

1 CITY OF PONTIAC -  
2 RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING -  
3 MARCH 16, 2016 -  
4 1:00 p.m. -  
5  
6 Meeting before the RTAB -  
7 Board at 47450 Woodward Avenue, Pontiac, Michigan, on -  
8 Wednesday, March 16, 2016. -  
9  
10 BOARD MEMBERS PRESENT: -  
11 Edward Koryzno - The Chairperson  
12 Keith Sawdon -  
13 Robert Burgess  
14 Douglas Bernstein -  
15  
16 OTHERS PRESENT: -  
17 Drew Van De Grift  
18 Joseph Sobota -  
19 Nevrus Nazarko  
20 Mayor Deirdre Waterman -  
21 Terrence King  
22 Al Pope -  
23 Tom Kimball  
24 Linda Hasson -  
25 Billie Swazer  
26 Rochelle Brady -  
27 Patrice Waterman -  
28  
29 REPORTED BY: Mona Storm, CSR# 4460 -  
30  
31  
32  
33  
34  
35

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1 Pontiac, Michigan -

2 Wednesday, March 16, 2016 -

3 1:00 p.m. -

4 THE CHAIRPERSON: Okay. Good afternoon. -

5 It's 1:00 p.m. and I'll call to order the City of -

6 Pontiac Receivership Transition Advisory Board meeting -

7 for Wednesday, March 16th, 2016. -

8 Mr. Van De Grift, roll call. -

9 MR. VAN DE GRIFT: Douglas Bernstein? -

10 MR. BERNSTEIN: Present. -

11 MR. VAN DE GRIFT: Robert Burgess? -

12 MR. BURGESS: Present. -

13 MR. VAN DE GRIFT: Keith Sawdon? -

14 MR. SAWDON: Here. -

15 MR. VAN DE GRIFT: Edward Koryzno? -

16 THE CHAIRPERSON: Here. -

17 MR. VAN DE GRIFT: All present. -

18 THE CHAIRPERSON: Now, a reminder to the -

19 public: If you wish to speak during the public comment -

20 portion of the meeting, it's necessary for you sign the -

21 sign-up sheet that's located at the podium. If you do -

22 not sign the sheet, unfortunately you will not be -

23 recognized. -

24 Item B, Approval of Agenda, I'll entertain a -

25 motion to approve the agenda as presented. -

1 MR. BURGESS: I'll make that motion.-  
2 MR. SAWDON: Support.-  
3 THE CHAIRPERSON: Moved by Burgess, supported -  
4 by Sawdon. Any 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 C, Approval of Minutes. I'll entertain -  
11 a motion to approve the RTAB minutes for the meeting of -  
12 February 17th, 2016 as presented.-  
13 MR. BERNSTEIN: I'll make that motion.-  
14 MR. BURGESS: Support.-  
15 THE CHAIRPERSON: Moved by Bernstein, -  
16 supported by Burgess.-  
17 MR. SAWDON: Discussion.-  
18 THE CHAIRPERSON: Yes?-  
19 MR. SAWDON: Own Page 5, I noticed one small -  
20 item that I think needs to be changed. It says "The -  
21 Court" and I think it should say "The Chairperson." -  
22 Other than that, I'm fine.-  
23 THE CHAIRPERSON: Thank you.-  
24 Any other comments?-  
25 Seeing none, this would be approval of the -

1 minutes with the addition as amended. -  
2 So all in favor of the motion say "aye". -  
3 BOARD MEMBERS: Aye. -  
4 THE CHAIRPERSON: Opposed, same sign. -  
5 The minutes are approved with the amendment. -  
6 Item II, Old Business, there is none. -  
7 So we'll move on to Item III, New Business, -  
8 Item A Approval of Resolutions and Ordinances for City -  
9 Council Meetings. -  
10 Item 1, February 4th, 2016 regular meeting. -  
11 I'll entertain a motion to approve all ordinances and -  
12 resolutions from the February 4th, 2016 regular City -  
13 Council meeting. -  
14 MR. SAWDON: I'll make the motion but I would -  
15 like to make the exception of Resolution 16-24 and -  
16 16-25. -  
17 MR. BURGESS: Support. -  
18 THE CHAIRPERSON: Moved by Sawdon, support by -  
19 Burgess. Discussion? -  
20 For the information of the audience, -  
21 Resolution 16-24 was the appointment of -- to the GERS -  
22 Board of Kevin Williams and Resolution 16-25 is the -  
23 appointment to the GERS Board, James A. Walker, Senior. -  
24 Discussion? -  
25 Seeing none, all in favor of the motion say -

