

APPROVED - 12/17/14

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1 CITY OF PONTIAC
2 RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
3 WEDNESDAY, NOVEMBER 26, 2014
4 1:00 p.m.
5
6 Meeting before the RTAB
7 Board at 47450 Woodward Avenue, Pontiac, Michigan, on
8 Wednesday, November 26, 2014.

9
10 BOARD MEMBERS PRESENT:

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

15 OTHERS PRESENT:

16 R. Eric Cline
17 Joseph Sobota
18 John Balint
19 Mayor Deirdre Waterman
20 Nevrus Nazarko
21 Lauren Hood
22 Robert D. Cluckey
23 Linda Hasson
24 Billie Swazer
25

26 REPORTED BY: Mona Storm, CSR# 4460

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2

1

INDEX

PAGE
3

2 Roll Call

3	MOTION	
	Approval of Agenda	4
4	Approval of 10-22-14 minutes	5
5	OLD BUSINESS	5
	Creation of Right-of-Way Inspector Position	16
6		
	NEW BUSINESS:	
7	Resolution 14-394, no action	17
8	Approval of Resolutions & Ordinances for City Council Meetings	
9	October 16, 2014, approved	18
	October 23, 2014, approved	18
10	October 29, 2014, approved	20
	November 6, 2014, approved	20
11	November 13, 2014, approved	24
12	CITY ADMINISTRATOR ITEMS	
13	1. Blue Cross Antitrust, approved	26
	2. GERS Lawsuit, approved	32
14	3. Temporary Hiring Authority, approved	34
	4. Approval of City Treasurer, approved	36
15	5. Charles Geiger V. City of Pontiac, approved	38
	6. Application for MDOT Grant, approved	41
16	7. Creation of Right-of-Way Inspector Position	16
	8. TF08-040, Clinton River Trail	
17	Pedestrian Bridge Grant Amendment, approved	42
	9. Appointment to the Joint Development Council	44
18	10. Amendment to Order S-331, postponed	57
19	Request to hire Special Counsel Re: Ottawa Towers v. Pontiac	60
20		
	Request to Hire Rodwin Consulting	
21	to update OPEB evaluation	64
22	NON ACTION ITEMS	
	Monthly Financial Report - October 2014	65
23	Mayor Report	70
	City Administrator Report	81
24	Public Comment	85
	Board Comment	90
25	Adjournment	91

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1 Pontiac, Michigan

2 Wednesday, November 26, 2014

3 1:02 p.m.

4 THE CHAIRPERSON: Good afternoon. It's 1:02

5 and I'll call the City of Pontiac Receivership

6 Transition Advisory Board meeting to order.

7 Mr. Cline, roll call.

8 MR. CLINE: Ed Koryzno.
9 THE CHAIRPERSON: Here.
10 MR. CLINE: Robert Burgess.
11 MR. BURGESS: Here.
12 MR. CLINE: Keith Sawdon.
13 MR. SAWDON: Here.
14 MR. CLINE: Louis Schimmel.
15 MR. SCHIMMEL: Here.
16 MR. CLINE: All right. A quorum is present.
17 THE CHAIRPERSON: Thank you. Next item is
18 Approval of Agenda.
19 Mr. Cline, we received some additional
20 additions to the agenda. Could you share those?
21 MR. CLINE: Yes. Just, for your note, one
22 change. You'll notice under Old Business, Letter B, it
23 says that that item will be addressed under New
24 Business of October 23rd regular meeting. That should
25 actually read the 29th instead of the 23rd. Also, we

4

1 had two requests, additions from the City
2 Administrator, to add onto the agenda. I'm
3 recommending that these be added under City
4 Administrator Items. One pertains to the Phoenix
5 Center and the second one is regarding the OPEB
6 evaluation. So I'm recommending that those be added to
7 the agenda. And I'd like to recommend that the agenda
8 be approved as amended.

9 MR. SAWDON: I'll make that motion.
10 MR. BURGESS: I second.
11 THE CHAIRPERSON: It's been moved and

12 supported to add the proposed items to the agenda.

13 Did you have a question?

14 MR. SCHIMMEL: No, I was voting "yes".

15 THE CHAIRPERSON: Oh, okay. Any further
16 discussion?

17 Seeing none, all in favor of ~~the~~ approving
18 the agenda with the additions, say "aye".

19 BOARD MEMBERS: Aye.

20 THE CHAIRPERSON: Opposed, same sign.

21 The motion is approved and the agenda is
22 accepted.

23 MR. CLINE: Mr. Chairman, just as a reminder.
24 We need to remind the public about the public comment.

25 THE CHAIRPERSON: Oh, yes. Thank you,

5

1 Mr. Cline.

2 If you are interested in speaking to the
3 Board during the public comment portion of the meeting,
4 there's a sign-up sheet in the back of the room. You
5 must have signed up to speak or else you will not be
6 recognized.

7 Thank you, Mr. Cline.

8 Next item is Approval of Minutes. Approval
9 of the October 29th, 2014 --

10 MR. CLINE: No, 22nd.

11 THE CHAIRPERSON: 22nd?

12 MR. CLINE: Yeah.

13 THE CHAIRPERSON: Okay -- 22nd meeting. I'll
14 entertain a motion.

15 MR. BURGESS: I'm make that motion.

16 MR. SAWDON: Support.

17 MR. SCHIMMEL: Support.

18 THE CHAIRPERSON: It's been moved and
19 supported to approve the minutes from the October 22nd,
20 2014 RTAB meeting. Any discussion?

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

23 BOARD MEMBERS: Aye.

24 THE CHAIRPERSON: Opposed, same sign.

25 The minutes are approved.

♀

6

1 Item II, Old Business. Creation of a
2 Right-of-Way Inspector position.

3 Mr. Cline.

4 MR. CLINE: Yes. This had been postponed by
5 the Board at the last meeting. The City has asked
6 authorization to create this position. This is the
7 second time they -- they have brought this -- this
8 subject up. The Board seems to be somewhat reluctant
9 is my interpretation of this. But the Board had
10 initially asked how this potential position would fit
11 into the City's overall staffing plan. There was
12 really no concise on -- on acting again, so we have
13 brought it back to this meeting.

14 I don't know if the City Administrator has
15 any additional information he would like to add but I
16 think that the -- the Board, depending upon what
17 your -- your desires are, you can either approve or
18 deny this request or postpone it again, if there's more
19 information you'd like to see.

20 THE CHAIRPERSON: All right. Thank you. Any

21 questions?

22 Mr. Sobota.

23 MR. SOBOTA: First a little bit of a
24 historical background. And, hopefully, Mr. Schimmel
25 remembers when he was originally preparing his two-year

7

1 budget, we had, in the budget, three part-time
2 positions in the DPW and, just before the budget was
3 getting to be released, we became aware of a rather
4 large expenditure. So something had to go and it was
5 one of these positions which would have been a
6 part-time right-of-way inspector position.

7 We -- our DPW Director has identified and
8 believes that, properly, although this position was
9 originally contemplated as being part-time, that there
10 actually is enough full-time work to be done by this
11 position, not just doing right-of-way inspections but
12 also assisting during the absences of the other two
13 employees who are out on the road and especially
14 ~~occurring~~ ^{during} the winter season to help keep an eye on the
15 various contractors for the road maintenance.

16 In April of 2014, the law governing MISS DIG
17 changed. And this is new information that I became
18 aware of. And, as a result of that new law, the City
19 is required to respond to every MISS DIG ticket that
20 comes in. And our City engineer has advised me that
21 since September we've had about 700 requests for
22 MISS DIG staking.

23 We're required to respond, either going out
24 into the field or in the computer. Our present staff
25 in the Department of Public Works does not have the

1 capabilities of actually doing the field staking out on
2 the road when necessary. Needless to say, we would
3 have the ability to respond to the ticket requests if
4 we know for sure that there are no facilities in the
5 general area but we do not have the capability to go
6 out and actually stake.

7 We did attempt to do an RFP to identify a
8 third-party provider. Costs came in at well over
9 \$200,000 a year. Another approach that we had
10 discussed a while ago, a couple years ago, was to see
11 if DTE Energy would be willing to assume the
12 responsibility of our streetlights. And, at the time,
13 they said no.

14 However, they are presently in the process of
15 doing a significant overhaul to our streetlights by
16 installing LED lights. And with that is coming some
17 electrical configuration. And we are meeting with them
18 in a couple of weeks to see if they would be willing,
19 after this project is completed, to assume the
20 management responsibilities and ownership of the
21 city-owned streetlights.

22 However, I'm not sure where that would
23 potentially go, which leads us to where we are today.
24 We are essentially in violation of Public Act 1974 of
25 2014 by failing to have anyone respond to the MISS DIG

1 tickets that come across. And fortunately, I've been
2 able to get MISS DIG to hold back until today,

3 indicating that I am making a request to see if we can
4 essentially do something to address those concerns,
5 which would be the creation of this position.

6 We do believe that the position is warranted
7 to be full time with not only the MISS DIGS but also
8 with the assistance to the other two DPW workers, with
9 the assistance of our trailing the various contractors
10 and doing some follow-up work.

11 We do have it in the budget. We do not have
12 any general fund appropriation, that I can think, other
13 than some paid time off because all of the work that we
14 foresee this individual engaging in is going to be
15 covered primarily by the major and local street funds.

16 So from a financial standpoint, I think we've
17 addressed that concern. So we are hoping that we're
18 able to at least provide enough information to the
19 Board today to make a decision one way or the other so
20 that we have an idea which way we need to go. Although
21 the subcontracting route, at this time proves to be
22 cost-prohibitive, five times more than we had budgeted
23 for this type of work.

24 THE CHAIRPERSON: Any questions from the
25 Board for Mr. Sobota?

10

1 What's the penalty for violating this Public
2 Act, Mr. Sobota?

3 MR. SOBOTA: Mr. Balint, do you recall what
4 the penalty was?

5 MR. BALINT: I don't know.

6 MR. SOBOTA: I believe we're probably looking
7 at some fines and then, granted, if somebody does hit a

8 line, penalty would be significantly more if it was an
9 unmarked line when they're doing some work.

10 THE CHAIRPERSON: All right. Thank you.
11 What's the pleasure of the Board?

12 You may approve, deny or postpone this
13 request.

14 MR. SAWDON: The request is to move it from a
15 part-time position to full time; is that correct?

16 MR. SOBOTA: Actually, it's to create a
17 position. Originally, when Mr. Schimmel was preparing
18 his two-year budget, he had put this in as a part-time
19 but it had to be removed.

20 MR. SAWDON: Okay.

21 MR. SOBOTA: So now we're asking for the
22 position to be returned, if you will, but elevated to a
23 full-time at the same time. And to be quite honest
24 with you, I think we would have some difficulty in
25 finding someone who has the skill set to do this type

11

1 of a work if it's only part time. Because they could
2 be getting calls at all hours of the day and night to
3 come out and do this type of work. So 40 hours a week,
4 we could do something at least with the staggering to
5 reduce overtime, if necessary, as well.

6 THE CHAIRPERSON: And you said that the -- if
7 I heard it correctly, that the position was full time
8 when it was eliminated or was it part time?

9 MR. SOBOTA: It was part time when it was
10 eliminated at 29 hours a week. And this would add to
11 an additional eleven hours to forty hours per week.

12 But we're quite confident that, based on the workload
13 and the situation we experienced last winter, that
14 another set of eyes and hands would be very beneficial
15 to the department.

16 THE CHAIRPERSON: Mayor Waterman.

17 MAYOR WATERMAN: If it would help the Board
18 to come to a decision about this, I just want to lend
19 my voice. The City Administrator and I are both fully
20 supportive, we encourage you to vote on this.

21 After it was rejected last time. We did have
22 to, based on our DPW Department with the various
23 Consulates of the fact that they didn't realize the
24 jeopardy this puts on the City, the kind of liability
25 issues that it poses for us and the fact, one of the

12

1 violations -- I'll just reiterate everything Mr. Sobota
2 just told you and I am fully supportive and I hope, at
3 this time, we will pass that.

