

APPROVED - 9/16/15

1

1 CITY OF PONTIAC
2 RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
3 AUGUST 19, 2015
4 1:00 p.m.

5
6 Meeting before the
7 RTAB Board at 47450 Woodward Avenue, Pontiac, Michigan, on
8 Wednesday, August ~~26~~, 2014.

9 **19**
10 BOARD MEMBERS PRESENT:

11 Louis Schimmel - The Chairperson
12 Keith Sawdon
13 Robert Burgess

14 FROM THE CITY: Robert Widigan
15

16 OTHERS PRESENT:

17 Joseph Sobota
Mayor Deirdre Waterman
18 Nevrus Nazarko
Denise Cobb
19 Billie Swazer
Antonio Mains, Jr.
20 Linda Hasson
Odessa McLell
21 Leonard Buscoe
Larry Marshall
22

23 REPORTED BY: Mona Storm, CSR# 4460
24
25

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1 Pontiac, Michigan

2 Wednesday, August 19, 2015

3 12:59 p.m.

4 THE CHAIRPERSON: Good afternoon. It is now
5 1:00 and I am going to call the Transition Advisory
6 Board's meeting to order, if any of you are interested.

7 I'm going to remind you again that if anybody
8 wants to speak, they should sign up now so they can
9 speak during the public comment portion of the meeting.
10 Otherwise, they will not be allowed to speak.

11 And roll call, please.

12 MR. WIDIGAN: Yes. Keith Sawdon?

13 MR. SAWDON: Here.

14 MR. WIDIGAN: Robert Burgess?

15 MR. BURGESS: Here.

16 MR. WIDIGAN: Louis Schimmel?

17 THE CHAIRPERSON: Here.

18 MR. WIDIGAN: Let the record note that
19 Ed Koryzno is absent but we have a quorum.

20 THE CHAIRPERSON: Thank you. We'll now
21 entertain a motion to approve the agenda. Is there a
22 motion?

23 MR. SAWDON: Question for you. We have an
24 item that came in late. Do we need to add that at this
25 moment?

1 THE CHAIRPERSON: Would you like to -- it's
2 Item -- on Page 3; is that correct?

3 Yes. We added an Item 10, which is to set
4 the salary of the Community Relations Specialist. Is
5 that correct?

6 MR. WIDIGAN: Correct.

7 THE CHAIRPERSON: Yes. So we'll approve the
8 agenda, then, or entertain a motion to approve the
9 agenda with that item added.

10 MR. SAWDON: Motion to approve as amended.

11 MR. BURGESS: Second.

12 THE CHAIRPERSON: Seconded. All those in
13 favor say "aye".

14 BOARD MEMBERS: Aye.

15 THE CHAIRPERSON: Next is the approval of the
16 minutes. First item is the Regular Minutes of July 22,
17 2015 RTAB meeting minutes with noted clarifications.
18 Is there a motion to --

19 MR. SAWDON: I would motion approval with
20 clarification adjustments.

21 MR. BURGESS: Support.

22 THE CHAIRPERSON: All those in favor say
23 "aye".

24 BOARD MEMBERS: Aye.

25 THE CHAIRPERSON: Second item is the Special

1 Meeting of July 27, '15. Is there a motion to approve
2 those?

3 MR. SAWDON: Move approval.

4 MR. BURGESS: Support.

5 THE CHAIRPERSON: All those in favor say
6 "aye".

7 BOARD MEMBERS: Aye.

8 THE CHAIRPERSON: And Item 2 is Old Business
9 of which there is none.

10 So we will move on to Item 3, New Business.
11 The first item, A 1, is the approval -- well, Item A is
12 the Approval of Resolutions and Ordinances for City
13 Council meetings. The first one is for the July 16,
14 2015 regular meeting.

15 MR. SAWDON: Motion approval of those
16 minutes.

17 MR. BURGESS: I support.

18 THE CHAIRPERSON: All those in favor say
19 "aye".

20 BOARD MEMBERS: Aye.

21 THE CHAIRPERSON: Second item is the July 23,
22 2015 regular meeting.

23 MR. SAWDON: Motion approval.

24 MR. BURGESS: Support.

25 THE CHAIRPERSON: All those in favor say

1 "aye".

2 BOARD MEMBERS: Aye.

3 THE CHAIRPERSON: Does that -- let's back up
4 on that. There is a -- some exceptions. Would you
5 like to --

6 MR. SAWDON: I'd like to amend my motion,
7 please.

8 THE CHAIRPERSON: Yes.

9 MR. SAWDON: Approval of those minutes with
10 the exception of Resolution 15-228 and 15-229.

11 MR. BURGESS: I support.

12 THE CHAIRPERSON: Okay. So we'll move with
13 the exception of 15-228 and 15-229. All those in favor
14 say "aye".

15 BOARD MEMBERS: Aye.

16 THE CHAIRPERSON: Resolution passes.

17 Is it -- yes, we'll take up 15-228 and
18 15-229.

19 Mr. Sobota, do you want to speak to that
20 matter? I understand you're under the weather. Can we
21 hear you?

22 MR. SOBOTA: Hopefully you can hear me. The
23 two ordinances -- the two resolutions are in reference
24 to the adoption of an ordinance to permit the
25 overpayment of COLA benefits that were improperly made

1 to retirees in the GERS system. I had requested that
2 the GERS Board provide an update to the TAB concerning
3 how this occurred, what happened, who was responsible,
4 what steps had been taken to address the responsible
5 party and what steps had been taken to mitigate the
6 situation from happening again. So that information
7 had been transmitted to you. I also had requested that
8 the GERS Board provide to you a list of the dollar
9 amounts that each pensioner was affected by this
10 overpayment and names were excluded so you're only
11 seeing a list of the amounts.

12 THE CHAIRPERSON: All right.

13 MR. SOBOTA: Based on the information that I
14 received, I was able to determine that disciplinary
15 action was not adequately taken, in my opinion, against
16 the employee or employees who were responsible for this
17 particular overpayment. The new Executive Director had
18 developed a system which may reduce the chance of such
19 an overpayment happening in the future.

20 However, the Pension Board took no formal
21 action to approve this system so it's, essentially, one
22 person's word, there's no guarantees to that.

23 And finally, the only reason that this
24 ordinance is being presented before you today is
25 because of a recent change in the IRS guidelines. Up

1 until a few months ago, whenever there was an
2 overpayment made to a pensioner in a pension system,
3 the pension system was response -- it was responsible
4 for recovering those costs through deductions over
5 future benefit payments. The GERS Board was prepared
6 to take that step, however, when this new IRS ruling
7 came out, they decided to petition the City Council and
8 request that the error be corrected.

9 I am very concerned that the correction of
10 errors may become a precedent that could continue in
11 the future, let's say, for example that someone's
12 pension had been improperly calculated and it was
13 discovered at a later time, the governing body then can
14 simply excuse that overpayment of the pension, whereas
15 in the past everyone who had been overpaid in pension
16 was required to repay that money over a period of time.

17 So my recommendation is that the COLA payment
18 that was made improperly not be approved at this time
19 for the reasons as I have indicated earlier.

20 THE CHAIRPERSON: Okay. Comments by Board
21 Members?

22 MR. SAWDON: Yeah, I just want to make sure I
23 understand why you believe we shouldn't move forward on
24 the ordinance change. Is it because the internal
25 control hasn't yet been adopted by the retirement

1 system?

