

**RULES OF PROCEDURE OF
THE RECEIVERSHIP TRANSITION ADVISORY BOARD
FOR THE CITY OF PONTIAC**

AMENDED – OCTOBER 22, 2014

AMENDED – JANUARY 20, 2016

Article I

ESTABLISHMENT AND PURPOSE

Section 1.1 Establishment. The Receivership Transition Advisory Board (the “Board”), is established by order of the Governor, pursuant to the Local Financial Stability and Choice Act, MCL 141.1563.

Section 1.2 Purpose. The purpose of the Board is to provide the City with guidance and oversight on matters of operations, budget, finance, and any other matter relevant to the fiscal success of the City of Pontiac.

Section 1.3 Rules of Procedure. These rules of procedure are adopted pursuant to MCL 141.1563.(4).

Article II

GENERAL DUTIES AND AUTHORITY

Section 2.1 General Powers. The Board may do the following:

- (a) Require the City of Pontiac to annually convene a consensus revenue estimating conference for the purpose of arriving at a consensus estimate of revenues to be available for the ensuing fiscal year of the local government.
- (b) Require the City of Pontiac to provide monthly cash flow projections and a comparison of budgeted revenues and expenditures to actual revenues and expenditures.
- (c) Review proposed and amended budgets of the City. A proposed budget or budget amendment shall not take effect unless approved by the Board.
- (d) Review requests by the City to issue debt under the Revised Municipal Finance Act, MCL 141.2101 to 141.2821, or any other law governing the issuance of bonds or notes.
- (e) Review proposed collective bargaining agreements negotiated under section 15(1) of the Public Employment Relations Act, MCL 423.215. A proposed collective bargaining agreement shall not take effect unless approved by the Board.
- (f) Review compliance by the City with a deficit elimination plan submitted under section 21 of the Glenn Steil State Revenue Sharing Act of 1971, MCL 141.921.
- (g) Review proposed judgment levies before submission to a court under section 6093 or 6094 of the Revised Judicature Act of 1961, MCL 600.6093 and 600.6094.
- (h) Fulfill the Board responsibilities outlined in Emergency Manager Order No. S-334.

(i) Recommend amendments, modifications, repeal, or termination of Emergency Manager Order No. S-334, or any other Pontiac Emergency Manager orders, to the Treasurer of the State of Michigan. Such actions must be approved by the Treasurer before becoming effective.

(j) Conduct a formal annual evaluation of the City's operational and financial progress by identifying strengths, weaknesses, benchmarks achieved, and benchmarks not yet achieved, including a list of specific recommendations, potential resources available to assist City officials, and any other constructive feedback that informs City officials, residents, and other stakeholders concerning how the City can promote and ensure its long-term sustainability.

Article III

PRINCIPAL ADDRESS

Section 3.1 Address. The principal address of the Board shall be 430 W. Allegan St. Lansing, Michigan 48922 or such other location as may hereafter be determined by the Board.

Article IV

APPOINTMENT, QUALIFICATIONS, COMPENSATION

Section 4.1 Composition of Board. The receivership transition advisory board shall consist of:

Edward B. Koryzno, Jr. representing the State Treasurer
Robert Burgess, representing the Director of the Department of Technology,
Management, and Budget
Keith Sawdon, a representing member with relevant professional experience
Douglas Bernstein, a representing member with relevant professional experience

All members of the Board shall serve without compensation.

All members of the Board serve at the pleasure of the Governor.

Section 4.2 Officers and Duties. At the first regular meeting, the Board Members shall select from among themselves the officers of Chair, Vice Chair, and Secretary. The Chair shall direct and officiate over all Board meetings, during which the Chair shall keep order and observance of these bylaws. The Vice Chair shall perform the functions of the Chair, should the Chair be absent from a meeting. The Secretary shall keep all the records of the Board and certify the approved minutes. The Board may select a non-board member to act as recording secretary.

Section 4.3 Reimbursement of Expenses. Each Board Member is entitled to reimbursement by the State of Michigan for actual, reasonable, necessary, and documented expenses incurred in connection with such Board Member's service on the Board. All reimbursements will be approved by the Board.