4 THE CHAIRPERSON: Thank you.

5 MR. SCHIMMEL: It can't be handled on the
6 outside anyway.

7 MR. SOBOTA: We did examine this and we went
8 out for bids. We received two bids, each was over
9 \$200,000 a year. We did contact the utilities --
10 excuse me -- DTE and Consumers to find out who they're
11 using, not -- excuse me -- not who they're using, to
12 see if they have their own employees, to see if we
13 could contract with them to do the work and they sub it
14 out.

15 None of the other local units that border us
16 have their own streetlights so it's not a possibility

17 where we can go to Waterford or Auburn Hills and see if
18 they would be able to provide that service; that's just
19 not a feasible solution. And you really need someone
20 who's relatively local to respond.

21 We did talk to our electrical contractor.
22 They're out in Flint. They were one of the two
23 responsible bidders. But we're -- there are some
24 issues that we have there in terms of some response,
25 that, even if they were the low bidder, I would

13

1 hesitate to award them any sort of a long-term contract
2 at this time.

3 THE CHAIRPERSON: Mr. Schimmel?

4 MR. SCHIMMEL: Yes. Is this a job, Joe, that
5 you would ever get caught up with and you wouldn't need
6 this person in the future or is this a job that you
7 need until the day you die?

8 MR. SOBOTA: We need this position as long as
9 the City owns streetlights. Once we dispose of our
10 streetlights, the need for a full-time position is no
11 longer required, we could go down to a part-time
12 position with a different skill set. But Mr. Balint
13 had presented to me earlier today that, since
14 September, he's already received 700 requests for
15 MISS DIG staking. And, if you multiply that out by
16 four, you're looking at 2,800. I think in our RFP we
17 had indicated what, 2,000 a year? So it's a little bit
18 higher now because we're in a massive demolition
19 program which increases the number of requests. But
20 we're generally around 2,000 a year, six a day.

21 MR. SCHIMMEL: Okay. Others --

22 MR. SAWDON: Well, you indicated that you
23 were going to have a discussion with DTE later -- later
24 on in the month, possibly into December, about
25 conveying the street-lighting. Wouldn't it be more

14

1 appropriate that we wait until we know the outcome of
2 that event?

3 MR. SOBOTA: Well, here's the situation: If
4 this position is approved today, I'm not going to be
5 able to hire an individual until, more realistically,
6 January because I'm not going to find anyone in one
7 week to meet the next deadline. So I would at least
8 like to have the ability to advertise.

9 And let's assume that we have our meeting
10 with DTE and we come to an agreement to transfer the
11 facilities. If we do come to that agreement, we don't
12 need to hire a position but at least I'm not losing a
13 month of trying to recruit somebody.

14 If DTE is, once again, unwilling to assume
15 ownership of those facilities, then we already have the
16 process started, the -- we could potentially have
17 interviews and a recommendation before this Board in
18 January for hiring.

19 If I was in a position where I could say we
20 have a candidate identified and that person will be
21 presented to the Board in December, that would be
22 something different but I know that's not going to
23 happen in the next week. We'll have to do a search
24 and, hopefully, we'll be able to find somebody, to be
25 honest with you.

1 MR. SAWDON: The new position, do you
2 anticipate MISS DIG being what percentage of their work
3 time?

4 MR. SOBOTA: 75 percent of their work time.

5 THE CHAIRPERSON: Any other questions?

6 MR. SOBOTA: And let me add onto this -- and
7 it's just not the MISS DIG. This person would also be
8 doing right-of-way inspections. That's something,
9 right now, we are engaging our engineering firm in
10 performing for the City at the cost of \$80 an hour and
11 our right-of-way inspector would be paid \$20 an hour.

12 Now -- so normally, when there's a MISS DIG,
13 there's also a right-of-way inspection that's required
14 as well. And usually those are -- we do set a fee for
15 that. But we weren't anticipating having to call an
16 outside engineer to do right-of-way inspections. The
17 workload of our city engineer has just increased in the
18 past couple of months. So he's needed the additional
19 assistance and, hopefully, we'll be able to bring that
20 down on this individual. And, hopefully, we will be
21 able to bring that down on this individual that's
22 brought on board.

23 But it's really a person to be out there on
24 the road, doing the MISS DIG staking, doing the
25 right-of-way inspections and, if there is enough time,

1 to actively engage in a sidewalk inspection program so
2 we can start reducing the slip-and-fall sidewalk

3 lawsuits that have started to come in in the last
4 couple of months.

5 THE CHAIRPERSON: All right. No further --
6 seeing no further questions for Mr. Sobota, then I will
7 entertain a motion.

8 MR. SAWDON: A motion to approve.

9 MR. SCHIMMEL: Support.

10 THE CHAIRPERSON: It's been moved and
11 supported to approve the creation of a right-of-way
12 inspector position.

13 Any further discussion?

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

16 BOARD MEMBERS: Aye.

17 THE CHAIRPERSON: Opposed, same sign.

18 The motion is approved.

19 MR. SOBOTA: Thank you very much.

20 THE CHAIRPERSON: Next item is Resolution
21 14-394 appointment of Mona Parlove to the Planning
22 Commission will be addressed in New Business.

23 Mr. Cline.

24 MR. CLINE: Yes. This was an issue that we
25 identified that the City Council, due to some

17

1 circumstance, didn't have a sufficient number of
2 individuals present when the vote was taken so they
3 went back and readdressed this on the October 29th
4 meeting.

5 So this would have automatically been old
6 business for us but we'll just address it at this
7 point.

8 THE CHAIRPERSON: Okay.

9 MR. CLINE: So we need no action at this
10 time.

11 THE CHAIRPERSON: All right. Thank you.
12 Item III, New Business, III A, Approval of Resolution &
13 Ordinances for City Council Meetings:

14 Item 1, the October 16, 2014 meeting.

15 MR. CLINE: Yes, sir. This -- this meeting
16 was, basically, some routine business items. So we had
17 no -- no concerns or issues so we're recommending an
18 approval of all resolutions.

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

20 MR. BURGESS: Second.

21 THE CHAIRPERSON: Been moved and supported to
22 approve the minutes for the October 16, 2014 regular
23 City Council meeting. Any further discussion?

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

18

1 BOARD MEMBERS: Aye.

2 THE CHAIRPERSON: Opposed, same sign.

3 The motion is approved.

4 Item 2, the October 23, 2014 regular meeting.

5 MR. CLINE: Yes. Again, several routine
6 business items. There was a rezoning public hearing
7 that was conducted; we had no concerns with that. I
8 will note that I did make a mistake here in my -- in my
9 staff report to the Board and inadvertently copied the
10 Planning Commission issue on this meeting but that will
11 be the next meeting. So I apologize for that. But we

12 are recommending approval of all items from this
13 meeting.

14 THE CHAIRPERSON: Any questions for
15 Mr. Cline?

16 MR. SAWDON: No. I'd make that motion.

17 MR. SCHIMMEL: Support.

18 THE CHAIRPERSON: Been moved and supported to
19 approve the minutes for the October 23, 2014 regular
20 meeting. All in favor of the motion, say "aye".

21 BOARD MEMBERS: Aye.

22 THE CHAIRPERSON: Opposed, same sign.

23 Motion is approved.

24 Next item, the October 29, 2014, Regular City
25 Council meeting.

19

1 MR. CLINE: Yes. We are recommending
2 approval of all resolutions. Just to draw your
3 attention to a couple things, this is where the City
4 Council did vote to confirm the Mayor's appointment to
5 the Planning Commission, so that was addressed and I
6 find that satisfactory. The City Council did act on a
7 Planning Commission recommendation to do a rezoning for
8 the M1 concourse project. And just for your own
9 clarification, I did look at that material and I -- I
10 have no particular objections to the rezoning or
11 figure.

12 Emergency Manager Order 334 does require the
13 City Administrator to also authorize and sign this
14 rezoning, provided that the Board approves this today.
15 Staff has no objections to it so I think we can -- we
16 can allow this to move forward. So we're recommending

17 approval of all resolutions from this meeting.

18 THE CHAIRPERSON: Any questions for
19 Mr. Cline?

20 MR. SAWDON: I'll move.

21 MR. BURGESS: Support.

22 THE CHAIRPERSON: It's been moved and
23 supported to approve the October 29, 2014 Regular City
24 Council meeting minutes.

25 Any further discussion?

20

1 Seeing none, all in favor of the motion, say
2 "aye".

3 BOARD MEMBERS: Aye.

4 THE CHAIRPERSON: Opposed, same sign.

5 The motion is approved.

6 Item 4, the November 6, 2014 Regular City
7 Council meeting.

8 MR. CLINE: Again, this was a fairly routine
9 meeting. We are recommending an approval of all
10 resolutions.

11 THE CHAIRPERSON: I'll entertain a motion.

12 MR. SAWDON: I'll make it.

13 MR. BURGESS: Support.

14 THE CHAIRPERSON: It's been moved and
15 supported to approve the November 6, 2014 Regular
16 Meeting minutes. Any further discussion?

17 Seeing none, all in favor of the motion, say
18 "aye".

19 BOARD MEMBERS: Aye.

20 THE CHAIRPERSON: Opposed, same sign.

21 The November 6, 2014 minutes are approved.
 22 Item 5, November 13, 2014 Regular Meeting
 23 minutes.

24 MR. CLINE: All right. I'm going to draw the
 25 attention this -- this was really the major business

21

1 meeting, if you will, of -- of the City Council in this
 2 particular cycle and they did approve a number of
 3 different things. I don't want to take up a lot of
 4 time with providing detail on stuff that the Board has
 5 no issues with. But some of the major items that were
 6 approved, there was a right-of-way service agreement
 7 and I can elaborate on any one of these, if the Board
 8 would like.

9 There was a contract for parking lot and
 10 sidewalk plowing and salting. There was a franchise
 11 agreement issued for Comcast, an amendment to the fee
 12 schedule -- or an establishment of a tenant
 13 verification fee in the fee schedule for rental
 14 inspections. The City wishes to enter into the Oakland
 15 County local government investment pool program. And
 16 there was an opportunity for the City to acquire a cell
 17 tower from a company known as American Tower, which
 18 will provide additional revenue, unanticipated revenue
 19 to the City. So those were the major items.

20 It's quite a varied list here so I can
 21 elaborate if there are any questions and, of course,
 22 the RTAB can approve or deny or postpone anything.
 23 They can also separate out for consideration any item
 24 that they want to draw particular attention to. So I
 25 guess I'll wait to see if there's any questions or

1 reaction.

2 MR. SAWDON: The only question I had was on
3 the cell tower. I'm just trying to understand the flow
4 of the bonuses, if you will. I got a little lost in
5 some of those numbers, if you don't mind explaining the
6 bonus for action taken by the City.

7 MR. SOBOTA: If -- the cell tower property is
8 presently owned by the RACER Trust. Due to the terms
9 of RACER Trust's property disposal plan, when they
10 dispose of property, it needs to go for a public
11 benefit. The only public benefit that they could
12 identify for a property with a cell tower on it is to
13 donate the property to the City so the City can collect
14 the revenue from the cell tower.

15 If we can close -- so RACER owns the
16 property. The agreement or the terms of the agreement
17 that you have before you is what is going to be
18 presented to RACER and they are going to formalize an
19 agreement with American Tower. They are going to amend
20 the existing lease agreement with American Tower. And
21 if those terms are met and then, if RACER transfers the
22 property to the City by December 31st, we are able to
23 receive the additional \$10,000 bonus.

24 The reason being, American Tower is
25 approaching the end of their fiscal year and, through

1 some negotiations and the spirit of trying to close
2 this deal as quickly as possible, this is the incentive

3 that was given to the City, to have this completed by
4 the end of the fiscal year for American Tower; that way
5 they have their books clean and they know where they're
6 going, come January.

7 So that's the \$10,000 question. If this is
8 approved today, I've got several e-mails and telephone
9 calls that I need to make to get the process going.
10 And RACER has fully committed to transferring the
11 property and agreeing to the terms of the amended lease
12 agreement as we have presented and as the Council has
13 accepted. This would be a \$70,000 one-time source of
14 revenue for the City, unbudgeted, and on an annual
15 basis, \$30,000 plus an increase. Once again,
16 unbudgeted revenue.