2 MR. SOBOTA: That is definitely one reason.
3 And, number two, I'm afraid of a precedent being set
4 that, if a pension overpayment is discovered in the
5 future, that the Board will simply come back to the
6 City and say, "Well, could you permit one so that we
7 don't have to recover the costs."

8 MR. BURGESS: So what are the -- what's the
9 status of the payments now; have they been reverted
10 back to the 400 or are they --

11 MR. SOBOTA: The future pension payments do
12 not include the COLA increases. That practice was
13 stopped once it was discovered and confirmed.

14 The payments that were made are presently
15 still held by the retirees, as they had received those
16 payments. And what will happen in the future is going
17 to be dependent on the decision of this Board either
18 today or at a future meeting if the Board wishes to
19 seek additional information or clarification from the
20 Pension Board.

21 MR. SAWDON: What is our timeframe; what is
22 the City's timeframe to make a decision in terms of the
23 IRS's concern?

24 MR. SOBOTA: I'm unaware of any deadlines
25 imposed by the IRS in this matter.

1 MR. SAWDON: Thank you.

2 MR. BURGESS: If this is postponed, what
3 effect will it have on the pensioners?

4 MR. SOBOTA: It will have no effect on the
5 pensioners if this matter is postponed.

6 MR. SAWDON: And you don't believe that
7 strengthening internal controls will stop this in the
8 future?

9 MR. SOBOTA: I believe that strengthening the
10 internal controls will stop this in the future but
11 there has been no formal action taken by the Board to
12 strengthen those controls. And that's very concerning
13 to me. It's just a proposal as to what the Director
14 will be doing in the future but there's nothing to say
15 that if there's -- the director's not present whether
16 those controls will continue or, if the director is
17 replaced, whether those controls will continue.

18 MR. SAWDON: And our fallback plan if we
19 don't adopt the resolutions of Council and change the
20 ordinance is that the pensioners will pay this back?

21 MR. SOBOTA: That's correct, in the amounts
22 identified in the spreadsheet that was attached to your
23 packet.

24 MR. SAWDON: Motion for postponement.

25 MR. BURGESS: Approve -- I mean support.

1 THE CHAIRPERSON: It's been moved and
2 supported to postpone Resolutions 15-228 and 15-229.

3 MR. SAWDON: Discussion?

4 THE CHAIRPERSON: Discussion.

5 MR. SAWDON: I'm offering a motion of
6 postponement until the retirement system adopts the
7 revised internal control and, if it doesn't do so in a
8 fairly quick manner, I don't think we have any other
9 option.

10 THE CHAIRPERSON: I -- you agree?

11 I agree with that as well. I mean, I would
12 like to pass it.

13 MR. SAWDON: Me, too.

14 MR. BURGESS: Me, too.

15 THE CHAIRPERSON: Because I'd like to get it
16 behind us. But if we don't have adequate controls
17 going on, that has to come first.

18 All those in favor of the motion to postpone
19 say "aye".

20 BOARD MEMBERS: Aye.

21 THE CHAIRPERSON: The motion is -- items are
22 postponed.

23 The next item on the agenda is the July 30,
24 2015 regular meeting.

25 MR. SAWDON: Motion approval.

1 MR. BURGESS: I'll support.

2 THE CHAIRPERSON: Motion to approve and
3 supported by -- I guess I should --

4 Are you keeping up with me on the names?

5 I'm sorry, I should mention names.

6 I figure you can figure out the three of us.

7 All those in favor say "aye".

8 BOARD MEMBERS: Aye.

9 THE CHAIRPERSON: The next is the August 6,
10 2015 regular meeting. A motion to approve.

11 MR. SAWDON: I'll motion to approve with the
12 exception of Resolution 15-249.

13 MR. BURGESS: I support.

14 THE CHAIRPERSON: Motion has been made and
15 supported with the exception of -- what was that
16 number?

17 MR. SAWDON: 15-249.

18 THE CHAIRPERSON: -- 15-249.

19 Discussion?

20 All those in favor say "aye".

21 BOARD MEMBERS: Aye.

22 THE CHAIRPERSON: Motion is passed.

23 Next is Item B, City Administrator Items and,
24 Mr. Sobota, there are nine items relating to legal
25 matters; am I correct?

1 MR. SOBOTA: Various.

2 THE CHAIRPERSON: So go ahead, Item 1. Do
3 you want to update us on Item 1?

4 MR. SOBOTA: Item 1 is the case of Guizar --

5 THE CHAIRPERSON: Guizar versus City of
6 Pontiac settlement.

7 MR. SOBOTA: -- versus City of Pontiac.

8 I received an e-mail from our attorney two
9 days ago who had indicated that he had reached a
10 settlement, a proposed settlement in the case in the
11 value of \$19,999. This case had been discussed in
12 closed session with the City Council and the Mayor.
13 The proposed settlement is within the range that was
14 discussed in closed session.

15 A summary of the case: We call this the oil
16 change lady case. The allegation -- or the complaint
17 is that a lady was having an oil change at an oil
18 change shop, she became involved in an argument with
19 the owner, refused to leave and pay. Pontiac police
20 were called. The customer was removed from the
21 vehicle, the Complainant alleges, in violation of the
22 law; the City maintains she was not.

23 And after a very long and contentious
24 settlement discussion, we have arranged -- we've
25 arrived at an amount of \$19,999 and we recommend a

1 settlement at this time.

2 THE CHAIRPERSON: Is there a motion or a
3 question?

4 Questions first.

5 MR. SAWDON: Motion approval for discussion.

6 MR. BURGESS: I support.

7 THE CHAIRPERSON: Moved by Sawdon, supported
8 by Burgess to --

9 MR. SAWDON: You're recommending approval of
10 the settlement because you don't believe the outcome of
11 a legal action will favor the City?

12 MR. SOBOTA: I believe the outcome of the
13 legal action will favor the City. However, Plaintiff's
14 attorney has a demonstrated track record of every case
15 that is lost in trial court is always appealed, runs up
16 the legal bills. Plaintiff's attorney has, I guess you
17 can say, a reason to go after police departments; this
18 is the specialty of Plaintiff's Counsel.

19 There's no doubt in my mind that we would win
20 this case should we proceed to trial but weighing the
21 costs of trying this case and then fighting an appeal,
22 which will most likely be filed, the \$19,999 sounds
23 reasonable.

24 MR. SAWDON: Thank you.

25 THE CHAIRPERSON: Further discussion?

1 All in favor say "aye".

2 BOARD MEMBERS: Aye.

3 THE CHAIRPERSON: Motion passes.

4 Item 2 is an amendment to Order S-96. Can
5 you fill us in on what that is, Mr. Sobota?

6 MR. SOBOTA: Former Fire Chief Tyrone Jarrett
7 prepared an emergency operations plan four years ago.
8 You have a hard copy in front of you. The plan
9 required an update. The Waterford Regional Fire Chief,
10 John Lyman, reviewed the document. I reviewed the
11 document as well as Oakland County Emergency
12 Management.

13 The only changes that are required to the
14 plan are cosmetic in that we change references from
15 Pontiac Fire Department to Waterford Regional Fire
16 Department; Emergency Manager, Emergency Financial
17 Manager to City Administrator or -- or his designee;
18 and any reference to the Pontiac DPW have been
19 appropriately worded as well so the nuts and bolts of
20 the plan have not changed. This is a cosmetic update.
21 And since it was adopted by an order, unfortunately, I
22 have to bring this before you and the State Treasurer
23 to approve the amendments.

