



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

City of Pontiac - Amendment to Emergency Manager Order S-334 of 2013; adopted on August 19, 2013:

- 1. **Recommended Change to EM Order** - This amendment will relieve the City of its obligation to demolish the Phoenix Center.

Treasury and the City of Pontiac consulted on this amendment. The RTAB concurred with the justification and recommends approval.

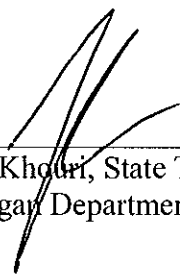
- 2. **Justification for Recommendation** – The Order required the City to demolish the Phoenix Center. The City pursued the matter but was unsuccessful in acquiring certain easement interests to make demolition possible. Additionally, improving economic conditions within the city have generated a reevaluation of the need to demolish the structure. Therefore the City has requested it be relieved of the obligation.

State Treasurer Approval:

I, Nick A. Khouri, State Treasurer for the State of Michigan, pursuant to the authority assigned by the Governor of the State of Michigan at the time of appointment of the Receivership Transition Advisory Board, do hereby:

Approve Submitted Recommendation

Deny Submitted Recommendation

  
\_\_\_\_\_  
N. A. Khouri, State Treasurer  
Michigan Department of Treasury

Date 1/19/17

**CITY OF PONTIAC  
OFFICE OF THE EMERGENCY MANAGER  
ORDER NO. S-334**

LOUIS H. SCHIMMEL  
47450 Woodward Avenue  
Pontiac, Michigan 48342

Originally Issued: August 19, 2013

Amended:    March 26, 2014  
              April 23, 2014  
              July 6, 2015  
              March 22, 2016  
              January 19, 2017

**WHEREAS**, Section 10 of Public Act 436, the Local Financial Stability and Choice Act (the Act), provides for the issuance of Emergency Manager Orders; AND

**WHEREAS**, by operation of law, such orders supersede any conflicting city charter provisions; AND

**WHEREAS**, Section 23 of the Act provides that, prior to removing a city from receivership, the Governor may appoint a receivership transition advisory board; AND

**WHEREAS**, by the letter dated August 19, 2013, the Governor appointed a receivership transition advisory board to monitor the continued financial recovery in the city of Pontiac; AND

**WHEREAS**, by the same appointment letter, the Pontiac receivership transition advisory board is authorized to recommend amendments and modifications to existing emergency manager orders to the State Treasurer; AND

**WHEREAS**, the Pontiac receivership transition advisory board has recommended a further restoration of local control to the State Treasurer, by revocation of Order S-332 and significant modifications to Order S-334.

**NOW THEREFORE, BE IT ORDERED:**

1. The Mayor shall:

- A. Faithfully fulfill the duties of the Mayor under the city charter, unless modified by this or other emergency manager orders.
- B. Serve as the official and exclusive City representative between the City and the Receivership Transition Advisory Board (Board), with assistance from the Finance Director and Deputy Mayor.
- C. Report to the Board on behalf of the City regarding the overall operation and direction of the City.
- D. Assign additional duties and responsibilities to the deputy mayor beyond the duties found in the city charter. It is expected that the deputy mayor will participate in the day-to-day operations of the city.
- E. Appoint or terminate the economic development director and determine the job description and compensation for this office. These actions may be made by the Mayor without City Council or Board approval.

2. The Mayor and City Council shall:

- A. Fulfill their respective duties under the charter, unless modified by this or other emergency manager orders.
- B. Prudently budget for the financial stability of the City. No budget or budget amendment is effective without prior council and Board approval.
- C. Maintain a rolling two year financial plan which shall be available for review by the public and the Board. This financial plan shall comply with applicable law, including the city's code of ordinances.
- D. Take actions in the public interest, subject to the following restrictions:
  - i. No resolution or new contract concerning a total value of \$500,000.00 or more is effective, absent prior Board approval.
  - ii. No resolution or other city action to modify, amend, or terminate an existing contract with an annual value of \$500,000.00 or more is valid, absent Board approval.
  - iii. Any settlement resulting from the ongoing litigation related to the Phoenix Center must be approved by the Board, prior to implementation.

- iv. Any settlement resulting from the ongoing litigation related to retiree other post-employment benefits (OPEB) must be approved by the Board prior to implementation.
  - v. The city may not issue or incur additional debt, absent prior Board approval. This subsection does not apply to ordinary accounts payable.
  - vi. No collective bargaining agreement or amendment thereto is valid, absent prior Board approval.
  - vii. Any deficit elimination plan shall be submitted to the Board for review, prior to submission to the Department of Treasury.
  - viii. Any action to modify current pension plans must be approved by the Board prior to implementation.
- E. Provide quarterly to the Board by the 20th calendar day following the end of each quarter, a detailed revenue and expenditure budget-to-actual report for each budgeted fund, as prepared by the Finance Director.
3. Nothing in this order reduces or waives the authority of the Board granted by Section 23 of 2012 PA 436.
  4. Nothing in this order should be construed to reduce the enforceability or scope of any previous emergency manager orders concerning retiree post-employment benefits.
  5. This order supersedes all previous emergency manager orders to the extent that they conflict. In addition, Sections I(B)(o) and I(B)(p) of Emergency Manager Order S-334, relating to the Phoenix Center, are rescinded and no longer enforceable. Further, Emergency Manager Order S-333 dated August 19, 2013 is hereby vacated and rescinded and now null and void.
  6. Should any provision of this order be found to be unenforceable, the remainder of the order shall continue in full effect.
  7. Within 90 days of the endorsement of this order by the State Treasurer, or upon the City's failure to remit appropriate PEG fees to the Pontiac School District, the Board may resolve to revive one or more provisions of the previous order S-334, amended March 22, 2016, without further submission to the State Treasurer.
  8. This order may be amended by the state treasurer.