1 "aye". -

2 BOARD MEMBERS: Aye. -

3 THE CHAIRPERSON: Opposed, same sign. -

4 The motion is approved. -

5 Next item is Resolution 16-24, appointment to -

6 GERS Board, Kevin Williams. City Council passed a -

7 subsequent resolution on February 18th, 2016 regarding -

8 this appointment. Due to the subsequent action taken -

9 by City Council, this resolution is rescinded and -

10 therefore should be denied by the Board. -

11 MR. SAWDON: Motion to deny. -

12 MR. BURGESS: Support. -

13 THE CHAIRPERSON: Moved by Sawdon, support by -

14 Burgess. Any discussion? -

15 Seeing none, all in favor of the motion say -

16 "aye". -

17 BOARD MEMBERS: Aye. -

18 THE CHAIRPERSON: Opposed, same sign. -

19 The motion is approved. -

20 Item B, Resolution 16-25, appointment to GERS -

21 Board, James A. Walker, Senior. -

22 MR. VAN DE GRIFT: Pardon me, Mr. Chair. The -

23 motion was denied. -

24 THE CHAIRPERSON: Oh, it was denied. I'm -

25 sorry. Thank you. -

1                   MR. VAN DE GRIFT: The resolution was denied, -  
2                   the motion was approved. -

3                   THE CHAIRPERSON: Thank you. Thank you. -

4                   Item B, Resolution 16-25, appointment to GERS -  
5                   Board, James A. Walker, Senior, again, the same -  
6                   conditions as the prior item apply; City Council passed -  
7                   a subsequent resolution on February 18th, 2016 -  
8                   regarding this appointment. Due to the subsequent -  
9                   action taken by City Council, this resolution is -  
10                  rescinded, therefore it should be denied by the Board. -

11                  I'll entertain a motion. -

12                  MR. SAWDON: Motion to deny. -

13                  MR. BURGESS: Support. -

14                  THE CHAIRPERSON: Moved by Sawdon, supported -  
15                  by Burgess to deny. Is there any 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 to deny is approved. -

21                  Next item, Item 2, is the February 11th, 2016 -  
22                  regular meeting and I'll entertain a motion. -

23                  MR. SAWDON: A motion to approve those -  
24                  minutes with the exception of Resolution 16-31 and -  
25                  16-32. -

1 MR. BURGESS: Support.-

2 THE CHAIRPERSON: Moved by Sawdon, support by -  
3 Burgess. Again, for the edification of the audience, -  
4 Resolution 16-31 is Ordinance for Early Retirement -  
5 Benefits and Resolution 16-32 is Resolution for Early -  
6 Retirement Benefits.-

7 Any discussion? -

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

10 BOARD MEMBERS: Aye.-

11 THE CHAIRPERSON: Opposed, same sign.-

12 The motion is approved.-

13 Item A, Resolution 16-31, ordinance for early -  
14 retirement benefits. It's my understanding that -  
15 approving this action will create up to a \$9 million -  
16 liability for the retirement system and I believe a -  
17 decision by this Board should be deferred until we -  
18 know, the Board knows, what the global settlement is -  
19 regarding the City of Pontiac Retired Employees -  
20 Association versus the City and the impact of this on -  
21 that. So I'll entertain a motion.-

22 MR. BERNSTEIN: So move.-

23 MR. BURGESS: Second.-

24 THE CHAIRPERSON: Moved by Bernstein, support -  
25 by Burgess.-



1 Further discussion from any Board Members? -  
2 MR. SAWDON: The motion is to postpone? -  
3 MR. BERNSTEIN: Yes. -  
4 MR. SAWDON: Okay. -  
5 THE CHAIRPERSON: Seeing none, all in favor -  
6 of the motion say "aye". -  
7 BOARD MEMBERS: Aye. -  
8 THE CHAIRPERSON: All opposed, same sign. -  
9 The motion to postpone is approved. -  
10 Next item is Item B, Resolution 16-32, the -  
11 resolution for early retirements. And I would state -  
12 that the same applies for this particular item as well; -  
13 the potential liability up to \$9 million and the -  
14 unknown impact on the -- any settlement with regards to -  
15 the current lawsuit between the retirees and the City -  
16 of Pontiac. So I will entertain a motion. -  
17 MR. BERNSTEIN: I'll make that motion. -  
18 MR. BURGESS: Support. -  
19 THE CHAIRPERSON: Moved by Bernstein, support -  
20 by Burgess. 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 motion to postpone is approved. -