24 THE CHAIRPERSON: Okay. Motion to approve?

25 MR. BURGESS: I'll motion to approve.

1 MR. SAWDON: Support.

2 THE CHAIRPERSON: Moved and supported. All
3 those in favor say "aye".

4 BOARD MEMBERS: Aye.

5 THE CHAIRPERSON: Motion passes.

6 Next is an amendment to Order S-325.

7 MR. SOBOTA: Back in November of 2013, I had
8 requested changes to identify who can be check signers
9 in the City of Pontiac. The original request was to
10 actually swap out names. However, when the order was
11 actually approved, upon the recommendation from
12 Treasury Department, rather than names, positions were
13 identified. At that time, one of the named individuals
14 held two positions, Finance Director and City
15 Treasurer. When the positions were replaced in the
16 order, the position of City Treasurer was omitted.

17 Now, since we have a full-time City Treasurer
18 whose main job it is to manage the bank accounts in the
19 City of Pontiac, it's only reasonable that the City
20 Treasurer's position be added as an authorized check
21 signer.

22 MR. SAWDON: Motion to approve.

23 MR. BURGESS: I support.

24 THE CHAIRPERSON: Moved by Sawdon, supported
25 by Burgess. All those in favor say "aye".

1 BOARD MEMBERS: Aye.

2 THE CHAIRPERSON: Motion passes.

3 Item 4, contract with Meadowbrook Insurance.

4 Go ahead.

5 MR. SOBOTA: Mr. Stampfler had originally
6 signed an order naming Meadowbrook as the City's
7 insurance agent back under Order S-19. Prior to
8 Mr. Schimmel's departure as Emergency Manager, he
9 signed a two-year contract with Meadowbrook, which
10 expired this month. I spoke to the Mayor regarding
11 this and she is comfortable, and I am, to renewing this
12 agreement with Meadowbrook for an additional year since
13 they are the City's named insurance agents under final
14 order.

15 Also at this time, we're involved in
16 litigation with the retiree healthcare and we are just
17 in the process of implementing insurance benefits for
18 some of the City employees. So changing insurance
19 agents at this critical juncture in time is not a wise
20 decision.

21 A one-year agreement will allow the City to
22 determine how things progress and we may choose to
23 request a change in the Emergency Order in the future
24 or we may work to do something different with
25 Meadowbrook.

1 One of the changes that I did, have placed in
2 this agreement, was to ensure that if the litigation is
3 settled before this contract expires, that
4 Meadowbrook's compensation will be based more so on the
5 premiums that will be charged rather than on a head
6 count as that it's presently based. So they will not
7 be earning as much per insured person as they are now
8 due to the higher number of enrollees.

9 THE CHAIRPERSON: Okay. Is there a motion to
10 approve the contract with Meadowbrook for an additional
11 year?

12 MR. SAWDON: Motion to approve.

13 MR. BURGESS: Support.

14 THE CHAIRPERSON: It's moved by Sawdon,
15 supported by Burgess. All those in favor say "aye".

16 BOARD MEMBERS: Aye.

17 THE CHAIRPERSON: Motion passes.

18 Item 5 is the adoption of an Ordinance to
19 Approve COLA Overpayments. We've already addressed
20 that in New Business.

21 Item 6 is Employee Letters of Agreement.

22 Mr. Sobota?

23 MR. SOBOTA: When the employee letters of
24 agreement were amended at the last meeting, we had two
25 agreements that did not fit into the cookie-cutter

1 approach. One is a letter of agreement for a new
2 full-time position that was authorized to begin as of
3 July the 1st. The reason I did not have this contract
4 presented to the Board earlier is because I wanted to
5 have good language, not knowing how the benefit
6 provision would work.

7 A second agreement deals with Mr. Nazarko who
8 had a different benefit provision upon his hire. Now
9 we'd need to standardize that language with all the
10 other employees so those are the two employment
11 agreements that I am requesting to be approved for
12 Ester Jimenez and Nevrus Nazarko.

13 THE CHAIRPERSON: Is there a motion to --

14 MR. SAWDON: Motion to approve.

15 MR. BURGESS: Support.

16 THE CHAIRPERSON: Motion by Sawdon and
17 supported by Burgess. All those in favor say "aye".

18 BOARD MEMBERS: Aye.

19 THE CHAIRPERSON: Motion passes.

20 The Item 7 is the appointment of Sheldon --
21 can you pronounce that for me?

22 MR. SOBOTA: Albritton.

23 THE CHAIRPERSON: -- Albritton to the GERS
24 Board.

25 MR. SOBOTA: I was not aware of this

1 appointment until after Council voted on the
2 appointment so I did not have the appropriate time in
3 advance of the vote by Council to run the proper
4 screening to ensure that the prospective appointee is
5 in compliance with the law.

6 I did speak to Mr. Albritton just yesterday.
7 There is one question that still needs to be answered
8 and we were hoping to have it answered by 1:00 today.
9 It wasn't. I fully anticipate that this question will
10 be answered by the next Board meeting. He fully
11 understands the situation and requests that this item
12 be postponed until the next meeting.

13 MR. SAWDON: Motion to postpone.

14 MR. BURGESS: I support.

15 THE CHAIRPERSON: Motion to postpone,
16 supported by Burgess, made by Sawdon. All those in
17 favor say "aye".

18 BOARD MEMBERS: Aye.

19 THE CHAIRPERSON: Motion to postpone passes.

20 Item 8 is Randolph versus the City of
21 Pontiac.

22 MR. SOBOTA: The controversy in question
23 involves an allegation that a person by the name of
24 Randolph suffered injury due to a defect in a sidewalk.
25 The Plaintiff failed to serve the City in the

1 appropriate manner and the Plaintiff also failed to
2 serve the City within the timeframe both set by State
3 law.

4 Our attorney had filed a motion to dismiss.
5 Judge Warren granted the motion in part and denied it
6 in part, giving the opportunity to the Plaintiff to
7 correct their filing and, if the filing is corrected,
8 then the -- Judge Warren had indicated that he will
9 allow the case to proceed along those grounds.

10 Our attorney believes that Judge Warren has
11 stepped beyond his bounds in this matter. The City
12 clearly will be victorious upon any appeal. And we
13 will be asking Judge Warren to reconsider his opinion
14 and pointing out the specific purposes of law.

15 For some strange reason, he believes that,
16 because I was the person who signed, that I had some
17 authority that I did not have; and that's what he's
18 basing his entire ruling on. A strange case.

19 I took this matter into closed session with
20 the City Council and, after the closed session, the
21 City's attorney had recommended that we file for appeal
22 to the Court of Appeals.

23 The Council president had indicated that she
24 would need to abstain because she knows the individual
25 who is suing the City so, on the public vote to

1 authorize appeal, one Council Member voted for, three
2 Council Members voted against and Council Member
3 Waterman abstained.

4 I was very disturbed, based on the legal
5 facts presented by the City's attorney in this matter
6 and my understanding of the law in the case. This is a
7 slam dunk win for the City; there's no reason that
8 Judge Warren should have made the ruling that he made.
9 I am one hundred percent confident that we will win on
10 appeal.

11 My obligation is to consult with the elected
12 officials in matters of litigation, I have done so.
13 They have indicated that they do not wish to appeal and
14 to allow the case to go forward. I believe that is the
15 wrong decision and I am recommending that the Board
16 authorizes the appeal to the Court of Appeals in this
17 matter.