17 American Tower will maintain the property.
18 Actually, they don't like anyone going on their
19 property, for obvious reasons. So the City has no
20 maintenance issues. It appears to be a relatively
21 positive deal for the City. And I will say that this
22 is the third cell phone agreement that I've dealt with
23 during my local government career. So this appears to
24 be normal and I don't see any objections or issues with
25 this particular arrangement.

24

1 MR. SAWDON: Thank you.

2 THE CHAIRPERSON: Any other questions for
3 Mr. Sobota?

4 Does the Board have any desire to separate
5 any of the items?

6 MR. BURGESS: No.

7 MR. SCHIMMEL: I'll move to approve all of
Page 20

8 them.

9 MR. BURGESS: I second it.

10 THE CHAIRPERSON: It's been moved and
11 supported to approve the minutes of the November 13,
12 2014 regular meeting. Any further discussion?

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

15 BOARD MEMBERS: Aye.

16 THE CHAIRPERSON: Opposed, same sign.
17 The November 13 minutes are approved.

18 Item III B, City Administrator Items, Item 1,
19 Blue Cross Antitrust.

20 Mr. Cline.

21 MR. CLINE: Yes. I will -- there was an
22 antitrust lawsuit that was filed against Blue Cross
23 several years ago that, in order to resolve it, the
24 company agreed to provide a \$30 million settlement
25 across its various customers. But you have to make a

25

1 claim for these funds. The City has asked to make a
2 claim for a percentage of these funds and, perhaps,
3 they can elaborate on how that mechanism works and how
4 they potentially might receive -- receive funds on
5 this.

6 As I understand it, there's no guarantee the
7 city will receive anything. But the City Attorney's
8 office has agreed to file this claim. They would like
9 to capture -- the City Attorney's office that is --
10 10 percent of whatever the City captures. If nothing
11 is captured, they won't receive anything out of this.

12 It would be unrecognized revenue, as I understand it,
13 for the City.

14 The City Administrator is making this
15 request. EM Order 334 does permit him to do this with
16 RTAB approval so that request is before you. I'm sure
17 Mr. Sobota would like to elaborate on that but this is
18 the decision before the Board today.

19 THE CHAIRPERSON: Thank you.

20 Mr. Sobota.

21 MR. SOBOTA: I believe Mr. Cline summarized
22 that exceptionally well.

23 THE CHAIRPERSON: Thank you.

24 MR. SOBOTA: Once again, we're asking for
25 money that we may or may not get but it doesn't hurt to

26

1 ask.

2 MR. SCHIMMEL: I'll move approval.

3 MR. BURGESS: I second.

4 THE CHAIRPERSON: It's been moved and
5 supported to approve the Blue Cross Antitrust action.
6 Any further discussion?

7 Seeing none, all in favor of the motion, say
8 "aye".

9 BOARD MEMBERS: Aye.

10 THE CHAIRPERSON: Opposed, same sign.

11 The motion is approved.

12 Next item is GERS Lawsuit.

13 Mr. Cline.

14 MR. CLINE: All right. This goes back to an
15 issue that the Board addressed a number of months ago
16 when we filed to reappoint two individuals that are

17 currently the Chair and Vice-Chair of the GERS Board
18 because of a default situation with the City and ~~that~~
19 that is not permitted under the Home Rule Cities Act.

20 Since that time, it is my understanding that
21 those individuals have continued to act as active GERS
22 Board members. My understanding is that the City
23 Attorney has ruled that they should not be doing so but
24 the City and the GERS Board have been unable to sort of
25 resolve the situation.

27

1 The City Administrator believes that, in
2 order to have time to sort this out, that there needs
3 to be some -- some action taken to get a -- basically a
4 temporary order to prevent them from serving until this
5 can be worked out.

6 Typically, this would be something the RTAB
7 would not necessarily be involved in. But, any filing
8 EM order requires the City Administrator to get the
9 Board's concurrence before any type of legal action can
10 be filed. So, therefore, this request is before the
11 Board.

12 I'm sure Mr. Sobota may like to elaborate on
13 that. But I think this is one of those issues that we
14 find ourselves having to make a decision on one way or
15 the other.

16 So we have already voted not to reappointment
17 these individuals. But this issue still seems to be
18 lingering so I think Mr. Sobota has the opportunity
19 here to provide his rationale for why he wants further
20 support on this matter, so --

21 THE CHAIRPERSON: Thank you.

22 Mr. Sobota.

23 MR. SOBOTA: I'm in a rather strange
24 position. Both the GERS Board and the City Council
25 agree that their vote, Council's vote, to reappointment

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1 the two gentlemen in question stands and that this
2 Board has no authority to deny that and, therefore,
3 those two individuals have been legally reappointed.

4 Since this situation first came up, I was in
5 contact with both individuals. One individual now,
6 Mr. Harrison, is no longer considered in default to the
7 City and is eligible for official reappointment.
8 However, the City -- despite informing Council of this
9 for I don't know how many months, the City Council is
10 not going to be voting because they believe that he's
11 already a member and his appointment was valid.

12 So I'm hoping to get to some sort of a
13 resolution where Council will at least vote for one
14 individual to be placed before the Board and the other
15 one we may have to take to court because of the
16 unwillingness to address the default situation to the
17 City.

18 My purpose today is to obtain permission to
19 actually enforce the State law and the authority of the
20 TAB on the City Council and the GERS Board. However,
21 before taking that action, Council will be given one
22 final opportunity to correct the wrong, if you will.
23 And, if they refuse, then I'll be forced to proceed
24 with the City Attorney's counsel in this matter.

25 We've been rather patient, as it is, and
Page 24

1 we're hoping that this issue could be resolved amicably
2 and quickly. We do not want to allow situations where
3 these types of actions can happen in the past -- in the
4 future where Council or the Mayor does one thing and
5 the Transition Advisory Board declines and that action
6 is allowed to continue to perpetuate.

7 THE CHAIRPERSON: Any questions for
8 Mr. Sobota?

9 MR. SAWDON: Do you have a general feel what
10 this may cost if we -- if it escalates?

11 MR. SOBOTA: I'm probably thinking around ten
12 grand, at the most. It shouldn't be a very complicated
13 case. It's really cut and dry, in terms of you -- the
14 embarrassing thing is that these gentlemen's debts are
15 going to be made a matter of public record. And we're
16 hoping to mitigate that from having to happen.

17 So I'm hoping that they'll at least realize
18 what this is going to potentially do and they'll talk
19 to the council members and at least convince them to go
20 through the process. And, with the other gentleman,
21 maybe he'll actually decide to come in and finally pay
22 off his debt to the City.

23 MR. SCHIMMEL: May I make a comment or should
24 I make a motion?

25 THE CHAIRPERSON: It's your decision.

1 MR. SCHIMMEL: Oh, good.

2 Well, I -- just this is my position, as I've

3 had since the day I started as emergency manager, is --
4 well, first of all, Mr. Sobota, you've already said it,
5 if we -- we denied them, they're going to serve anyway,
6 they're going to snub this Board anyway, as they
7 presently are doing. Since they want -- I've argued
8 that the police and fire have a five-member board,
9 correct?

10 MR. SOBOTA: Correct.

11 MR. SCHIMMEL: There's no need to have an
12 eleven-member board. And I've also argued that we
13 should at least have the board members that are willing
14 to explore all the options, one of which we know full
15 well will provide the retirees their entire healthcare
16 which they're being denied now because of these types
17 of members.

18 And so, from my personal standpoint, there's
19 no way in the world I'm going to change my tune today
20 and I feel that they should not be reappointed, that we
21 should appoint people that are willing to look for the
22 proper solution to this whole problem. And I
23 understand there's some sort of big mediation after, is
24 there not --

25 MR. SOBOTA: That's correct.

31

1 MR. SCHIMMEL: -- on this whole subject as
2 well?

3 And I would like two individuals sitting in
4 there that are more interested in coming to the proper
5 solution to this rather than carrying on with the
6 travel and leisure club and the -- all the reasons that
7 I feel these individuals are -- are doing it is for

8 their own good, not necessarily for the benefit of the
9 retirees. And so I would be -- I would like to make a
10 motion that we deny the appointment of these two
11 individuals.

12 MR. CLINE: Well, the -- Mr. Schimmel, the
13 request is to authorize the City Administrator to take
14 action to prevent them from serving. So this would
15 be --

16 MR. SCHIMMEL: I'll make that motion, then.
17 I'll make it that way.

18 MR. CLINE: Okay. I just wanted to clarify
19 that. You're welcome to make whatever motion you wish
20 but --

21 MR. SCHIMMEL: No, I -- you want to make the
22 one that -- that carries out what I just said and I'll
23 make it the way you -- you suggest.

24 MR. BURGESS: Support.

25 THE CHAIRPERSON: It's been moved and

32

1 supported to support the initiation of a lawsuit
2 against the GERS Board. Any further discussion?

3 MR. SCHIMMEL: I'd just like to put out one
4 other thing, too. It's very disturbing to me that the
5 attorneys for the GERS Board who make over \$300,000 a
6 year have an interest in this, too, to make sure that
7 this Board stays in existence. And I don't -- I think
8 we should be making the decision on providing full
9 healthcare for the retirees instead of what's happening
10 today. We shouldn't be worried about the journeys and
11 the travel club.

12 THE CHAIRPERSON: Any further discussion?
13 Seeing none, all in favor of the motion, say
14 "aye".

15 BOARD MEMBERS: Aye.

16 THE CHAIRPERSON: Opposed, same sign.

17 The motion is approved.

18 Item 3, Temporary Hiring Authority.

19 Mr. Cline.

20 MR. CLINE: Yes. The City has requested, as
21 they did last winter, for authority to hire several
22 temporary employees to serve as backup for snow
23 removal. Oakland County has several former city plows
24 that they have available that the City could use in the
25 event that their contractor is unable to keep up with

33

1 snow removal, as they did last year.

2 The City wants to hire up to three
3 individuals to drive these plows and they would be
4 hired at a rate of \$20 an hour. And none of the
5 employees would exceed 200 hours of usage per season.
6 And, in any event, the City has indicated that they
7 would cease employment with them no later than
8 April 1st of next year. By my calculation, the total
9 cost for these employees would not exceed \$18,000.

10 The City Administrator has indicated that
11 there are sufficient funds available for this -- for
12 this request, just as there was last year. I would
13 recommend that, if the Board seeks to authorize this,
14 that you do so with the provisions that each position
15 does not exceed 200 hours in total usage and the total
16 cost for all these positions does not exceed the

17 \$18,000 that both the City Administrator and I
18 concurred would be probably the maximum exposure for
19 this -- for this hiring.

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

21 MR. BURGESS: Support.

22 THE CHAIRPERSON: Been moved and supported to
23 approve the hiring of three individuals, not to exceed
24 200 total hours or \$18,000. Is that a fair -- correct,
25 Mr. --

34

1 MR. SAWDON: Uh-huh.

2 MR. CLINE: Yes.

3 THE CHAIRPERSON: All right. Thank you. Any
4 further discussion?

5 Seeing none, all in favor of the motion, say
6 "aye".

7 BOARD MEMBERS: Aye.

8 THE CHAIRPERSON: Opposed, same sign.

9 The motion is approved.

10 Item 4, Approval of City Treasurer Position.

11 MR. CLINE: All right. As you know, the City
12 has been in a hiring process to employ a new City
13 Treasurer. For a number of months now, we have
14 identified a candidate, a Susan Hendricks who is
15 currently the City Treasurer for the City of Hamtramck.
16 I believe that a starting date of early January has
17 been proposed. This position would come with no
18 benefits.

19 One thing that the City Administrator has
20 asked for a little bit of a change is that the salary

21 was initially set for this position at \$75,000 a year,
22 they would like to increase that to \$80,000. The City
23 Administrator provided me with a copy of a salary study
24 that they have done, showing that, even at \$80,000,
25 this would be sort of at the lower end of the salary

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1 bracket for a City Treasurer position of comparable
2 communities. Many of those communities offer benefits
3 as well. I believe that that was certainly a
4 reasonable and justifiable request that he has made.

5 The City Administrator has also stated that
6 there's sufficient savings identified in the budget to
7 absorb that additional \$5,000 expense. So after
8 looking at that, I think that's a relatively reasonable
9 request to make and we're recommending that the Board
10 support that and approve this request.