1                   Item 3, the February 18, 2016 regular meeting -  
2                   minutes. I'll entertain a motion. -

3                   MR. SAWDON: Motion to approve with exception -  
4                   of 16-42 and Resolution 16-43. -

5                   MR. BURGESS: I support. -

6                   THE CHAIRPERSON: Moved by Sawdon, support by -  
7                   Burgess to approve with the exception of Resolution -  
8                   16-42, which is appointment to GERS Board of -  
9                   Kevin Williams and Resolution 16-43, appointment to the -  
10                  GERS Board, James A. Walker, Senior. Discussion? -

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

13                  BOARD MEMBERS: Aye. -

14                  THE CHAIRPERSON: Opposed, same sign. -

15                  The motion is approved. Item A, Resolution -  
16                  16-42, appointment to the GERS Board, Kevin Williams. -  
17                  City Council, again, passed a second subsequent -  
18                  resolution on March 10th, 2016 regarding this -  
19                  appointment. Due to that subsequent action taken by -  
20                  City Council, this resolution is also rescinded and -  
21                  therefore should be denied by the Board. And I'll -  
22                  entertain a motion. -

23                  MR. SAWDON: Motion to deny. -

24                  MR. BURGESS: I support. -

25                  THE CHAIRPERSON: Moved by Sawdon, support by -

1 Burgess to deny. Discussion? -  
2 Seeing none, all in favor of the motion say -  
3 "aye". -  
4 BOARD MEMBERS: Aye. -  
5 THE CHAIRPERSON: Opposed, same sign. -  
6 The motion to deny is approved. -  
7 Item B Resolution 16-43, appointment to GERS -  
8 Board, James A. Walker, Senior. Again, City Council -  
9 passed a second subsequent resolution on March 10, 2016 -  
10 regarding this appointment. Due to the subsequent -  
11 action taken by City Council, this resolution is also -  
12 rescinded and therefore should be denied by the Board. -  
13 MR. BURGESS: I so move. -  
14 MR. SAWDON: Support. -  
15 THE CHAIRPERSON: Moved by Burgess, support -  
16 by Sawdon to deny. 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 motion to deny is approved. -  
22 Item 4 the February 23, 2016 special meeting -  
23 minutes. On this date, there was a special meeting, -  
24 however, no resolutions were adopted, therefore no -  
25 Board action was necessary. -

1                   Item 5, March 3, 2016, regular meeting -  
2                   minutes, I'll entertain a motion to approve all the -  
3                   minutes, ordinances and resolutions from the -  
4                   January 28th -- excuse me -- the March 3rd regular City -  
5                   Council meeting. -

6                   MR. BURGESS: I'll make that motion. -

7                   MR. BERNSTEIN: Second. -

8                   THE CHAIRPERSON: Moved by Burgess, support -  
9                   by Bernstein. Any discussion? -

10                  MR. SAWDON: Discussion: There were a couple -  
11                  items on the adoption of resolutions by City Council -  
12                  that I wondered if we could get some additional -  
13                  information on. One of the items was the City Attorney -  
14                  attending City Council meetings. I just wondered if -  
15                  you had a -- what impact that would have on the -  
16                  budgets. -

17                  MR. SOBOTA: We've done some calculations and -  
18                  find that, if the attorney spends three hours a week, -  
19                  cost is just around \$20,000. We had appropriated -  
20                  approximately \$25,000 to City Council to use for -  
21                  attorney services, so it falls within the -  
22                  appropriation. -

23                  MR. SAWDON: Okay. Thank you. The other -  
24                  item was the settlement of the pending lawsuit. Can -  
25                  you just give us some background because there was not -