Article V

BOARD MEETINGS

Section 5.1 Regular Meetings. The Board shall hold meetings, and shall provide notice and designate a time and place for such meetings in accordance with the Open Meetings Act, MCL 15.261 *et seq.*

Section 5.2 Special Meeting. Special meetings of the Board and any change in the date of a Regular Meeting may be called by the Board by giving notice of the time and place of such meeting and the purpose for which it is called, in accordance with the Open Meetings Act, MCL 15.261 *et seq.*

Section 5.3 Quorum. The presence of a majority of the Board Members shall constitute a quorum.

Section 5.4 Voting. The Board may act by a majority vote of its Board Members that are present and eligible to vote.

Section 5.5 Emergency Sessions. The Board may meet in emergency session without the written notice or noted time constraints if a severe and imminent threat to the health, safety or welfare of the public exists, provided such emergency session occurs in accordance with MCL 15.265(5) of the Open Meetings Act and only if two-thirds of the members of the Board are present and as the first order of business vote to affirm holding the emergency session. Only those subjects directly relating to the emergency session may be discussed or considered by the Board during the emergency session.

Section 5.6 Closed Sessions. The Board may meet in a closed session, provided such closed session occurs in accordance with the Open Meetings Act, MCL 15.261 *et seq.*

Section 5.7 Meeting Minutes and Records. The Board may adopt its own rules of procedure and shall keep records of its proceedings. All records of Regular and Special Meetings of the Board shall be made available to the public in accordance with the Open Meetings Act. The Department of Treasury FOIA coordinator shall process eligible FOIA requests for the Board.

Section 5.8 Agenda Item Submissions. Any item or items that the City must submit to the Board for consideration shall be prepared and transmitted to the Board at least eleven (11) calendar days prior to all scheduled Board meetings. Late items submitted for consideration may be added to the agenda, at the discretion of the Board. Late items

not added to an agenda will be placed on the agenda of the next regularly scheduled Board meeting or, as deemed necessary, on the agenda of a Special or Emergency meeting of the Board.

Section 5.9 Meeting Agendas. Agendas for any meeting of the Board shall be prepared and transmitted to the members of the Board prior to all scheduled meetings. Late items submitted for Board consideration shall be added to the agenda of a Regular Meeting only on an affirmative vote of a majority of Board members present at the meeting. The Board shall not act upon late items submitted for consideration or raised at a meeting without first amending the meeting agenda to add the item for consideration. Only items listed in the public meeting notice shall be considered at Special or Emergency meetings.

Section 5.10 Public Participation. Each regular Board meeting agenda shall provide for reserved time for public participation. If requested by a member of the Board, the Chair shall have discretion to allow a member of the audience to speak at times other than reserved time for public participation. The Chair shall also have the discretion, unless another member of the Board objects, to extend the amount of time an individual may speak if they represent a larger group or are providing specialized information at the request of the Board.

The Secretary will maintain the official time and notify the speakers when their time of 2 minutes is up. When a person addresses the Board, he or she shall state his or her name and the municipality in which he/she resides. Remarks should be confined to the question at hand and addressed only to the Chair in a courteous tone. No person shall have the right to speak more than once on any particular subject until all other persons wishing to be heard on that subject have had the opportunity to speak. The Board shall not respond to questions or statements raised during public input. Written correspondence submitted to the Board shall be noted for the record by the Chair during public input, but only after all members of the public wishing to speak have done so. No additional responses regarding submitted comments shall be required.

Section 5.11 Disorderly Conduct. The Chair may call to order any person who is being disorderly by speaking out of order or otherwise disrupting the proceedings, or speaking longer than the allotted time without permission of the chair. Such person shall be seated until the Chair determines whether the person is in order. If the person so engaged in presentation is called out of order, he or she shall not be permitted to continue to speak at the same meeting except by special leave of the Board.

Article VI

STANDARDS OF CONDUCT, CONFLICTS OF INTEREST AND ETHICS

Section 6.1 Constitutional Oath Requirement. Each Board Member shall take the constitutional oath of office under Article XI, § 1 of the Constitution of the State of Michigan of 1963 and file a copy with the Michigan Secretary of State.

Section 6.2 Adoption of Policies. The Board may adopt a standards of conduct, conflicts of interest, and ethics policy which the Board may adopt and incorporate into these Rules of Procedure as **Policy No. 1** hereto without further amendment to these Rules of Procedure.

Article VII

ANNUAL REPORT

Section 7.1 Annual Report. The Board shall publish an annual report each year that discusses its activities, findings, recommendations, and accomplishments. The annual report may take any form the Board so chooses. A copy of the annual report shall be delivered to the State Treasurer, the City of Pontiac, and be available for public consumption.