18 MR. SAWDON: Motion to approve filing an
19 appeal.

20 MR. BURGESS: I support. This is just for
21 filing the appeal, right?

22 MR. SOBOTA: Correct.

23 MR. BURGESS: I support.

24 THE CHAIRPERSON: Moved by Sawdon, supported
25 by Burgess.

1 Any further discussion?

2 All those in favor of the motion say "aye".

3 BOARD MEMBERS: Aye.

4 THE CHAIRPERSON: The motion to appeal is
5 approved.

6 Item 9 is Comcast versus the City of Pontiac.
7 It's my understanding, Mr. Sobota -- I know a little
8 bit about this case -- that the City would lose a
9 substantial amount of money if this particular case
10 does not go forward and you're requesting some
11 additional funds?

12 MR. SOBOTA: That's correct.

13 THE CHAIRPERSON: Go ahead. I'll let you
14 explain it.

15 MR. SOBOTA: Last week Wednesday, I appeared
16 before the Public Service Commission in Lansing, along
17 with our Cable Director and our lead counsel in this
18 matter, who's a specialist in this type of litigation,
19 for an informal mediation session.

20 Because of the confidentiality requirements
21 of informal mediation, I cannot provide you details but
22 I can tell you that, as a result of what occurred, I
23 believe that the City is in the best position to
24 proceed with full authorization in the United States
25 District Court in this matter.

1 At a previous meeting, you had authorized
2 that the City prepare a filing for the case in Federal
3 Court. Based on our preparation for the filing, we
4 discovered that Comcast appears to be in violation in
5 at least two areas of the expired franchise agreement.
6 So this case could take a different turn that Comcast,
7 I'm sure, doesn't want to go in, in mediation.

8 We had very -- I had a very difficult time
9 getting the cooperation of the Public Service
10 Commission to, number one, allow me time to secure
11 legal counsel; and then, number two, to select a date
12 to appear for a hearing with legal counsel after I had
13 received authorization for legal counsel. So I'm not
14 confident that we're going to be very successful before
15 the Public Service Commission.

16 There are similar matters that have already
17 been litigated in the Eastern District and the State --
18 Federal Eastern District of Michigan on this matter
19 with Comcast; both municipalities have been successful.
20 We have similar facts in the case. We believe that
21 there will be other municipalities that will be in the
22 same position as Pontiac within the next couple of
23 months that will be more than likely to join on as
24 potential co-litigants in the matter, also obtaining
25 amicus briefs.

1 So we're looking at a -- one, at least a
2 \$1 million potential loss to the City if we allow
3 Comcast to have what it wants in this matter. I'm not
4 willing to lay down for a million dollars.

5 Our counsel has identified that they believe
6 full costs of litigation in the Federal Court system
7 will be \$100,000; that's ten percent of the amount in
8 controversy. It sounds like a very good investment in
9 time and money.

10 Our legal counsel, with my authorization, has
11 also secured the assistance of legal counsel out of
12 Washington, DC, who was lead counsel on the other two
13 matters in Federal Court in Eastern District of
14 Michigan. I'm confident that we have the legal team to
15 prevail. I'm confident that, with the support of this
16 Board -- and City Council is unanimously in favor of
17 the agreement that had been approved.

18 Comcast needs to come to the table, step up
19 to the plate and provide the City what the taxpayers
20 and the City Council deserve and want. And this is a
21 matter in controversy; two items, number one, Comcast
22 is alleging that the City of Pontiac did not approve
23 the franchise agreement in the timely fashion required
24 by law; and, number two, that the City improperly
25 altered the agreement that was submitted, which they --

1 we never approved in regards to the amount of
2 reimbursement for PEG fees.

3 If we happen to not fight this, in a couple
4 years AT&T's franchise agreement will be coming down
5 for renewal and I'm sure AT&T will be coming, asking
6 for the same treatment as Comcast. And if we have to
7 go along that route, there's another hundred thousand
8 dollars that could be in dispute within a couple of
9 years.

10 So I see this as a wise investment to move
11 full steam ahead with Federal litigation. I'm still
12 willing to give the mediation a try, however, we need
13 to be prepared to move forward.

14 THE CHAIRPERSON: Okay. Thank you for the
15 good summary.

16 Does anybody care to make a motion?

17 MR. SAWDON: Yeah, approval to move forward
18 in Federal Court.

19 MR. SOBOTA: And it's for the authorizing
20 \$100,000.

21 THE CHAIRPERSON: Motion made by Sawdon.

22 MR. BURGESS: I support.

23 THE CHAIRPERSON: Supported by Burgess. All
24 those in favor say "aye".

25 BOARD MEMBERS: Aye.

1 THE CHAIRPERSON: The motion passes.

2 Item 10 is to set the salary of the Community
3 Relations Specialist. This is the added item.

4 MR. SOBOTA: Correct. When the Board and the
5 State Treasurer approved two new positions for the
6 Mayor's office, one of the positions had an existing
7 salary because it had been in existence a couple of
8 years ago. However, when the new positions were
9 approved, the job description had changed significantly
10 and the Mayor believes that the positions should
11 adequately be compensated at the amount of \$50,000
12 rather than the \$40,000 that this previous salary was
13 set at.

14 We had indicated such salary in presentation
15 to the City Council. City Council, unfortunately, was
16 not very receptive and, formally, did not include the
17 position in the currently-adopted budget.

18 Mayor has made a request for Council, based
19 on the State Treasurer's approval of the addition of
20 the positions, which occurred after the budget was
21 adopted, to amend the budget to reflect the spending
22 that is ordered by the State Treasurer in terms of
23 having these positions filled.

24 We are confident and hopeful that Council
25 will follow in that matter. If they don't, the Finance

1 Director and I are both confident that the funding
2 needed for the balance of the fiscal year can be found
3 within the existing budget appropriations.

4 So we're asking that this salary be set at
5 \$50,000, the position of customer relations -- customer
6 service representative, we do have an established
7 salary there so there is no need to set anything for
8 that position.

9 And the reason that we're asking to have the
10 salary set now rather than at the time that the
11 contract is presented, as has been done in the past, is
12 that when the Mayor advertises these positions, she
13 wants the applicants to know what the salary that the
14 individual who's hired can be expected to receive.

15 And her hoping to be able to hire and
16 introduce at the same time the Deputy Mayor, the
17 Community Relations Specialist and the Customer Service
18 Representative at the same time. So this is sort of
19 holding up the hiring process as well.

20 And I believe the Mayor may have something
21 else to add.

22 THE CHAIRPERSON: Mayor?

23 MAYOR WATERMAN: I'm just concurring and
24 supporting that particular statement. The two
25 positions for community development are important to

1 add on, to increase our capacity. One of the things
2 that I will talk about in my report is I report on
3 blight particularly. The person, the one staff person
4 we had working with blight, left for other full-time
5 employment two-and-a-half months ago and essentially
6 the blight program has been on hold now since that has
7 happened.

8 We knew he was about to leave and this is
9 something I talked about in terms of adding that
10 capacity onto community development staff earlier. But
11 we need to go ahead and do that now because we kind of
12 have a real problem. I've got a letter from Oakland
13 County now dealing with it in terms of what is our
14 capacity for being able to handle that program.