11 THE CHAIRPERSON: Mr. Sobota.

12 MR. SOBOTA: I will say this: This was a
13 call from Ms. Square that I was not relishing but
14 everything has worked out with Ms. Square. She has no
15 qualms. Her only request was to allow sufficient time
16 for a reasonable transition to the replacement
17 treasurer who she has told me has been identified and
18 I'm assuming will be approved by Treasury staff
19 relatively soon.

20 So even though we're saying January 5th as an
21 anticipated starting date, I know full well, that it's
22 going to be after that date. And as part of my
23 negotiations with the candidate, I had indicated we
24 will not be accepting anyone -- her coming to the City
25 without a proper replacement being named and a

1 transition in Hamtramck.

2 So we -- we've worked out our differences and
3 it was a very amicable discussion with Ms. Square,
4 actually.

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

7 MR. SOBOTA: And I will say I did not recruit
8 this individual. I've got allegations that -- in my
9 hometown that I'm taking away their Treasurer. I did
10 not recruit, she applied on her own.

11 MR. SAWDON: Motion to approve.

12 MR. SCHIMMEL: Support.

13 THE CHAIRPERSON: It's been moved and
14 supported to approve the hiring of a City Treasurer.
15 Any further discussion?

16 Seeing none, all in favor of the motion, say
17 "aye".

18 BOARD MEMBERS: Aye.

19 THE CHAIRPERSON: Opposed, same sign.

20 The motion is approved.

21 MR. SOBOTA: Now, Mr. Chairman, I'm assuming
22 inherent in that motion is the approval of the
23 employment agreement with the \$80,000 salary, correct?

24 MR. SAWDON: Correct.

25 THE CHAIRPERSON: Right.

1 MR. SOBOTA: Thank you.

2 THE CHAIRPERSON: Next item is Number 5,

3 Charles Geiger versus the City of Pontiac.

4 MR. CLINE: Yes.

5 THE CHAIRPERSON: Mr. Cline.

6 MR. CLINE: The City was involved in a
7 lawsuit when a -- Mr. Geiger apparently initiated legal
8 action against the Michigan Land Bank Authority for
9 demolition of a structure that apparently was not
10 supposed to be demolished. The City was involved in
11 this -- this litigation as well but, ultimately,
12 dismissed from the lawsuit.

13 The collective settlement on this, the city's
14 been requested to participate in sort of a mutual
15 agreement where all the parties agree to sort of
16 mutually release each other from any future claims or
17 further action in this matter. I have seen that type
18 of action before. I have reviewed the proposed
19 agreement. I don't have any particular concerns about
20 it.

21 Again, as we've stated in this meeting, ~~the~~
22 EM Order 334 does give the City Administrator the
23 authority to enter into those types of agreements to
24 resolve litigation with concurrence of the Board. I
25 don't think that there's any particular issues with the

38

1 City doing this. I think it will put this issue to
2 rest so I would recommend approval of this agreement.

3 THE CHAIRPERSON: Mr. Sobota.

4 MR. SOBOTA: I have nothing to add.

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

6 MR. SCHIMMEL: I'll support it.

7 THE CHAIRPERSON: It's been moved and
Page 32

8 supported to support the settlement of the
9 Charles Geiger versus City of Pontiac issue. Any
10 further discussion?

11 Seeing none, all in favor, say "aye".

12 BOARD MEMBERS: Aye.

13 THE CHAIRPERSON: Opposed, same sign.

14 The motion is approved.

15 Next item is Item Number 6, Application for
16 Michigan Department of Transportation Grant.

17 MR. CLINE: Yes. The City is asking to
18 apply -- authorization to apply for \$681,000 to attain
19 a grant, economic development fund grant, for road
20 improvement to support the Challenge Manufacturing
21 project. This grant would require a 20 percent local
22 match, which was about \$136,000, roughly.

23 The City Administrator has -- has indicated
24 to me that those funds are available within the City's
25 major street fund. I have no particular concerns with

39

1 this grant request being approved and I'm recommending
2 that the Board approve this.

3 THE CHAIRPERSON: Mr. Sobota, anything to
4 add?

5 MR. SOBOTA: This is a project that I
6 initiated on behalf of the city, realizing that we have
7 the ability to obtain funding for road repairs as a
8 result of the new construction of the Challenge M-F-G
9 plant, always looking for opportunities to maximize our
10 dollars. Although the road is not in terribly poor
11 condition, it could require some upgrades.

12 And also, when we met with the company and we
13 started asking very difficult questions about truck
14 travel, they realized that the existing Michigan left
15 turns are not -- are insufficient to meet their needs.
16 So we're going to be doing some changes to the roads as
17 well.

18 A city engineer was involved with those
19 discussions and he's confident that these numbers are
20 very accurate, in terms of an estimate. So this will
21 be along Centerpoint Road, basically from Opdyke up to
22 the end of the Challenge Manufacturing property.

23 We are fully anticipating coming back to this
24 Board in 2015 to have the balance of Centerpoint done,
25 because we understand there is significant interest in

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1 the purchase of Centerpoint Central, which is located
2 north of this particular parcel. And there are some
3 roads that border that particular building that could
4 also be repaired.

5 So this is, once again, an opportunity that
6 we hope we'll be able to take advantage of. This Grant
7 Application Letter of Interest is actually due this
8 afternoon. So, assuming this is approved, the first
9 thing I will do when I go back to my office is press
10 the button and make sure this gets sent up to Lansing.

11 We're probably looking at construction in,
12 probably, April, which is after the plant is scheduled
13 to open. So there will be some truck detours and long
14 drives until we can get those turnaround lanes
15 repaired.

16 THE CHAIRPERSON: Any questions for
Page 34

17 Mr. Sobota from the Board?
18 MR. SCHIMMEL: Could you add just that one
19 little stretch of Voorheis in there, too?
20 MR. SOBOTA: Well, I'm sure once we get
21 either a very big tourist attraction --
22 MR. SCHIMMEL: All right. Never mind.
23 MR. SOBOTA: -- or a new plant, we'll be able
24 to add that.
25 MR. SCHIMMEL: If there's anything left of --

41

1 MR. SOBOTA: But that's a county road.
2 MR. SCHIMMEL: Yes, it is.
3 MR. SOBOTA: It is a county road, so --
4 MR. SCHIMMEL: I know.
5 THE CHAIRPERSON: Okay. I'll --
6 MR. SAWDON: Motion to approve.
7 MR. SCHIMMEL: Support.
8 THE CHAIRPERSON: It's been moved and
9 supported to support the application for an MDOT grant.
10 Any further discussion?
11 Seeing none, all in favor of the motion, say
12 "aye".
13 BOARD MEMBERS: Aye.
14 THE CHAIRPERSON: Opposed, same sign.
15 Motion is approved.
16 Item 7, Creation of the Right-of-way
17 Inspector Position has been addressed.
18 Item 8, Clinton River Trail Pedestrian Bridge
19 Grant Agreement (sic).
20 MR. CLINE: Yes. The City and the Department

21 of Natural Resources have worked out an extension to a
22 timeline to complete this particular project. What it
23 will do is it will extend the term to complete the
24 grant project to April 1st of next year and then give
25 the City until July 1st to submit for all eligible

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42

1 reimbursement expenses under the grant agreement.

2 The DNR, from the information I've been
3 provided, is completely agreeable to this extension.
4 There's an agreement that they have to sign, if the
5 Board approves this. I have no particular concerns
6 about it. It's just mostly a timeline extension and
7 just acknowledges that so I am recommending an approval
8 of this.

9 THE CHAIRPERSON: Mr. Sobota?

10 MR. SOBOTA: Once again, this is a way to get
11 money that is owed to us. We don't sign the agreement,
12 we're out \$275,000.

13 MR. SAWDON: Motion to approve.

14 MR. SCHIMMEL: Support.

15 THE CHAIRPERSON: It's been moved and
16 supported.

17 Any further discussion?

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

20 BOARD MEMBERS: Aye.

21 THE CHAIRPERSON: Opposed, same sign.

22 The motion is approved.

23 Item 9, Appointment to the Joint Development
24 Council.

25 MR. CLINE: Yes. Mayor Waterman is

1 requesting that she be appointed to a body under the
2 Joint Development Council that was created in
3 conjunction with Bloomfield Charter Township to oversee
4 the Bloomfield Park project and its redevelopment.
5 Both the City Administrator and the City Council have
6 concurred with the Mayor being appointed. As I
7 understand it, this Joint Development Council has
8 essentially sole authority, through a Court order, to
9 oversee that project and that redevelopment on behalf
10 of both of those communities.

11 Perhaps Mr. Sobota can elaborate a little
12 more on that. Given that this is a -- an appointment
13 and both the City Council and the City Administrator
14 are in full support of it, I see no reason why that
15 can't be approved and I would so recommend.

16 THE CHAIRPERSON: Thank you.

17 MR. SOBOTA: Slight correction: This
18 appointment did not go before City Council. Under our
19 Charter, it was not required to ^{do}so. This is simply the
20 Mayor's appointment herself.

21 MR. CLINE: Oh, I'm sorry. I guess I
22 misunderstood that. So --

23 MR. SOBOTA: And this will be a three-year
24 term, expiring June 21st, 2017. And the Mayor would be
25 replacing James Szabo of Wade Trim and the City's

1 Planner on this Board, as his term expired June 21st,
2 2014. Mr. Szabo was appointed by order of the

3 Emergency Manager. But since that order had a definite
4 expiration term, I do not believe that an amendment is
5 necessary. It's just a simple confirmation of an
6 appointment.

7 MR. SCHIMMEL: What are you asking for here;
8 a motion to do something?

9 THE CHAIRPERSON: A motion to approve.

10 MR. SOBOTA: To approve to a term ending --
11 expiring June 21st, 2017.

12 MR. SCHIMMEL: I'll move that.

13 MR. BURGESS: Second.

14 ~~MR. SAWDON: Support.~~

15 THE CHAIRPERSON: It's been moved and
16 supported to have Mayor Waterman serve on this Joint
17 Development Council. Any further discussion?

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

20 BOARD MEMBERS: Aye.

21 THE CHAIRPERSON: Opposed, same sign.

22 The motion is approved.

23 Item 10, Amendment to Order S-331 Cellular
24 Phones.

25 MR. CLINE: Yes. The Mayor -- Mayor Waterman

1 had issued a request to issue several cell phones to
2 some City employees in support of the -- what they
3 refer to as the blexting project. Some research led me
4 to determine that there's a standing emergency manager
5 order, which is 331, which eliminates issuance of cell
6 phones to all City employees with the exception of -- I
7 believe it's election workers.

8 So if the Board chose to act on this, we
9 would have to make a recommendation to the State
10 Treasurer to amend this order.

11 I think, in a -- from a broader
12 perspective -- excuse me. I have a little bit of
13 concern over how we would structure a recommendation
14 because I -- I'm not completely clear as to what
15 employees would be issued but I don't know the
16 ramifications beyond that because how would -- how
17 would we track who gets cell phones? How many cell
18 phones would ultimately be issued? Are we just making
19 an amendment for one or two specific employees? Where
20 would the plans be paid for? How would they --

21 You know, I think there are some details
22 that -- that we would need to address before we
23 consider this that -- that are not here. I mean, I
24 understand the reasons that the Mayor would like to see
25 this acted upon but I think I've noticed in my -- my

46

1 experience and my travels in various communities that
2 cell phones are one of those issues that you issue one
3 and suddenly everyone has one and then it becomes a
4 very expensive proposition as to who has what and what
5 they're doing with it and what the restrictions are and
6 what happens if something gets lost or broken or when
7 you have to upgrade and, you know, what kind of
8 limitation are you going to put on what kind of devices
9 people can get and it just becomes a very involved
10 process.

11 So I would think, at this time, the Board may

12 want to weigh that. I don't know your feelings on the
13 matter. I would think that we may want to undertake a
14 little more research or suggest that the City undertake
15 a little more research. But I guess, if I had to come
16 down on it, my recommendation would be not to act on it
17 at this time.

18 THE CHAIRPERSON: Mr. Sobota.

19 MR. SOBOTA: I did speak to the Mayor
20 regarding this prior to the request and, also, before
21 the meeting today. There is a bit of a disagreement.