1 very much in the minutes, as we'd suspect.-

2 MR. SOBOTA: The date of injury was -  
3 approximately September 28th, 2009 and the City stopped -  
4 paying workers' comp due to a dispute a couple years -  
5 later, so that was in 2011, I believe. And since that -  
6 time that now former employee has not been receiving -  
7 any workers' comp, there has been some ongoing medical -  
8 examinations, back and forth, back and forth, so our -  
9 attorney believes that, at this time, it would be in -  
10 the best interest of the City and all parties involved -  
11 to settle the dispute on workers' comp but to leave the -  
12 medical portion open while that issue is resolved. So -  
13 we are only proposing a settlement for the workers' -  
14 comp portion of the claim and the medical portion will -  
15 remain open and that will be revisited at a later time.-

16 MR. SAWDON: Thank you.-

17 THE CHAIRPERSON: Any further questions for -  
18 Mr. Sobota or discussion? -

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

21 BOARD MEMBERS: Aye.-

22 THE CHAIRPERSON: Opposed, same sign.-

23 The motion -- or the regular meeting minutes -  
24 of March 3rd are approved.-

25 Item 6, GERS Board appointments.-

1                   Mayor Waterman, could you provide a summary -  
2                   for the Board of this -- your request for the -- this -  
3                   item. -

4                   MAYOR WATERMAN: The item on the -- my report -  
5                   is a carryover from last month's RTAB meeting when I -  
6                   brought information regarding an action I took after -  
7                   the first set of resolutions regarding appointment of -  
8                   these two people that have been mentioned were brought -  
9                   to you. -

10                  Since then, that has been renewed, as you see -  
11                  by the fact that the Charter said that the Mayor cannot -  
12                  make any veto -- unilateral veto he calls it. I'm not -  
13                  sure what that is but a unilateral veto concerning -  
14                  appointments by the Council. So the action that I had -  
15                  to -- was going to approach you about at the last RTAB -  
16                  meeting is gone to moot by the fact that there have -  
17                  been two other sets of resolutions which you have -  
18                  addressed in New Business here. -

19                  As you go into this last set of resolutions -  
20                  that have come forward to you -- and this is a very -  
21                  convoluted process as you've seen from trying to -  
22                  unravel all this but one of the things, in terms of -  
23                  determining what your decision will be, I ask you to -  
24                  consider the stabilization of the GERS Board. -

25                  Right now, all of this happening has really -

1 destabilized board functioning and this has started by -  
2 the fact that there has been this contention between -  
3 the Council and the TAB boards about the eligibility of -  
4 certain members who now -- who have served for a year -  
5 and a half now on the GERS Boards. -

6 If the action is carried out to now, as -  
7 Counsel has conceded by the last resolution that they -  
8 passed March 10th that they now concede the fact that -  
9 the RTAB has the authority to ratify and, thus, confirm -  
10 eligibility of appointments, then that renders the -  
11 previous appointments. If they are considered -  
12 ineligible, that ineligibility will extend back for a -  
13 year and a half that they have served. -

14 This will mean that the GERS Board will be -  
15 obligated to go back and look at all the decisions and -  
16 the votes that have been taken in that year and a half -  
17 to consider whether or not they may have been adversely -  
18 affected by votes of people who are considered -  
19 ineligible. That is going to be a very destabilizing -  
20 fact for the GERS Board, as you understand. -

21 So, in addition to the fact, there are -  
22 several other things that have happened. In the last -  
23 few months, the Portfolio Manager has resigned. He was -  
24 under SEC investigation and resigned, maybe not due to -  
25 that. -

1                   Secondarily, suddenly the Executive Director -  
2                   resigned with thoughts and processions that he should -  
3                   share which represents function of the GERS Board. -

4                   Thirdly, we find out -- as Counsel has now -  
5                   changed its position regarding the eligibility -  
6                   requirements for GERS appointments, we now see that --

7                   Can you advance that? -

8                   And the New Chair --

9                   Go on down, please. We're going to go to the -  
10                  next -- go on down. -

11                  Okay. We now see that it was the attorney -  
12                  purportedly working on behalf of the GERS Board --