Article VIII

AMENDMENTS

Section 8.1 Amendments. These Rules of Procedure may only be amended or repealed at a Regular Meeting or Special Meeting by a vote of a majority of the appointed and serving Board Members then in office. A proposed amendment shall be in writing and be provided to all Board Members in advance of the meeting at which the amendment will be considered.

Policy No. 1

Standards of Conduct, Conflicts of Interest, and Ethics Policy

This Standards of Conduct, Conflict of Interest, and Ethics Policy (this "Code") for the members of the Receivership Transition Advisory Board is designed to maintain the standards of conduct of the Board, and to assure compliance with applicable law.

The Board is committed to conducting its business in accordance with the highest ethical standards. It is the policy of the Board to conduct its business fairly, ethically, and in compliance with applicable law.

This Code requires not only the avoidance of misconduct, but also the avoidance of acts or omissions by a Board Member that give the appearance of misconduct or impropriety, as well as the obligation to report misconduct. Board Members shall not enter into any activity or incur any expense or liability which would compromise the Board's commitment to these high standards.

I. Disclosure of Substantial Financial Interests. All Board Members must disclose any relevant substantial financial interests held that could create the appearance of impropriety. This must be done at any point during a member's term, at the next scheduled meeting of the Board, after an apparent conflict arises. A "substantial financial interest" is an interest that will result in an immediate or future financial gain.

II. Conflicts of Interest. A Board Member's duty to the Board demands avoiding and disclosing actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of a Board Member or any of their affiliates conflicts with the interests or benefits of the Board or the City. A Board Member also has a conflict of interest if, in the course of performing his or her duties for the Board, such Board Member's judgment and discretion is or may be influenced by considerations of personal gain or benefit, or gain or benefit to a third party other than the Board or the City.

A. A Board Member shall not engage in any conduct that constitutes a conflict of interest and shall immediately advise the Board in writing of any incident or circumstance that may present the existence of a conflict of interest. The Board shall immediately notify in writing the State Treasurer and the Mayor of any potential conflicts of interest.

B. A Board Member with a conflict of interest related to any matter before the Board shall disclose the conflict of interest before the Board takes any action with respect to such matter, which disclosure shall become a part of the record of the Board's official proceedings. The Board Member shall refrain from doing all of the following with respect to the matter that is the basis of the conflict of interest:

1. voting in the Board's proceedings related to the matter.
2. participating in the Board's discussion of and deliberation on the matter.
3. discussing the matter with any other Board Member.

C. A Board Member shall not directly or indirectly through an affiliate (i) do business with the City, (ii) have any contracts with the City, (iii) respond to any request for proposals of the City, (iv) seek any no-bid contracts (pending or future) of the City, or (v) have any affiliates who are officers or employees of the City.

D. Board Members shall not have or acquire financial interest in any property or asset owned by the City, or have an interest in any provider of goods and services to the City, unless such interest comes through ownership of publicly traded shares constituting not more than 1.0% ownership in such provider.

III. Confidential Information. During and after a Board Member's service with the Board, Members shall not knowingly disclose to third parties, or appropriate for their own use or the use of others, any Confidential Information obtained during his or her service with the Board. "Confidential Information" means any information concerning the Board's and the City's assets, employees, property, affairs, customers, service providers, processes, technology, data, financial information and any other information or data concerning the operation of the Board or the City that is not public information.

IV. Fair Dealing. The Board is committed to conducting its business fairly and in accordance with the highest ethical standards. No Board Member shall:

- a. use unfair techniques, such as misrepresentation of material facts or improper concealment of information, to gain an advantage;
- b. offer or accept a bribe, kickback or improper favor in order to secure a business advantage;
- c. knowingly use his or her official position, in violation of applicable law, to improperly influence a decision of the Board, the Mayor, the Council or any other employees of the City; and
- d. attempt to influence any decision to fill a City employment position with an immediate family member.

V. Reporting of Illegal or Unethical Behavior and Violations of this Code. A Board Member shall report promptly any actual, attempted, or apparent violation of this Code. If a violation is observed or reported, or is indicated by records or other information of which a Board Member becomes aware, then the matter shall be immediately reported to the State Treasurer and Mayor. In no event shall the Board take or threaten any action against another Board Member for making a complaint or disclosing information in good faith concerning an actual, attempted, or apparent violation of this Code.