15 So we need to occupy that position as well as
16 the Customer Service Representative you've already
17 approved to be added to this department. It's just
18 that I need to post the salary. So this is the salary
19 that both the Finance Director and the City
20 Administrator and I have all agreed upon. I really
21 thought we were ready to move forward because those
22 salaries had all been posted in the '15/'16 budget.
23 And I didn't realize it just was another step to go
24 forward.

25 So yeah, we want to move forward on the

1 Deputy and other position and I want to be able to
2 bring them in as a team. That would be the next step
3 that we need to go in, in terms of the economic
4 development and operations for the City.

5 MR. BURGESS: Did we get a reason from the
6 City Council as to why they rejected it?

7 MAYOR WATERMAN: You know, you'll have to
8 talk to City Council about that. But what I would like
9 to do is to work collaboratively with City Council in
10 terms of the whole budget picture that we have. And
11 they also did not raise -- we just talked about raising
12 the spending cap because they also did not so far
13 include the spending cap for all of the pensions for
14 the employees. So it's just a matter of showing the
15 reasoning and connecting the dots. And we offer that
16 opportunity, although we're prepared to go forward. We
17 know we have room in the budgets to do so, otherwise.

18 And the employees have already been given
19 their pension packets so, you know, we're obligated to
20 provide that. And we've indicated that, you know,
21 we're very much behind supporting our employees and
22 giving them what's adequate to give them. And so we do
23 have the budget room to be able to provide that as well
24 as for the two employees. And I just wanted to give
25 the City Council a chance to work with us in a

1 collaborative fashion.

2 MR. BURGESS: I move to approve setting the
3 salary at \$50,000.

4 THE CHAIRPERSON: Moved by Burgess.

5 MR. SAWDON: I have a question, though. Are
6 we approving the adjustment in the salary and/or are we
7 also approving the hiring of people in a budget that
8 doesn't contain them? I mean, it seems like we've got
9 two things going on.

10 MR. SOBOTA: The only matter pending before
11 the Board is to set the salary. When a person is
12 selected, we are obligated to come before the Board to
13 approve the hiring; that will be a separate resolution.
14 That will be done at the time that there is a name that
15 is presented along with an employment agreement.

16 MR. SAWDON: What you're -- you have two
17 positions that aren't contained within your budget and,
18 in effect, we're either expanding the budget or
19 redirecting money within the budget and you haven't
20 really told us what you're redirecting. I'm concerned
21 that we start adjusting -- we have two roles here. We
22 have an administrative role that proposes a budget and
23 a legislative role that adopts the budget and we're
24 leaving out the legislative part of this by moving
25 forward and overstepping, if you will, what the

1 legislative has adopted. I'm a little concerned.

2 Adjusting the salary, I understand that. The
3 consequence of advertising, hiring and then bringing
4 some person in front of us, when it really is not
5 reflected in a budget and, again, you haven't
6 identified what you're willing to give up today in your
7 budget to fund that. And then I'd like to know,
8 really, after this year, how you propose to fund it?

9 Because Administration and Legislation aren't
10 on the same page. What's going to happen next budget
11 year and the budget year after that? I think you -- I
12 mean, if you're going to go out and select people,
13 offer positions, and yet not be able to fund them
14 beyond the current year on giving something up in your
15 budget, I'm -- I'm concerned about that.

16 MR. SOBOTA: Well, the position of Deputy
17 Mayor has been vacant since July 1st, which is included
18 in the budget.

19 MR. SAWDON: Yeah, that I'm --

20 MR. SOBOTA: Well, I realize it. But I'm
21 trying to do the logic here of how we're going to fund
22 that.

23 So from July 1st up until let's call it
24 October 31st, we're saving money there. Not all
25 employees, very few employees, actually, took advantage

1 of the pension plan. So we're not really worried about
2 that. We did not have full participation in the
3 healthcare options so there is savings there.

4 So in terms of some personnel costs, even
5 within the Mayor's budget, there is still significant
6 savings for the balance of the fiscal year.

7 In terms of some other expense that could be
8 saved, the Mayor has identified that there may be some
9 other programs in the budget that were new initiatives
10 that may not be able to happen and, also, one thing
11 that happened is the State of Michigan has authorized
12 additional funding for roads this year, which were not
13 anticipated when the budget was adopted.

14 The City anticipated supplementing the road's
15 budget by several hundred thousand dollars to meet our
16 needs. So we can still fund the same road budgets,
17 just out of a different pot of money, freeing up some
18 additional funds in the general fund this year. So we
19 do definitely have the money for this year. We haven't
20 talked about next year yet but I'm sure the Mayor also
21 has some additional new, one-time spending initiatives
22 next year that she may be able to consider or move
23 about.

24 Once again, we are not going to be incurring
25 the same costs for the pension and the healthcare as

1 anticipated. We budgeted, worst case scenario, we came
2 in well under that. We're having the final numbers run
3 today as payroll will be released tomorrow, which has
4 the first effective date of the new benefits and we're
5 locked in, essentially, for the employ of the
6 individuals.

7 So I'm not worried about this year. I
8 believe that the Mayor can identify some additional
9 changes in spending next year, if necessary. Although,
10 I'm still hoping that the City Council will come
11 around, in terms of approving these positions. It is
12 ordered by the State Treasurer that these positions be
13 created. The duties and responsibilities are something
14 that will definitely help the City. And how Council
15 can argue with that type of logic, I don't know.

16 MR. SAWDON: Thank you.

17 Support.

18 THE CHAIRPERSON: That's right; you made a
19 motion.

20 MR. BURGESS: Yeah.

21 THE CHAIRPERSON: Motion made by Burgess,
22 supported by Sawdon. Any further discussion?

23 All those in favor say "aye".

24 BOARD MEMBERS: Aye.

25 THE CHAIRPERSON: Motion passes.

1 Nonaction items. Financial reports:

2 Mr. Nazarko, how are you today?

3 MR. NAZARKO: Good afternoon. Doing good.

4 How are you? I will not be as long as Joseph Sobota, I
5 hope.

6 THE CHAIRPERSON: I guarantee it.

7 MR. NAZARKO: I believe I can guarantee that.

8 As requested by the Emergency Manager's Order S-334,
9 I'm presenting to you the Monthly Financial Report and
10 what is summarized on my memo, I don't have anything
11 else to add. I'll be happy to answer any questions you
12 may have about those reports.

13 THE CHAIRPERSON: Thank you.

14 MR. BURGESS: Nothing.

15 THE CHAIRPERSON: Nothing further.

16 Mayor, do you have any further comments?

17 MAYOR WATERMAN: On that issue or on my
18 report?

19 THE CHAIRPERSON: On anything at all.

20 MR. BURGESS: I guess the report.

21 MAYOR WATERMAN: I have a report.

22 THE CHAIRPERSON: Yeah, your report; that's
23 what I mean. I'm sorry.

24 MAYOR WATERMAN: Good afternoon, everyone,
25 gentlemen. And we are completing a past week with a

1 backdrop of a number of activities, including a
2 signature event for the Pontiac Dream Cruise, and which
3 brings to mind, of course, what's happening with the
4 Phoenix Center. I reported on the litigation. Right
5 now there's nothing new to report, in terms of how that
6 is moving along there. The Court is finding dates and
7 does that in their own slow-moving process.

8 In the meantime, there are other things going
9 on in connection with not only the Phoenix Center but
10 the central area of town and, including some offers to
11 buy the Phoenix Center, although, as I've told the
12 citizens, we're not having any more fire sales in the
13 City, we're not giving it away for pittance and having
14 it sit there. But it also incurs about what are we
15 going to do with not only the Phoenix Center but that
16 area of town.