22 I believe that the reason for the purchase of
23 the cell phone or any sort of technological ^{advice} ~~advise~~ --
24 or device is not warranted because the City has a much
25 cheaper option available. Presently, we do not have

47

1 staff whose job is to do field work. The individual
2 described in question is actually clerical support
3 staff who will probably not be an employee of the City
4 very much longer, he'll be transitioning out.

5 The City -- I am quite -- I believe full well
6 that we have the ability to contract with the Loveland
7 Technology firm through their Motor City Mapping to
8 obtain the services to complete the blexting project at
9 \$10 an hour. The employee in question is paid \$15 an
10 hour. And it doesn't address the broader question of,
11 while we're only doing a small area now, how are we
12 going to handle the rest of the City? So there's
13 additional discussions that the Mayor and I still need
14 to consider. I know we disagree at the present time.

15 But, in terms of Mr. Cline's assessment of
16 the technology policy, I do agree that even -- let's

17 assume this wasn't even a question about the blexting
18 but just overall with cell phones and whether or not we
19 want to bring that back or any other sort of technology
20 with a data plan, that those points are well taken and
21 should be presented at a comprehensive strategy, if the
22 City so chooses to wish to return to issuing
23 technological devices to City employees.

24 THE CHAIRPERSON: Mayor Waterman, I sense you
25 wanted to speak.

48

1 MAYOR WATERMAN: I would appreciate the
2 opportunity to have a chance to speak on this. This
3 relates to the blight eradication program in Pontiac of
4 which Treasury has invested the authority for me to
5 handle. And as part of that blight program and in
6 conjunction with the Pulte organization, which has come
7 to town to help us eradicate blight in Pontiac, one of
8 the programs that I initiated is what's called
9 blexting. And that is a program -- and Loveland
10 Technology is the technology that we're using.

11 Lovely Lauren is here and she's going to talk
12 about, when I get to my report itself, what the blight
13 program -- what the blexing program will bring to the
14 City.

15 This is something we've already initiated a
16 city policy. We have already started it and it is a
17 program in which we actually have coordination online,
18 realtime information. Using technology which is
19 available now as opposed to what we're doing now is
20 just manually sorting out all these different lists

21 which is kind of difficult to coordinate all of the
22 different people who have to be involved in this, all
23 of the different aspects of government.

24 And it has caused confusion, in terms of just
25 how these different parts of the program coordinated,

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49

1 such as the fact that we have two houses that have been
2 taken down. The one that you're approving right now,
3 Geiger, could have been eliminated, had we had
4 realtime-coordinated information that was online and up
5 to date. And that's what this blexting program will
6 allow us to do.

7 We have started it in the pilot area so we
8 can -- we can analyze the data that we collect. But
9 what it is, it's a survey of all the properties,
10 starting with residential properties in the
11 neighborhoods. And this will be coordinated with all
12 the information that's given^{to} us from Oakland County,
13 which is supplying all the parcel identification
14 numbers and then it has GPS coordinates.

15 As our surveyors go out into the community,
16 using their Smartphones or their iPads or some Apple
17 device, and we'll be able to enter in certain specific
18 questions to help us identify what is the status of
19 these different properties to register ownership. Then
20 all the different components of that, whether it's
21 anybody's involved in this through MSHDA to Oakland
22 County, to enter into their information. We can all
23 coordinate that and so we have realtime information
24 that can be accurate and up to date.

25 Now, to date, we happen -- this whole cell

1 phone issue is brought up by the fact that I haven't
2 had staff who have been able to be mobilized to do
3 this, to participate in the program. And I understood
4 from the fact that we've had this Ordinance MS-334,
5 this that had to change in order to get a cell phone to
6 our staff to be able to be part of this.

7 Now, we've been able to move along because
8 I've been able to recruit the volunteers. But this is
9 a City program, it's the responsibility of the
10 Community Development Department to get this done
11 because this is what you asked me to take charge of and
12 this is what we have outlined to do. This is just one
13 part of it. And when we go on from this and, once we
14 complete the survey, then we'll be able to go on and
15 handle the whole demolition process in an online
16 process. But we've got to start here.

17 Now, the question is -- and I think the
18 disagreement that Mr. Sobota has is whether I should
19 have staff to do this. You know, right now I've got
20 one head staff person who's assigned to help with this
21 part of the community development blight eradication
22 program. And that person, as you heard, that the
23 status has been undetermined for a while. You know,
24 first he was not going to be there and we fought to
25 keep him. He's going to be -- he's now hired by

1 another agency. He may be leaving soon. The question
2 is whether we should bring in somebody else to train.

3 But, you know, essentially the City
4 Administrator thinks that I should be able to run the
5 programs I'm assigned to just by having volunteers come
6 in. And I will reject this. I think staff needs to be
7 incorporated into the program. I need to have staff to
8 be able to work with and they need to be empowered to
9 be able to use the system that I have indicated is the
10 program that we want to use to move forward. And this
11 will enable us to get a lot of good information. If we
12 had the capabilities of a mobilized staff as of when we
13 started this program, October 1st, we would have had
14 the pilot area done now.

15 Detroit did 370,000 parcels in a month and a
16 half. Now, we have 24 parcels that we could have done
17 in a moment. So, instead of being able to present to
18 you the finalized aspects of that report, as I had
19 planned to do today, I'm still trying to find ways to
20 get some online device that is up to date, that is
21 current.

22 That is the technology that people are
23 employing now, it's been in Detroit, Hamtramck and
24 Highland Park and I want to use that in Pontiac but we
25 need to have a mobile device that a person can use.

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1 Now, I understand that the whole ordinance
2 regarding cell phones may need to be changed to amend
3 this. And I see that maybe you don't just want to do
4 it for this one incident, maybe you want to have a
5 whole cell phone policy. And I understand if you want
6 to defer the duration of a cell phone policy until the
7 City Administrator has a chance to do that.

8 In the meantime, the ordinance does not
9 control iPads and I'm just going to put through an
10 invoice to, say, "Let's get an iPad." So that -- I
11 offered to let them use my iPad but I understand
12 there's a prohibition against getting a data plan for
13 an iPad that's not owned by the City. So we need to
14 buy, you know, a \$500 iPad with a data plan so that we
15 can have staff that can use the program that we have
16 set, that we want to have outlined to do the pilot area
17 and, possibly, the whole City, to get this blexting
18 done.

19 So that's where we are right now and I will
20 put through an invoice for an iPad.

21 The City Administrator, at the point of
22 recognition that we are right now, says he will also
23 not sign that. But if that's the case, then we'll be
24 back here in December talking about how we can mobilize
25 staff.

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1 THE CHAIRPERSON: Thank you.

2 I'll entertain a motion -- or any further
3 questions from Sobota or the Mayor?

4 MR. SAWDON: What kind of timeframe were you
5 talking about in putting an electronic policy --
6 electronic device policy in place?

7 MR. SOBOTA: Well, it's not going to happen
8 by Friday; I know that.

9 MR. SAWDON: I understand that.

10 MR. SOBOTA: So we're probably looking at
11 January, at the earliest.

12 MR. BURGESS: How many telephones are we
13 talking about?

14 MR. SOBOTA: The Mayor's looking for one, one
15 electronic device --

16 MR. BURGESS: One.

17 MR. SOBOTA: -- at this point in time. But
18 once again, the individual that is presently working on
19 the project, I'm not sure how much longer he's going to
20 be in the employ of the City so -- I know there's an
21 option available, which is contracting with Motor City
22 Blexting, which actually did Detroit, Hamtramck and
23 Highland Park. They did not use a city employee. So
24 there's an option to a lower cost for the City. So
25 that's why I'm trying to advocate on that.

54

1 I don't have any objection to doing a cell
2 phone policy, if you have a feeling from the Board that
3 that's something that would be considered. I don't
4 want to go through the exercise and the Board still
5 believes that there should be a prohibition. I know
6 right now, in all of employment agreements, there's
7 actually a prohibition against cell phones. So, in
8 addition to the policy itself, it's reinforced in the
9 employment agreements with all of the individuals.

10 MR. SAWDON: If we went the contractual
11 route, would we be able to accomplish this faster with
12 the same amount of money?

13 MR. SOBOTA: Significantly. They did the
14 entire City of Hamtramck, which is two square miles, in
15 five days. Mayor says they did the City of Detroit,
16 which is a hundred and some square miles in, I think

17 she said, 45 days. So I was hoping to have the
18 conversation with Loveland after the meeting today to
19 at least get the quote. We need to look at the prices
20 to see if that's still possible.

21 I do believe that the project's going to be
22 completed but I don't think that we want to be paying a
23 City employee, if he's even still going to be around,
24 an amount higher than what we could get from a
25 different provider.

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1 THE CHAIRPERSON: I would be uncomfortable
2 going to the State Treasurer with a recommendation for
3 just one -- one individual phone. I think, if this
4 Board would recommend an amendment of an EM order, it
5 would be for a policy.

6 MR. SCHIMMEL: I agree with that. And I'd
7 just like to say, we worked pretty hard to eliminate
8 massive cell phones all over the place and so on. And
9 I would hate to return to that. And I hear what the
10 Mayor is saying and I -- you know, I'd like to deal
11 with the subject but I don't want to get back into
12 amending and having a whole new cell phone policy.
13 And, in this day and age, things on cell phones change
14 so fast, I don't think the City should be in that
15 business of dealing with -- dealing and owning cell
16 phones. So I guess what I'm saying is try to work it
17 out some other way.

18 MR. SOBOTA: I am quite confident that the
19 Mayor and I will be able to come to a quick resolution
20 relatively soon. We just need to get a little bit

21 more, in terms of numbers, so we're looking at the same
22 quotient.

23 THE CHAIRPERSON: Any further questions for
24 Mr. Sobota?

25 MR. SAWDON: I would motion a postponement

56

1 until we have information on a third party and also
2 maybe be looking at a cell phone policy before we move
3 forward.

4 MR. SCHIMMEL: I'll support that.

5 THE CHAIRPERSON: It's been moved and
6 supported to postpone this item until third --
7 information regarding a third party is available or a
8 cell policy -- cell phone policy is provided. Is that
9 correct?

10 MR. SAWDON: Yes, that is.

11 MR. CLINE: I believe that was a third party
12 and the cell phone policy.

13 MR. SAWDON: Yeah, it was really both.

14 THE CHAIRPERSON: Okay. Thank you.

15 MR. SCHIMMEL: And/or?

16 MR. CLINE: No, I believe it was both.

17 MR. SCHIMMEL: Oh, I was just trying to put
18 the "or" in.

19 MR. CLINE: Oh.

20 MR. SCHIMMEL: I don't care.

21 MR. SAWDON: I would accept "or".

22 THE CHAIRPERSON: "And/or".

23 MR. SAWDON: I think we really need to know
24 what the third party costs would be before we act on a
25 policy change.

1 THE CHAIRPERSON: All right. Any further
2 discussion?
3 Seeing none, all in favor of the motion, say
4 "aye".

5 BOARD MEMBERS: Aye.

6 THE CHAIRPERSON: Opposed, same sign.
7 The motion is approved.

8 Two items were added to the agenda by Board
9 approval and we'll address the item to the Request to
10 Hire Special Counsel Regarding the Ottawa Towers versus
11 City of Pontiac.

12 MR. CLINE: Would you like me to --

13 THE CHAIRPERSON: Yes.

14 MR. CLINE: -- initially --

15 Okay. We received a request from the City.
16 Now, this did come in after our commission deadline but
17 that was because of the timeline in which they actually
18 identified an attorney that was directly involved in an
19 original drafting of some of the documents regarding
20 the Phoenix Center. As you know, the City is in the
21 process of appealing their -- the condemnation lawsuit
22 decision issued by the judge here recently.

23 The City would like to add this particular
24 attorney to their -- to their team to help properly
25 construct the appeal. Part of the concern of the City

1 and why they would like to act now is that the City, at
2 the time they submitted this request, they only had 56

3 dates remaining in which to file the appeal. If they
4 wait until our December meeting, then pretty much half
5 the time they had available would be gone and would
6 leave them very few days. So they were asking to have
7 this addressed now.

