City Council at the October 21, 2013 special meeting. The meeting is outside of the TAB's normal deadline. This item is being entertained due to a 60-day deadline from receipt (September 12, 2013) to approve the Certificate.

Sawdon – Why is there 12-year abatement?

Sobota – This facility is in dire need of work. The developer has demonstrated completed projects in previous projects and assures the City it will take that long to complete.

Motion made (Daddow) and supported (Schimmel), the Board unanimously approved the motion.

5. Amendment of EM Order S-330

Koryzno - I would entertain a motion to postpone consideration of an amendment to EM Order S-330 until the November 20, 2013 meeting. Postponement is being recommended until resolution of the EM Order amendment process.

By motion made (Sawdon) and supported (Daddow), the Board unanimously approved the motion.

IV. NON ACTION ITEMS

A. 2014 Draft Meeting Schedule

Koryzno – Please review the 2014 Draft Meeting Schedule and let staff know if you have any conflicts. We will vote on this at our next meeting.

B. Financial Reports due to TAB

Koryzno – The City's Financial Reports are due to the TAB by the 20th of each month. Information needed: monthly budget comparison; balance sheets; cash balance report by fund AND bank account; status report of property tax AND income tax collections; status report of outstanding balances compared to information from the same period of the prior year; and an analysis that comments on current collections, projections for future collections, and strategies to more effectively collect taxes and delinquent taxes.

Naglick – Provided the Board a verbal summary regarding the monthly financial reports.

Sobota – Informed the Board of possible financial issues that will be presented to them.

V. PUBLIC COMMENT

1. Robert Cluckey – Expressed his belief that there is a conflict of interest with the TAB meeting procedures.
2. Deidra Waterman – Expressed that it would be helpful to know how the City is supposed to achieve the elimination of its receivership status.

VI. ADJOURNMENT

There being no further business, the meeting was adjourned at 1:49 pm.