17 And the investors who looked at how they
18 develop and how they want things done in that area of
19 town also want to know that the City has a vision. So
20 we're going about that in a number of different ways,
21 one of which I talked about previously is that we do
22 have an economic development plan now with the EDA --
23 and I'll talk a little bit more about that -- and,
24 certainly, developing priority areas is one of the key
25 points of that economic development plan. Certainly

1 the Phoenix Center that lies in the central area
2 surrounding the historic downtown is one of those
3 priority areas.

4 Another way we're developing that vision is
5 something that I've already presented in the special
6 report to City Council, and that is Pontiac's
7 initiative to be a redevelopment-ready city, which is a
8 MEDC State initiative. And the MEDC has already
9 evaluated the City in terms of its site preparedness to
10 undertake that project. You know, we had already been
11 certified under the Oakland County program as a
12 one-stop ready city.

13 Now, the State has the redevelopment-ready
14 city. And whether or not we undergo the certification
15 process, the thing I will hope Council will work along
16 with us and to see is that, by being involved in that
17 certification process, we become eligible for the
18 support from the MEDC, which has a lot of support in
19 terms of both funding and technical assistance. And we
20 would want to be able to partake in some of that if we
21 could be in that certification process.

22 So that special report has been given to City
23 Council. And, yesterday evening, there were
24 representatives from the MEDC who also spoke to the
25 community development subcommittee. So that

1 consideration is undergoing.

2 In addition to the fact that I, myself, in
3 terms of preparation, was invited to participate in
4 something on behalf of the City called the Mayors
5 Institute of Design, and that's going to be going on in
6 October. And there was a consultant who was here. We
7 can avail ourselves of expertise from renowned
8 architects, designers, city planners, urban architects,
9 all of those kind of expertise in this design, in which
10 eight mayors are being invited to and I have chosen to
11 participate on behalf of the City of Pontiac.

12 So also, we would come up with some design
13 ideas that we can use to spread the knowledge and to
14 collaborate with those who are interested in developing
15 that and giving the ideas as to what happens with that
16 area of town, the Phoenix Center of which is a major
17 component of that.

18 Speaking of the economic development plan and
19 moving on, last week the City was visited by the
20 Assistant Secretary of Commerce, Jay Williams, who has
21 been in this town before. That was a very
22 distinguished visit and he came in order to review the
23 economic development plan that had been submitted at
24 the end of May but, also, to give us encouragement.
25 And the whole event was captured in an editorial which

1 was printed in the Detroit News yesterday for those of
2 you who are interested in that. And I'm going to -- I
3 think it's best embodied by me just quoting what was
4 accomplished by economic development plans, by quoting
5 the Detroit News editorial.

6 Essentially, it said, "This is important for
7 attracting investments. Investors tend to have a --" I
8 can't read my own writing here. "Investors tend to
9 look at the regional efforts and they see what Oakland
10 and Pontiac are doing for the region and this is
11 exceptionally positive."

12 And it goes on to say, "From a local
13 standpoint, the economic development plan is just the
14 beginning but the recognition means that projects
15 proposed to the EDA with this strategy are in line for
16 grants."

17 So that shows the worthwhileness of the
18 effort as we move forward with that, in terms of the
19 planning that goes on to set priority areas. And as we
20 wait to see if there are other ways we can develop that
21 and settle some of the concerns that had been going on
22 with the Phoenix Center, we will have a plan and a
23 vision in mind that will capture and help to frame
24 those discussions.

25 So -- which spurs the fact that economic

1 development is certainly a chief engine that's been
2 driving the City. I just came from a development
3 meeting for Bloomfield Park, which is moving forward,
4 and they want to even start talking about doing some
5 demolition, in terms of preparing that 83-acre parcel
6 that's shared by Bloomfield Township and Pontiac.

7 And one of the things that, as Mayor, I try
8 to do is connect the dots for people. You know, as
9 people say, well, economic development -- and that's
10 fine and, you know, you're benefiting the business.
11 But it's the fact that we have more business that we're
12 bringing more income tax; that certainly was one of the
13 things that boosted our fund balance last year, the
14 fact that the growth in income tax collections was one
15 of the things that enable us to have a surplus in the
16 budget.

17 Having a surplus in the budget, we were able
18 to provide some things that benefited the
19 neighborhoods. Such as, you know, we have a whole
20 budget now for neighborhood projects. We were able to
21 sponsor some recreation activities this summer. We
22 have been able to support various neighborhood groups
23 in some of the projects they want to do. So it shows
24 that one leads to the other and, by having economic
25 development as one of the chief engines, we're being

1 able to move other progress within the City, and that's
2 what we have slated.

3 The other thing I generally report to you on
4 is a GERS mediation. We are -- the City has been ready
5 and waiting for another meeting and that has been set
6 for the mediation. We have been waiting for
7 information to be collected by the plaintiff attorneys
8 and so that is slowly being done. So we have been
9 pushing to get a date and that has been set in the near
10 future.

11 And in line of what you talked about in terms
12 of wanting internal controls for the GERS Board to set
13 regarding the COLA overpayment issue, I would just add
14 to that ~~that~~, in concern for that, I have externally
15 provided some additional controls by the Finance
16 Director who is supposed to be the supervisor for the
17 Executive Director of the GERS Pension Plan.

18 And I had advised him that I do want him to
19 call in for regular meetings with the Executive
20 Director so that, hopefully, he can proceed and help to
21 work out the administrative issues and to avoid such
22 mistakes in the past that had been painful for all
23 retirees as well as for the -- for the -- not to be --
24 kind of certainty and it was not their fault, you know,
25 that they had these payments made. It was a mistake

1 made by the administration.

2 So we want to alleviate people of that pain
3 in the past or in the future and so that's something
4 that we can do by having more internal controls.
5 Whatever is done internally is something that has to be
6 decided by the GERS Board but we can help in that
7 regard.

8 And as regards to blight in the City, and I
9 talked to you about that a bit earlier, about the two
10 employees that we need to add to community development.
11 One of the things -- we were moving along really well
12 with that and had made great strides, in terms of
13 getting down abandoned, decrepit structures in
14 neighborhoods and then we're a third of the way done
15 with a project that could last three years, using our
16 federal funds and it's ground a halt just because we
17 haven't had the capacity, you know.

18 The person who left two-and-a-half months
19 ago, I knew this was going to happen five months ago
20 and I tried to get this, you know, position filled.
21 We're finally going to do that. I want to move forward
22 with that because we were on a good stride and I don't
23 want to miss the fall -- summer and fall demolition
24 season to catch up with where we needed to be to keep
25 on the stride for it.

1 And so I thank you for moving that along so
2 we can get that done. We have meetings with Oakland
3 County because they're the fiduciaries and they want
4 answers about how we're moving forward. And, with
5 that, I will conclude my report.

6 THE CHAIRPERSON: Thank you very much, Mayor.
7 Mr. Sobota, do you have anything further?

8 MR. SOBOTA: As I stated before, I do believe
9 that meetings should last no longer than an hour and I
10 am tempted to prove Mr. Nazarko wrong by saying I have
11 nothing to add. However, I would be remiss if I did
12 not take the opportunity today to congratulate
13 Mr. Schimmel, nearly to the hour on the two-year
14 anniversary of his retirement. Because it was two
15 years ago today that the Governor accepted
16 Mr. Schimmel's resignation as Emergency Manager from
17 Pontiac.