8 The City Administrator estimates that the
9 cost for this additional attorney would be between \$10-
10 and \$20,000. He does say that there are sufficient
11 funds to make this retention. Now, just for
12 clarification, if the expense remains under \$10,000,
13 the City Administrator is authorized to handle that
14 directly, no Board approval is necessary.

15 If it exceeds \$10,000, then Board approval is
16 required. So if the Board wishes to act upon this, I
17 would -- I would suggest that you do so contingent that
18 the total expenditures are above the \$10,000 threshold
19 but they should not exceed \$20,000. And that way we've
20 put a limit on it as well as make sure that this
21 proceeds only once the Board's threshold has been
22 reached. So that would be my recommendation.

23 THE CHAIRPERSON: Any questions for
24 Mr. Cline?

25 MAYOR WATERMAN: There is a correction.

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59

1 THE CHAIRPERSON: Mayor Waterman?

2 MAYOR WATERMAN: There is a correction. The
3 special counsel is being asked by our City Attorney,
4 the attorney in this matter, not for regarding the --
5 the challenge to the dismissal of the condemnation, the
6 appeal, but rather regarding the -- the condemnation
7 lawsuit was dismissed on regard of a procedural

8 technology -- technicality. And that was the \$1
9 million lien that had been placed on the City because
10 of repairs that had been done by Ottawa Towers.

11 Michigan Drywall and the special Counsel's
12 being sought with expertise to be able to challenge
13 that and have that lien removed. So that is the
14 expertise of the special Counsel and, rather than --
15 they're not participating in the actual appeal.

16 THE CHAIRPERSON: Thank you.

17 MAYOR WATERMAN: Uh-huh.

18 THE CHAIRPERSON: Any questions for
19 Mayor Waterman?

20 MR. SOBOTA: If I could, the special Counsel
21 that is being hired was actually the attorney who
22 drafted the original easement document. So who better
23 to explain what the document means than the person who
24 actually drafted it?

25 MR. SCHIMMEL: I'll move approval.

60

1 MR. BURGESS: Support.

2 THE CHAIRPERSON: It's been moved and
3 supported to approve the hiring of special Counsel for
4 the Ottawa Towers versus City of Pontiac lawsuit.

5 MR. SAWDON: Does that motion include the
6 \$20,000 end cap?

7 MR. SCHIMMEL: Yes, it does.

8 THE CHAIRPERSON: At a cost not to exceed
9 \$20,000. Any further discussion?

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

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12 BOARD MEMBERS: Aye.
13 THE CHAIRPERSON: Opposed, same sign.
14 Motion is approved.
15 Next item is a Request to Hire
16 Rodwin Consulting to Update the OPEB Evaluation.
17 Mr. Cline.
18 MR. CLINE: Yes. Well, I think we have
19 covered that. The Mayor has made this request. As I
20 understand it, the OPEB evaluation will be used to
21 support the mediation that the City has coming up
22 regarding the retiree healthcare issue and that,
23 unfortunately, the delay in getting this to us was that
24 the quote for this service was received by the City
25 just prior to our submission deadline.

61

1 And the City was trying to negotiate a price
2 point that was, perhaps, a little more palatable to
3 them. They were unable to do so and then made the
4 determination that they would have to bring this before
5 the RTAB. The projected cost of this evaluation was
6 about \$14,000.

7 However, I'm hoping that perhaps the Mayor
8 and Mr. Sobota could identify information that I was
9 able to review. In the time that we had, I really
10 hadn't been able to identify what the source of the
11 funding is. And I -- I do not know if other firms were
12 consulted in this. I don't know exactly the whole
13 recruitment process of this. This firm was identified.
14 So their -- their rationale for presenting the request
15 is -- is sensible but I think, perhaps, they could
16 clarify it a little more for the Board before you

17 determine what action you'd like to take. So --

18 THE CHAIRPERSON: All right. Thank you.

19 Mr. Sobota.

20 MR. SOBOTA: We do have sufficient funding
21 available for the insurance fund. To be honest with
22 you, if we could have delayed this request by a month,
23 which would be December 31st, we would have been able
24 to use this for the audit. So we can't kill two birds
25 with one stone with this request. This is the firm

62

1 that has performed this evaluation in the past so
2 they're familiar with all of the data.

3 Mr. Nazarko was intimately involved with the
4 discussion of his -- in the negotiations of trying to
5 reduce rates so he could give you some insight as to
6 those discussions. I cannot speak to what firms were
7 solicited. As you can see, the letter was addressed to
8 Cynthia Billings, the attorney for the GERS Board. And
9 the City somehow was provided the information.

10 THE CHAIRPERSON: Mayor Waterman.

11 MAYOR WATERMAN: I can give you the
12 information on the timeline. And this is the firm that
13 still is used for all the GERS actuarial business and
14 so they had some basic information and that's why the
15 cost is as limited as it is right now, as opposed to
16 going with somebody entirely new.

17 We're also time limited. The mediation for
18 which this actuarial evaluation was requested,
19 Judge Cohn has given us 60 days for the mediation.
20 It's also time-limited by the fact that the mediator

21 has given us until December 31st to do this. Because
22 afterwards, he's not going to be available for another
23 three or four months.

24 So the -- with the first meeting we had, the
25 facilitator asked us to have a proposal from the City,

63

1 which is due next Tuesday. That was actually pushed
2 back a week because of his timeframe. So given, all
3 that, in order to have a substantial proposal, we want
4 to be ready with actual figures and actual
5 computations, which we had not had before. We have
6 real figures to go in to have a credible proposal. We
7 needed to work quickly on this. This particular
8 evaluation still won't be ready until afterwards.

9 We're going to have to go in December 2nd
10 with a few holes that we don't have answers on but we
11 want to get this working as quickly as possible so that
12 we can continue to move and make progress, hopefully,
13 during that 60-day period, within a month.

14 THE CHAIRPERSON: Any questions for
15 Mayor Waterman from the Board?

16 Thank you.

17 MR. SAWDON: I had noticed that your timeline
18 was to get the actuarial report done by January. Is
19 that realistic?

20 MAYOR WATERMAN: They've given us --

21 MR. SAWDON: Have they committed to that time
22 frame?

23 MAYOR WATERMAN: Yeah, some of it, they
24 already started on for us.

25 MR. SAWDON: Okay.

1 MAYOR WATERMAN: Okay? Because they knew
2 what our timeline was. The only holdup was we were
3 trying to get the price down a little lower, so --

4 MR. SAWDON: That's all I have.

5 THE CHAIRPERSON: All right. I'll entertain
6 a motion.

7 MR. SAWDON: Motion to approve.

8 MR. SCHIMMEL: I'll support it.

9 THE CHAIRPERSON: It's been moved and
10 supported to a hire -- it's been moved and supported to
11 hire Rodwin Consulting.

12 Any further discussion?

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

15 BOARD MEMBERS: Aye.

16 THE CHAIRPERSON: Opposed, same sign.

17 The motion is approved.

18 Next item is Item III C, Approval of the 2015
19 RTAB Meeting Schedule.

20 MR. CLINE: Yes. I believe you have that
21 before us. The -- I believe that there are no changes.
22 The meeting time's still 1:00 in the afternoon. I
23 haven't looked at all of them but I believe we've
24 probably made some allowances for some of the holidays
25 near the end of the calendar year. But essentially

1 identical to what we've done this year, so --

2 THE CHAIRPERSON: I'll entertain a motion to

3 approve the meeting schedule.

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

5 MR. SCHIMMEL: I'll support it.

6 THE CHAIRPERSON: It's been moved and
7 supported. Any further discussion?

8 Seeing none, all in favor of the motion to
9 approve the meeting schedule, say "aye".

10 BOARD MEMBERS: Aye.

11 THE CHAIRPERSON: Opposed, same sign.

12 The motion to approve the 2015 meeting
13 schedule is approved.

14 Item IV is Non Action Items.

15 The monthly financial report, Mr. Nazarko.

16 MR. NAZARKO: Good afternoon.

17 THE CHAIRPERSON: Good afternoon.

18 MR. NAZARKO: The monthly financial reports
19 have been presented to the TAB are showing a stable
20 financial situation and I'd like to briefly mention a
21 few items. The first one is that we ^{have} ~~ever~~ completed the
22 audit of the financial statements as of beginning of
23 November. The auditor supplied to us the draft
24 financial statements last week. However, they were
25 not -- the City Administrator and myself discovered two

66

1 holes in those draft financial statements while we were
2 going back and forth to them to make sure that we have
3 crossed all the T's and dotted the I's, so to speak.
4 So we are working in progress. However, the work has
5 been done and totally not -- not only happy with the --
6 with the work that the auditors did this year, I am in
7 the process of discussing with the City Administrator

8 how to improve the process next year.

9 Back in June, I had -- we met with them and I
10 had put some deadlines in front of the auditors as to
11 when we expected to have our paperwork ready for them
12 and what did we expect in return from them, when the
13 field work started, when the financial statements were
14 going to be provided. All, again, deadlines written
15 down that they agreed. And, as far as I'm concerned, I
16 don't think they kept their end of the bargain a
17 hundred percent. But I'll leave it at that for now
18 because I'm happy that we were able to meet the
19 deadline that I promised the Board and the Mayor and
20 the Council.

21 And, again, the audit is done and the
22 financial statements in the draft form have been
23 provided, not finalized to be ready to submit to the
24 State. I expect that process to be complete in the
25 next two weeks.

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67

1 The second item is that we did get the
2 investment resolution to the City Council to
3 participate in the Oakland County government pool. The
4 Treasurer of the Oakland County did come to the City
5 Council on the night of the discussion and made a good
6 presentation to the Council and, basically, that -- I
7 think that did the -- that helped with the approval
8 process. So I believe the TAB approved that today,
9 therefore, we are looking forward to investing close to
10 \$5 million at the Oakland County government pool along
11 with another \$5 million that we have invested at the --

12 at a CD or money market with the PNC Bank where our
13 main account is.

14 So I'm happy, again, to report that the ball
15 started rolling on that investment side of the
16 operations that we were not doing as well as we -- we
17 should have.

18 The cash balance in the general fund is a
19 healthy \$7.5 million at the end of the October 31st.
20 However, again, knowing that the property taxes come
21 during the months of July and August, that's not
22 unusual. Compared to last year, we are ahead of last
23 year's cash balance at the same period of time. The
24 main reason is because this year we have put together
25 or we have a community fund balance in excess of \$5

68

1 million cumulatively. So our fund balance as of
2 June 30th, 2014 stands now at \$5,034,000, including
3 \$875 that is not spending.

4 Property tax collections are coming well
5 compared to the same period of last year. We are
6 \$300,000 ahead or, in other words, we have, like, to --
7 to phrase that is that last year, at the end of
8 October, we had \$1.73 million delinquent. This year at
9 the end of October, we have \$1.48 million delinquent,
10 which I believe is a -- is an improvement compared --
11 on the delinquency side of the collections.

12 The expenditures are tracking with the
13 budget. There are no major items to report there,
14 other than the items, small items that we have been
15 discussing and the TAB has been approving, such as
16 litigation fees. But those are not going to throw

17 any -- any roadblocks in our effort to comply with the
18 budget requirements.

19 The -- I'm happy to report that the income
20 tax collections are coming in more than what we have
21 budgeted and for the calendar year compared to the same
22 calendar year last year. So for the ten months ending
23 on October 31st, we are \$859,000 ahead of the 2013
24 collection. However, fiscal may be a little bit
25 less -- it is a little bit less. But by the end of the

69

1 fiscal year, I expect the income tax collections to be
2 well in pace to exceed that \$800,000 mark. So that's
3 something that the Mayor and City Administrator and
4 myself have been discussing for some time and that's a
5 positive thing that will add to our fund balance.

6 The last item that I'd like to report is that
7 I -- in every meeting I have brought up the issue that we
8 have a receivable with the Pontiac Public Schools in
9 the tune of \$250,000. However, the City Administrator
10 was able to get the Pontiac to agree -- the school
11 system to agree to pay us \$50,000 a month for the next
12 five months. And we received the first check of
13 \$50,000 last week. So that's a major item that was in
14 our receivables that -- that seems like we are going to
15 resolve and not having to report that receivable month
16 in and month out.