18 THE CHAIRPERSON: Joe, I had no idea today
19 was the day.

20 MR. SOBOTA: And 1:00 was the time as well.

21 THE CHAIRPERSON: It was? Okay.

22 MR. SOBOTA: However, I do want to add that
23 the Governor and the Board have always been clear and
24 consistent in the benchmarks and goals that this City
25 must achieve to have the receivership designation

1 listed. Only now the City of Pontiac is beginning to
2 realize the long-term savings as a result of reforms
3 and restructuring implemented by all of the emergency
4 managers. Significant progress, financially and
5 operationally, has occurred in the past two years.

6 However, despite all of the progress, many
7 items still remain. The elected officials all need to
8 embrace the changes and reforms that have already been
9 implemented and become champions of those reforms as
10 Pontiac becomes the model for efficient local
11 government operations in Michigan with the goal of
12 never returning to a state of receivership.

13 The elected officials need to take advantage
14 of all of the training opportunities that I have
15 afforded to them in government, finance, planning,
16 zoning and economic development so that they have a
17 better understanding how all government operations are
18 related and comments that they make in the public arena
19 and what appear to be minor decisions made at a public
20 meeting impact the City as a whole.

21 Finally, elected officials must remember that
22 they have a fiduciary responsibility to all 59,000
23 residents of Pontiac, not just to a group of 59 people.
24 I will continue to work collaboratively with the
25 elected officials toward the ultimate goal of restoring

1 full local control by continuing to identify barriers,
2 obstacles and deficiency in operations and propose and
3 implement the refinements and solutions needed to keep
4 Pontiac progressing while ensuring that the best
5 service provided at the most efficient level and that
6 all Pontiac taxpayers, residents, nonresidents and
7 businesses, get what they're paying for and what they
8 deserve. And, with that, I conclude my remarks.

9 THE CHAIRPERSON: Thank you, Joe. Public
10 comment is next.

11 MR. WIDIGAN: Okay. Do you want me to come
12 down and man the --

13 THE CHAIRPERSON: No, we'll have Mr. Burgess
14 do it.

15 MR. WIDIGAN: Okay.

16 THE CHAIRPERSON: He's got that. Do you have
17 a list?

18 MR. WIDIGAN: Yeah. I'm going to move down
19 here in case I can't read. The first one is
20 Denise Cobb, I believe.

21 MS. COBB: Good afternoon. I have one
22 concern -- one of many. And I was told by
23 Governor Snyder's office, the people who get the phone,
24 I was told by Senator Peters' office, Debbie Stabenow's
25 office, also by Congresswoman Lawrence's office when I

1 did e-mail Congress and the Legislature, they told me
2 to contact Tim Griemel again and contact
3 Senator Marleau.

4 I have a strong concern, I know it's hot
5 outside, it's warm outside but, in the wintertime -- I
6 hope I can bring up this subject here, this is my first
7 time coming here -- that I want to know, for sure, if
8 my street and my area and my subdivision is going to be
9 plowed this winter.

10 I lost my brother June 25th and one of his
11 last few requests was, "Can you please come pick me up
12 so I can watch the game with my family?" It was some
13 kind of game on, it was a blizzard and I couldn't do it
14 because I couldn't get out of the driveway. He had a
15 breathing problem and I did not want to get stuck in
16 the snow with him and have him stop breathing with his
17 inhaler. Well, he did stop breathing and we did lose
18 him.

19 We had conversation with the neighbors about
20 who put the snow where. I had called the City and I
21 want to know, will my street get plowed this winter
22 before it snows? It doesn't sound like much now until
23 you can't breathe and you can't get out of your
24 driveway. And there were conflicts on my street.
25 There were wheels spinning at Menominee and Iroquois.

1 I sat in my truck and watched people's wheels spinning.

2 I've been blown off all year and I've been
3 calling. I called in February and talked with whoever
4 gets the phone in the Governor's office. They told me
5 I need to talk to my City government. Everybody on my
6 list -- and I got more lists at home -- told me to talk
7 to the City government. And I have done that. I have
8 made the phone calls. I have been told that, "We only
9 plow down the middle of the street."

10 This is not an intelligent response for me.
11 I consider it to be inept that you're going to only
12 plow -- then there are cars on either side of the
13 street. I don't want my son's nice truck getting hit.

14 THE CHAIRPERSON: Just so you know, you have
15 ten seconds.

16 MS. COBB: Okay. I would like the street
17 plowed and there are cars on both sides of the street
18 that need to be -- something needs to be removed so I
19 don't back into one of them.

20 THE CHAIRPERSON: Okay. Thank you very much.

21 MS. COBB: Thank you for listening.

22 THE CHAIRPERSON: Billie Swazer is next. And
23 we don't know how to run the clock.

24 MS. SWAZER: Hello.

25 THE CHAIRPERSON: Hold on. Hold on just one

1 second.

2 Okay. Go ahead.

3 MS. SWAZER: Hello. I'm Billie Swazer and
4 I'm here to talk about the pension. Now, Mr. Schimmel,
5 back in 2013, you took away our healthcare and all our
6 benefits. And at that time, people complained about
7 just getting \$400. Debra Woods was saying how she
8 could hardly be able to eat. These folks talked about
9 the parks and the almost \$30,000 he was going to have
10 to spend for medical care. And other people had asked
11 you and you said, "Yes, I'll -- this is a raise in your
12 base benefits so you'll be able to get your COLA on
13 those -- on that \$400."

14 And I said, "Mr. Schimmel, how will we be
15 able to be assured of this because I can't control
16 you?"

17 You said, "I'll make sure John Naglick
18 signs -- writes a note down here and make sure that it
19 occurs."

20 John Naglick followed your directions and he
21 made sure it occurred. The retirement system paid us
22 our COLA. Now, we got another Finance Director -- and
23 I'm sure you told Mr. Sobota, too, because he usually
24 came to your meetings. Now, we got another Finance
25 Director and he questions the COLA.

1 give us a few minutes.

2 UNIDENTIFIED WOMAN: It didn't go down to
3 zero.

4 THE CHAIRPERSON: I understand. Is
5 Rodney Graves here?

6 All right. We'll move on to David -- is it?

7 MR. WIDIGAN: Stamman.

8 THE CHAIRPERSON: Stamman. David is passing.
9 Linda Hasson.

10 All right we're going from three to one,
11 which is two minutes, you know.

12 MR. HASSON: Okay. That's fine.

13 THE CHAIRPERSON: Go ahead.

14 MR. HASSON: Mr. Sawdon, ~~Mr. Sawdon~~ you
15 brought up a good point. I can't expect my City
16 Council to know to follow a budget if they're being
17 overrode and things are being brought to you when they
18 say no, they don't want them. They did not want the
19 two positions because of times where they're canceled
20 out, the positions, and the money is moved. I wish
21 that there was a spot on the agenda for a council
22 member to be here. That would help out a lot so that
23 they can understand what is going on.

24 Also, implementing the employees' pension,
25 the Council didn't want that. But because it was

1 brought to you first or at -- you know, during the
2 process and you said yes, now they think the
3 Treasury -- and so that's a strong arm, he's going to
4 go back now and say to them about the treasury. Okay?
5 I want you to understand that.

6 Number two, I'm happy to say, Mr. Schimmel,
7 that today I met with several of the retirees and
8 they're all interested in finding out what MERS has to
9 offer. The question is, is how do we let them hear
10 what MERS has to offer? It's important to understand
11 that one of the judges said that the healthcare was not
12 a promise under the Constitution, like the pension
13 payment.

14 So what I'm saying is, is I am asking people
15 to turn around, come together. This is your
16 livelihood. This is not something you just leave to
17 somebody, hoping that they're going to get the end
18 result that you're hoping for. This is your livelihood
19 now. And also, it would help, possibly, if the GERS
20 Board would have approved the COLA before the checks
21 went out. Thank you for your time.

22 THE CHAIRPERSON: Thank you. The next person
23 is McLell, is it?

24 MS. McLELL: Oh, I didn't sign up for that.

25 THE CHAIRPERSON: Okay. All right. And

1 Leonard Buscoe. Is Leonard here?

2 All right. Oh, Leonard. Go.

3 MR. BUSCOE: How are you doing, Lou?

4 THE CHAIRPERSON: Fine, fine.

5 MR. BUSCOE: All those old people sitting
6 here today but I concur with the lady, Ms. Swazer, I
7 was here when you made the statement and all us old
8 78-year-old people, we need the money. And I don't
9 think we should be bothered with that. I don't even
10 know why you're here, anyway, because we're back with
11 the Charter and we're going to be learning how to
12 transition our own self back to where we was and how
13 we're going to run our own business. And we don't need
14 no other Board to tell us how to do it, we should be
15 doing it ourselves. But thank you.

16 THE CHAIRPERSON: Thank you, Mr. Buscoe.

17 And Tony Ramirez. No?

18 MR. WIDIGAN: All set.

19 THE CHAIRPERSON: Okay. All set. And is it
20 Larry? Is there someone else here that feels they
21 signed up? We can't make out the --

22 MR. MARSHALL: I signed it.

23 THE CHAIRPERSON: Are you on Iroquois Road?

24 MR. MARSHALL: Yes, I am. I thought you knew
25 that.

1 THE CHAIRPERSON: There you are. Would you
2 like to speak, Larry.

3 MR. MARSHALL: Yeah, actually, I have no more
4 questions.

5 THE CHAIRPERSON: Do you want to --

6 MR. MARSHALL: No, I don't want to, but I
7 will.

8 THE CHAIRPERSON: Well, if you want to talk
9 loud from there, it's okay with me.

10 MR. MARSHALL: I don't mind talking loud.
11 Yes.

12 THE CHAIRPERSON: Sorry, I didn't recognize
13 you.

14 MR. MARSHALL: You know what? All the
15 paperwork we signed? I just got a question. I heard
16 Mr. Sobota speak to something that -- information he
17 needed from the Pension Board as it related to
18 procedures being set in place that would prohibit folks
19 from, in the future, seeking forgiveness for
20 overpayment or whatever.

21 And my question is, what procedure could the
22 Pension Board put in place that would prevent someone
23 from seeking forgiveness from the Pontiac City Council
24 who actually has to oversee and approve everything that
25 the Pension Board does because it's an ordinance so I'm

1 just a little confused on it. So if the pension board
2 doesn't do it, do I lose my right now to come to the
3 City Council and ask for forgiveness?

4 I just wanted to put that out there.

5 THE CHAIRPERSON: I'm not sure I understand
6 your question.

7 MR. MARSHALL: You're not sure -- okay. What
8 I'm saying is that every contract, whether it's a
9 pension issue or whatever, that's ever been approved or
10 any other changes to the Pension Board has to go to the
11 City Council.

12 THE CHAIRPERSON: Let me see if I can answer
13 your question.

14 MR. MARSHALL: Well, hear me.

15 THE CHAIRPERSON: Well, you --

16 MR. MARSHALL: Okay. Go ahead, answer,
17 answer.

18 THE CHAIRPERSON: There are no others, by the
19 way, you're the last speaker. So I want to give you
20 your full two minutes. Do you want to say anything
21 further? Because I don't want to get into a dialogue
22 with you.

23 MR. MARSHALL: I just wanted to know if
24 there's an answer.

25 THE CHAIRPERSON: I'll answer that.

1 MR. MARSHALL: Because, as you go along, you
2 know, I would like you to be on the right track. I
3 want to make sure that you're taking everything into
4 consideration.

5 THE CHAIRPERSON: All right. Thank you.
6 You're done?

7 Now I'm going to answer a couple of these, at
8 least the only ones -- first of all, I'm going to go
9 back here to the MERS -- was it you, Linda, that asked
10 MERS? Well, we can certainly get you in touch with who
11 to talk to at MERS; that's a no-brainer.

12 Mr. Naglick -- Mr. -- what's your name?
13 Mr. Nazarko, I'm sure, can get you in touch with MERS
14 without any problem at all or I can, too, so --

15 The -- but, Larry, your question, I'm not
16 sure exactly how to specifically answer your question
17 but let me just say I think all this Board wants is we
18 don't want to be faced, again, with somebody coming
19 back, saying that somebody made an error and,
20 therefore, everybody got overpaid and then, all of a
21 sudden, you know how that is, once the overpayment go
22 out, in all reality, we can't ask to get that money
23 back, it's too late then, it's gone.

24 We don't want another calculation made that
25 some employee comes back and accidentally makes an

1 overpayment; we want procedures in place that prevent
2 that from happening again. I think that's the general
3 answer I can give you.

4 And I'm sure Mr. -- what Mr. Sobota is saying
5 is he's not satisfied and we're not satisfied that
6 somebody can't just come back and say, "Oh, my gosh, we
7 sent out all these wrong again." It can't be that easy
8 to make those kind of mistakes. Things have to be put
9 in place to make sure those kinds of mistakes don't
10 happen. So that's my answer to your question.

11 I don't believe I have any other comments on
12 any of the other matters that came before us. The
13 lady, the first lady that spoke about snowplowing and
14 so on, this Board doesn't deal with those issues;
15 that's the City Council. We simply react to what the
16 City Council does. I think that's the best answer I
17 can give you on that. So work with your City Council.
18 We aren't running the City, we're overseeing what the
19 City does.

20 All right. Is there any Board comments?

21 MR. SAWDON: None from me.

22 MR. BURGESS: Yes. Three or four meetings
23 ago, I made the observation of maybe the City
24 Administrator and the Mayor was not agreeing on things
25 and in future meetings I was going to keep tab. I am

1 happy to say that I think it was 100 percent today,
2 which is a tremendous increase of what we have seen
3 over the past few weeks. The -- over the past few
4 months, that is.

5 And the material that was sent out for us to
6 become acquainted with the issues before today, there
7 was references throughout that material that, "The
8 Mayor and I have spoken about this and we agree." So
9 thank you very much, I hope that continues in the
10 future. And I shall continue to keep record.

11 THE CHAIRPERSON: A check system.

12 MR. BURGESS: A check system.

13 THE CHAIRPERSON: All right. And you're --
14 we're all set. So motion to adjourn?

15 MR. SAWDON: So move.

16 MR. BURGESS: Support.

17 THE CHAIRPERSON: Supported by Burgess. All
18 in favor say "aye".

19 BOARD MEMBERS: Aye.

20 (Meeting was concluded at 2:11 p.m.)

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C E R T I F I C A T E

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 (58) pages, is a true and correct transcript of my said stenographic notes.

Date _____

Mona Storm
CSR-4460