17 And with that, again, I would like to
18 emphasize the fact that we are heading or we are in a
19 stable financial position for this fiscal year and
20 hopefully years to come.

21 THE CHAIRPERSON: Any questions for
22 Mr. Nazarko?
23 Thank you for the positive report.
24 MR. NAZARKO: Thank you.
25 THE CHAIRPERSON: Mayor Waterman.

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70

1 MAYOR WATERMAN: Good afternoon on this
2 pre-Thanksgiving --
3 THE CHAIRPERSON: Good afternoon.
4 MAYOR WATERMAN: Good afternoon.
5 It's good to work with my -- the City
6 Administrator of Pontiac as well as the City Financial
7 Officer to give -- bring you that positive economic
8 report for the City of Pontiac. In terms of
9 stabilizing our finances, that is indeed good news.
10 It's good to have money to invest for the City of
11 Pontiac. And I would like to also augment that by
12 talking about some of the economic development
13 strategies and news for the City.
14 We'd like to toot our horn and say that we
15 are a city that's just on the verge of a lot of
16 reinvestment of people who are coming back to the City
17 as a good place to invest and to develop their
18 entrepreneurship. Such thing as General Motors'
19 announcement over the weekend that they are now doing a
20 \$40 million expansion of their metal stamping plant;
21 that is, indeed, good news and establishes that
22 footprint, enlarges that footprint in Pontiac as
23 General Motors as a partner.
24 As well as the Strand Theatre, which is a
25 \$20 million development, we have news in terms of

1 having their Executive Director appointment and they're
2 moving right along with the hopes of being able to open
3 that facility in 2015; that's also good economic news
4 for the City of Pontiac.

5 M1 Concourse, which is, by now, should be
6 selling their car condos, their well-celebrated and
7 publicized car condos. That project is moving on and
8 they're able to make new announcements. So if you have
9 a couple of pretty antique cars or show cars that you
10 want to have a climate-controlled facility and have a
11 num -- a couple thousand dollars hanging around and
12 want to buy one of those car condos, I hear they're in
13 much demand so the time is now to place your order.

14 And then, of course, Bloomfield Park, you
15 know, a long-vacant project at Telegraph and just above
16 Square Lake Road, which we now talked about the Joint
17 Development Council has been reestablished for that;
18 that is indeed good news because a good part of that
19 property is in Pontiac and we will benefit from that.
20 So we are very happy to support that and I want to well
21 represent the City of Pontiac on that Joint Development
22 Council.

23 Challenge Manufacturing, we talked about
24 that; you approved another initiative in that regard.
25 That is moving right along. And Oakland County is so

1 proud of Pontiac's involvement in that, that they are
2 using this project and as an example of how Pontiac has

3 been well certified and is using principals of the One
4 Stop Readiness program. So not only are we One Stop
5 Ready certified but we have been encouraged and invited
6 by -- and we seemed to move right along and to try
7 become a Redevelopment Ready city. That puts us one
8 step above and puts us in with these players. So we
9 accepted that opportunity.

10 And we recently had eight City employees,
11 Planning Commission members, as well as myself at a
12 seminar in which we are going to investigate the steps
13 to move on to a redevelopment readiness status. One of
14 the things that is yet to be complete to be certified
15 as redevelopment ready is to have an economic
16 development plan. We've had several that are now done
17 and outmoded.

18 But we're now working -- as I think I
19 mentioned a couple times before, we have an economic
20 development recovery team and organization --
21 counselors and advisors that are moving ahead with us
22 and helping us with that project. That is in good flow
23 right now. We have dates planned for the steering
24 committee as well as some 150 project advisors that
25 we've invited in to work with us. And we have dates

73

1 planned until the project report is actually due in May
2 to the EDA. So that is going forward and my objective
3 for that. As I work with Dan Hunter, you probably
4 recognize from Deputy Director of Oakland County for
5 the economic development. He and I are co-chairing
6 that particular project. And our hope and goal post
7 for that is that, once it is completed, it will not

8 just be an academic exercise and statistical review, it
9 will also be the economic developed plan or strategic
10 framework for which Pontiac can implement economic
11 development in the City.

12 So to that end, we've outlined and we are in
13 the process of outlining several short-term projects
14 that can be accomplished within the term of this actual
15 project being ongoing. So we're working very much with
16 our consultants to accomplish that.

17 You do have there the project overview of the
18 economic recovery plan. We do have the insignia, the
19 gears and the tagline for that is Pontiac moving
20 forward. People can find more about that, it has its
21 own website now as well as the fact we have experts and
22 not only project advisors but we're going to go to the
23 public, make sure we have good public involvement
24 engagement, particularly on critical issues and
25 controversial issues, give the public a right to

74

1 respond and have --

2 We're doing a telephone survey. The card
3 that you have there is inviting people to know more
4 about that telephone survey and for residents to
5 participate.

6 So there is a lot going on in addition to the
7 economic recovery plan. We're doing things to support
8 our small businesses, not just our largest
9 entrepreneurs. But there are two venture initiatives
10 that we brought in, one in which is Saturday, we're
11 bringing in Small Business Saturdays to promote people

12 to come, shop and really browse and to do business with
13 businesses that are right here in Pontiac. So that's a
14 resolution, I want that myself.

15 And the City Council and the other initiative
16 was I was able to sign up with Google so that we're
17 putting Pontiac on the map. And that means our small
18 businesses who don't necessarily have an online person
19 or a social networking person on staff or able to
20 have -- to afford a website, they will be able to do
21 that. They will be listed on Google on one of the maps
22 as a business and to, also, get a free website on
23 Google, which it would be a great benefit to augment
24 their business.

25 So I've partnered with the Pontiac Regional

75

1 Chamber of Commerce to offer workshops in that regard
2 that any small business and -- any business in Pontiac
3 can be involved in and we've had a lot of interest in
4 that. So I also gave you the flyer to give you
5 information on that. So that's going on in the
6 economic recovery forefront in Pontiac.

7 To get down to the more specific issues that
8 you have been interested on, we've had some
9 conversation, of course, about the retiree health
10 facilitation that's going on right now. We are working
11 with our lead Counsel as well as with content experts
12 to make sure that we have a full understanding of the
13 numbers and the liabilities for the City in order to
14 see if we can bring to some movement and a resolution
15 this long-lingering problem for the City of Pontiac
16 that really will kind of -- which our economic recovery

17 as well as our just be able to pass a budget for the
18 coming years, depending upon it.

19 So we are very much engaged in that. And our
20 meeting with -- our next meeting is December the 8th
21 for all parties. Now, I did talk to -- Treasury's
22 mediation started to see -- Mr. Koryzno, you and I had
23 that conversation about whether Treasury wanted to have
24 a place at the table. Mr. Cline declined to do so.

25 But I have been in close contact with

76

1 Mr. Yorkman who has been following the process and we
2 are giving him all of the information they need to make
3 sure that we are fully engaged and supported with the
4 information we need for this process. Of course that
5 is going to have great fortune for the City of Pontiac
6 so we are moving forward with some of that. In that
7 initiative, Phoenix Center, we've already talked about
8 you see what the latest maneuvering is on that.

9 And blight is what I'd like to deal with. I
10 have the lovely Lauren Hood here from Loveland
11 Technologies and I asked her to come, as we talked
12 about blexting and I'm hoping this program to be
13 instrumental in the eradication of blight in the City
14 of Pontiac. I asked you to come so you can actually
15 see what the end-product will be when we get this kind
16 of survey done in the City. I have great hopes of
17 having it concluded for the pilot area today. I hoped
18 we'd have our own report to give you but, because of
19 matters that we've dished out, we haven't had the
20 manpower to complete this. But we have intention to

21 fully do so.

22 But, as I talk, why don't you just run
23 through some of the -- I think even pictures are
24 interesting to see, Lauren.

25 MS. HOOD: Okay.

77

1 MAYOR WATERMAN: And I don't want to take a
2 lot of your time. This is a long meeting, as it is.
3 But give us maybe just a 30-second --

4 MS. HOOD: Okay.

5 MAYOR WATERMAN: -- on what this program will
6 provide.

7 MS. HOOD: Well, you alluded to it before.
8 In the City of Detroit, we have 150 surveyors that
9 number, that 374,222, that's the number of parcels that
10 we were able to survey. So the blexting app is a
11 combination of words "blight" and "texting". And you
12 can use it on any android phone or any "i" product.
13 You take a simple picture of -- it's a parcel bitmap so
14 it looks something like when you click on a parcel, you
15 get a little side page like this. So what comes up is
16 the previous answers to surveyed questions based on
17 condition and occupancy, a picture, the address and we
18 also have the City Assessors' data, which I believe you
19 also have in Pontiac, too.

20 So for Detroit we got City Assessors' data,
21 the current square footage, what that building is zoned
22 for, the current assessment, who the owner is; all of
23 that pops up on when you touch any parcel on the map.

24 So say there's something that you want to
25 update. That house looks fine now but, say, the house

1 burned down and you want to communicate it with -- in
2 Detroit the Land Bank is on the receiving end of this
3 information. And they actually use it to help them
4 determine what they're going to demolish. So, say this
5 house burned down next door to me, I want to take a
6 blext of it. I click this little orange button and
7 then I submit something that looks like these here. On
8 the right is what a blext would look like. So you can
9 click on that for every single parcel in the city --
10 and you'll have this for the City of Pontiac -- you'll
11 get an image like this with some additional information
12 underneath it.

13 But anybody can participate in this. So,
14 like I said, in Detroit we were able to finish it so
15 fast because we had surveyors to pay, we had 150 of
16 them. But we were also able to do -- with a staff of
17 about ten surveyors, we actually did Highland Park and
18 Hamtramck in one week. So it just depends on what your
19 force looks like and when they can go out and do this.
20 But anybody, for free, can download this app and take
21 blexts and submit them and then live in a database that
22 we're calling Motor City Mapping, so you get all the
23 data aggregated this way.

24 If I click on a neighborhood, I get the
25 information for the neighborhood. If I were to say,

1 "Show me all the lots with dumping", I can click on an
2 icon like that map. "Show me every place there's been

3 a fire", it does this. "Show me structures that needs
4 boarding", it gives you that. So you get everything
5 pops up on the map so you can visually see how some of
6 this information is aggregated.

7 MAYOR WATERMAN: Go to the screen where we
8 have all the possible combinations of information we
9 want.

10 MS. HOOD: Okay.

11 MAYOR WATERMAN: And let's just pick a couple
12 of things to show how --

13 MS. HOOD: So I can click "Explore" right
14 here and say I want to look at every parcel that has a
15 structure that's residential that is in poor or
16 suggests demolition condition, then I can click --
17 scroll down here and click "Apply" and then it will
18 show me all the parcels that met that criteria. So all
19 the criteria is based on the survey questions you had
20 in your survey, I know, as for occupancy info,
21 conditions, what is the building used for. So you can
22 sort by all the different information and have it pop
23 up for you on a map like that.

24 And we have ours divided into neighborhood
25 boundaries. You can also do it by Council district,

80

1 census tract, ZIP code. So any way that you want to
2 aggregate this data, you can get that kind of a
3 breakdown. And you'll have this for Pontiac when this
4 is all -- when your survey is complete.

5 MAYOR WATERMAN: So a picture's worth a
6 thousand words. And I thought this was -- Lauren was
7 able to come up here, I thought it was easier to show

8 you rather than explain to you what the value of this
9 facility is. But the data that we now have in all
10 these spreadsheets that everybody is trying to
11 coordinate, we can put in a blexting process and we can
12 use the aggregation data and facts and get the
13 information that we need. Anybody can share in this
14 and it also provides the assurance, the security that
15 it's all governed by -- by parcel identification
16 numbers from Oakland County, you know.

17 So we have that, all the City Assessors'
18 information, on here as well, which means that in this
19 Geiger case that we had today where the guy just
20 switched the house addresses, you know, got things
21 confused, that wouldn't happen here; we would have
22 secured information where we could go by the parcel ID,
23 legal description.

24 If there are any questions, I'm sure Lauren
25 can answer them for you because she's quite an expert

81

1 at this.

2 THE CHAIRPERSON: Any questions?

3 MAYOR WATERMAN: But this is how much we have
4 done in the pilot area right now. As we said, you
5 know, a couple of the other cities our size did it in a
6 week; it can be done. But I've got to get, you know,
7 our people mobilized so we can work productively. I'd
8 like to be able to do that.

9 Thank you. That ends my report.

10 THE CHAIRPERSON: Any questions?

11 Thank you for a positive report,

12 Mayor Waterman.

13 MAYOR WATERMAN: I enjoyed doing that.

14 MR. SAWDON: Yeah. Very good.

15 MAYOR WATERMAN: Happy Thanksgiving.

16 THE CHAIRPERSON: Same to you.

17 MR. SOBOTA: Last month, I believe I was
18 Gloomy Gus, correct? Not this month. Fortunately,
19 with the financial situation stabilizing and improving,
20 I'm able to turn my attention away from worrying about
21 the finances and more towards what we need to do to
22 really get the City in a position where it can truly
23 fully govern itself.

24 Three major areas still need to be addressed
25 with a little bit more detail and attention; it would

82

1 be policies, procedures and ordinance review. One of
2 the things that the City strictly does need to ^{ensure} insure
3 is that all the policies that we have in effect for the
4 City are up to date and modern. We did begin this
5 process about a year ago and we never quite finished
6 it, especially on the personnel side. Fortunately,
7 most of our personnel policies were covered through the
8 employment agreements. But we know, on a going-forward
9 basis, that's probably not going to be the case.

10 So the HR assistant and myself have been
11 working on reviewing and revising the personnel
12 policies. It's possible we're going to have several of
13 those available for you in December but, more likely,
14 in January. So policy is the first step.

15 Then the second step that we're looking at,
16 this is geared towards the end of March, is to ensure

17 that, in the event that something happens to one of the
18 city employees, that someone can step in and actually
19 perform that person's task. So procedures, how to do
20 payroll, how to process, let's say, a cash receipt,
21 have those instructions available so that, when a
22 substitute comes in and no one's available to talk to
23 and ask questions, that we actually have a good written
24 documentation, complete with pictures and texts --
25 text, pros explaining that. So I was hoping to have

83

1 that done by March. I may be a bit ambitious on that
2 because I don't think we have much to work with.

3 And then, the final one, which I'm gearing
4 towards June 30th, is each department is being charged
5 with reviewing all of the ordinances that they have
6 under their jurisdiction. Even though we've done a
7 review when the Emergency Manager was here, it doesn't
8 hurt to do an annual review of all of the ordinances.

9 So by the end of June, each department will
10 do a review of all of their ordinances and determine if
11 we need to make any amendments. And, hopefully, if we
12 can get this working the first time, we can stage this
13 so this is done on an annual basis, policies are
14 reviewed and we'll calendar year-end procedures
15 March 31st, ordinances June 30th.

16 So in terms of ~~offing~~ making sure the City is
17 fully prepared to assume full local control, we still
18 have a bit of work to do and we're able to fit that in.
19 In the meantime, just through all that, we're going to
20 be working on preparing a -- possibly a five-year

21 budget projection. So that's something that we hope
22 will be a benefit to the City as well, especially now
23 since we have a better idea of where our revenue was
24 going to be coming in.

25 Mr. Nazarko had indicated we're looking at

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84

1 about a million dollars extra in income tax and,
2 believe me, not all of that is from the delinquent
3 program. A good portion of it is but there's going to
4 be recurrent income tax revenue, property taxes coming
5 in significantly better than anticipated.

6 So I can already say that, in order for us to
7 have our charge-backs for the next fiscal year, we're
8 going to have to assume that no one's going to pay
9 property taxes for the balance of this year or last
10 year. So property taxes are -- it's possible that
11 we're going to be having a higher trend there.

12 And then with all good financial information,
13 it's important that the elected officials truly
14 understand the financial reports that are being
15 presented. Mr. Nazarko does a good job of summarizing
16 the information. I have placed the financial reports
17 online now so the public doesn't have any questions.
18 But I do want to ensure that the elected officials are
19 all able to explain and read the financial statements
20 in the -- that they're potentially educated, they know
21 where to look. "Well, where's this? Where's that?"
22 They know exactly where to look, what this means, what
23 that means.

24 I have been in touch with Plante Moran.
25 We've been playing phone tag for the past week. But to

1 have a more extensive training in reading and
2 understanding financial statements, that's critical to
3 the self-monitoring that the City needs to do on a
4 foregoing basis. So those are my major initiatives
5 over the next several months and, hopefully, the
6 finances continue in the way they go so we may be
7 actually having some money that we can set aside for
8 these OPEB liabilities, in addition to whatever we are
9 able to obtain from other sources.

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

12 Thank you.

13 The next portion of the meeting is Item V,
14 Public Comment.

15 You will have two minutes to speak.

16 Mr. Cline will be the timekeeper.

17 And our first speaker is Mr. Robert Cluckey.

18 MR. CLUCKEY: Good evening, Ladies and
19 Gentlemen of Pontiac, Elected Officials, Heads of our
20 Department, TAB Board. Good afternoon. I want to
21 speak with -- about the City Council and the Mayor.

22 They -- they seem to be -- either feel that
23 they're superficial or insignificant, when it comes
24 into the City Council meeting. They're very limited in
25 what they think or they cannot do because of the -- the

1 TAB Council. It seems like it's -- it's a tear, a rip
2 in between etheticity (ph), us and them, as we refer to

3 "we", the people, they refer to their people.

4 And a lot of the basic things -- now, these
5 are a lot of good ideas I heard but you can't put the
6 cart before the horse. There's a lot of civic issues
7 that's not being addressed. There is a lot of -- the
8 Sheriff's issues that are only Sheriffy (ph) are being
9 protected, certain government officials, leaders,
10 communities but not everybody.

11 There are street issues, such as trash, tree
12 trash that are still all over and not being cleaned or
13 they want to ticket everybody but they, themselves, are
14 the worst tree trash litters on all the properties they
15 own. A lot of the simple necessities of safety is not
16 being met out here. And there is a serious, serious
17 rift between etheticity, us and them. They need to be
18 a seriously addressed. Apparently, it's time for them
19 to take full possession of the Council and the
20 Mayorship and Deputy Mayorship.

21 It is time for -- again, Mr. Sobota seems to
22 be a well intelligent person in the sense of
23 government. But in the TAB in Lansing, it's about time
24 to say goodbye. We're not going to keep what's
25 standing each other on a split government here -- oh, I

87

1 see my time is up.

2 THE CHAIRPERSON: Thank you, Mr. Cluckey.

3 MR. CLUCKEY: Thank you.

4 THE CHAIRPERSON: The next speaker is
5 Linda Hasson.

6 MS. HASSON: Good afternoon.

7 THE CHAIRPERSON: Good afternoon.

8 MS. HASSON: Mr. Schimmel, while you were the
9 EM of the City of Pontiac, I was just wondering -- I
10 don't remember if you had designated anybody to apply
11 for a 420 transfer. I was wondering if you could
12 elaborate a little bit on that?

13 No? On the City's behalf, not on the GERS
14 Board but on the City's behalf. I was asking in
15 regards to some minutes that I had read that
16 Charlie Harrison had stated, he indicated that the
17 Board has been open regarding a letter of determination
18 process. This, the issue, has been revisited each
19 month. The TAB has indicated potentially using the
20 system's 401(a) status as a bargaining chip. I was
21 wondering if anybody -- I had asked Mr. Cline if he had
22 heard anything about this bargaining for the 401(a). I
23 was wondering if any of you know anything about that.

24 What it comes down to is, is Mr. Schimmel set
25 an order. We do not want amendments to several orders.

88

1 We do not want several amendments. We deserve
2 stability. I've been in the industry for almost five
3 years. I deserve a good, solid budget with good
4 assumptions, solid assumptions.

5 Mr. Schimmel had stated and had an order, I
6 think it was 303, that stated nobody was going to get
7 healthcare, basically, until June 30th, 2015. I don't
8 know, did that change since this? You know, because
9 we're trying to get money through a 420 transfer for
10 these obligations and I think that the ordinance was
11 backdated to, like, 2012 or something to allow this.

12 But the bottom line is that that's
13 \$ 154 million according to one of the actuaries,
14 December 31, 2012, \$154,890,258 of OPEB obligation.
15 And that's not even all of them. The retirees should
16 be outraged, they should go to their Boards and say,
17 "You've got the promises for us. Where is the money?
18 Where is the money for these promises?" That's a lot
19 of money, it's not just \$5,000.

20 THE CHAIRPERSON: Thank you.

21 MS. HASSON: So --

22 THE CHAIRPERSON: Your time is up.

23 MS. HASSON: Thank you very much for your
24 time.

25 THE CHAIRPERSON: Thank you.

89

1 Our next speaker will be Billie Swazer.

2 MS. SWAZER: My first question is about
3 the -- the agenda that you have for 2015. Will that be
4 available to the public? Because I look at the
5 attachment and it was not available to us. So, if that
6 is, just let me know at the end of my comments.

7 The other one is the Charlie Harrison and the
8 GERS Board. I was disappointed that you agreed to sue
9 the City Council and the GERS. But that is, I guess,
10 your option. I don't think it is the TAB Board's --
11 they say they don't want to run the City but, at the
12 same time, they want to run everything that's in the
13 City. They want to decide -- it seems like
14 Mr. Schimmel wants to decide who's on the board and
15 which way they go and, as long as they go in the
16 direction he wants them to. And I think that is unfair

17 to the citizens and to the retirees.

18 Yes, we -- their City has an obligation to
19 buy us our retirement benefits and I hope that that
20 occurs. But I don't think the appointment of two
21 different persons makes that -- makes that
22 unattainable.

23 Now, it seems quite strange that we have the
24 Oakland Press here every time Mr. Schimmel has an
25 announcement he wants to make and they're not here at

90

1 any other time.

2 One of the things I want to know is, if the
3 GERS Board transfers the money, transfers all the
4 money, does anyone benefit from that besides the City
5 of Pontiac? Does an individual or group of individuals
6 get any benefit from ~~the~~ transferring that money?
7 Because it seems to me that, if you would take
8 \$40 million or if I took ~~#~~ 100 million or \$500 million
9 and gave it to somebody, that -- or I made the
10 recommendation that they -- that money go somewhere,
11 that person would benefit. Thank you.

12 THE CHAIRPERSON: Thank you, Ms. Swazer.

13 That is -- those are the only individuals who
14 have signed up for public comment.

15 Board comment. Does the Board have any
16 comments?

17 MR. SAWDON: No.

18 MR. BURGESS: No.

19 THE CHAIRPERSON: None? I'll just respond,
20 our meeting -- a meeting schedule is available on the

21 Treasury website.

22 MS. SWAZER: Is it the same one that we go to
23 to see the meetings?

24 THE CHAIRPERSON: Yes.

25 MS. SWAZER: Because I didn't see it.

91

1 THE CHAIRPERSON: No, it would be posted
2 after this meeting because the Board hadn't adopted it.

3 MS. SWAZER: Okay.

4 THE CHAIRPERSON: And then, in regards to the
5 GERS Board members, I want to clarify that the GERS --
6 the RTAB is not taking any action. The RTAB only
7 approved the City taking action on that matter. We are
8 not initiating any action against the appointment. You
9 had said during your comments --

10 MS. SWAZER: Okay.

11 THE CHAIRPERSON: -- that the RTAB was moving
12 on that and we are not. So I just wanted to clarify
13 that.

14 MS. SWAZER: Okay.

15 THE CHAIRPERSON: That is the only comments I
16 have.

17 I'll entertain a motion for adjournment.

18 MR. BURGESS: I make that motion.

19 MR. SAWDON: Support.

20 THE CHAIRPERSON: Moved and supported to
21 adjourn the meeting. All in favor, say "aye".

22 BOARD MEMBERS: Aye.

23 THE CHAIRPERSON: Opposed, same sign.

24 The Receivership Transition Advisory Board
25 for the City of Pontiac is closed at 2:53 p.m.

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 public comment taken in the meeting, at the time and place hereinbefore set forth, and I do further certify that the foregoing transcript, consisting of (92) pages, is a true and correct transcript of my said stenographic notes.

Date

Mona Storm
CSR-4460