13                  Go on down, please. -

14                  -- who -- and maybe this is some of Counsel's -  
15                  confusion -- but had actually been advising the Council -  
16                  on persisting in their acquisition to the RTAB's -  
17                  authority to claim eligibility or to confirm the -  
18                  nominees. So that might have been part of the -  
19                  confusion of the Council, which after all this time has -  
20                  now readdressed this and has said that they now accept -  
21                  RTAB's authority to claim -- to affirm eligibility. So -  
22                  that's the conundrum we're in right now. -

23                  And the letter that I have here is from the -  
24                  GERS Board attorney addressed to Council President, -  
25                  indicating she has actually drafted the letter that was -



1 to be sent to the RTAB and indicating that she is to -  
2 provide a copy of her correspondence dated July 30th -  
3 and she will note, also, that she is the one who has -  
4 kind of engineered some of the thinking regarding -  
5 Council's insistence that they are opposed to the RTAB -  
6 declaring eligibility. -

7 So this is just once you stabilize somebody -  
8 who you know supposedly to represent the GERS Board -  
9 instead is now advising Council and end up paying in -  
10 the matter of which Counsel itself has now rejected. -  
11 So all of this has gone on. -

12 And, as we are going through OPEB mediation, -  
13 the instability this has brought and all these things -  
14 to the GERS Board is something we're seeking to -  
15 restabilize in ways. The new Board Chair has brought -  
16 to us, in the spirit of openness, he wants to be in -  
17 cooperation with the City more in affirming eligibility -  
18 for members and not to continue to give benefits to -  
19 those who are dead, for example, just because there -  
20 wasn't that exchange of information between the City. -

21 So I ask whatever action, amongst the many -  
22 options that are available to you, that you choose the -  
23 one that does not further stabilize, make us go back -  
24 and relook at all of the voting that has been done for -  
25 the past year and a half, if you still continue the -

1 ineligibility of those members who now the Council can -  
2 see the RTAB has the authority to confirm. So that is -  
3 a summary of that. It's been a convoluted process. -

4 As you can see, I did include --

5 Go back to the letter from John Clark, -  
6 please, Jane. -

7 With one I was going to address with you last -  
8 month, I was going to include the thinking from the -  
9 attorney who said -- go down so they can see the -  
10 subject matter -- who I -- when I asked him when the -  
11 first set of resolutions had passed, I asked him to -  
12 give me his opinion on the viability or the efficacy of -  
13 this resolution. -

14 And he stated that the resolution was fatally -  
15 flawed on several points, one of which the resolution -  
16 stated that the GERS Board had actually recommended -  
17 these two people to be appointed. And, in fact, that -  
18 was a false premise. The GERS Board had never known -  
19 about it or had never even discussed it, to my -  
20 knowledge. -

21 So, on the basis of that, the first -  
22 resolution was flawed. Now, although when I presented -  
23 this to the Council meeting and which that first -  
24 resolutions were considered, the -- a couple of the -  
25 council members, number one, didn't like the fact that -

1 I had brought it up and they wanted to decide that in -  
2 closed session, they were told. And, secondarily, they -  
3 said they didn't like the attorney's opinion and we -  
4 should get a new attorney. -

5 But, subsequently, you can see that the -  
6 attorney's advice was reconsidered because, in the -  
7 subsequent two sets of resolutions, they did change -  
8 that and that was one of the things they did change but -  
9 there were other questions that the attorney brought to -  
10 mind and you can go on up to the other two talking -  
11 points, in terms of the veto, that he gave me that -  
12 still remained unsolved and it's a question of whether -  
13 those had been resolved by the third set of resolution -  
14 that is before you now. -

15 So I hope that is -- I don't know whether -  
16 that's any clearer than it was before but it has been a -  
17 very convoluted process and I just ask you to consider -  
18 something that will not destabilize the GERS Board -  
19 further. Thank you. -

20 THE CHAIRPERSON: Any questions for -  
21 Mayor Waterman? -

22 MR. SAWDON: No. -

23 THE CHAIRPERSON: All right. Thank you, -  
24 Mayor. Mr. Sobota, the City Council had requested that -  
25 you bring forward a resolution regarding the -

1 appointment of the two proposed members for the GERS -  
2 Board, two individuals for the GERS Board. And it was -  
3 requested that it be brought forward because of a -  
4 timeliness issue. Could you provide us an explanation -  
5 as to what the timeliness issue is? -

6 MR. SOBOTA: Well, as you have heard, there -  
7 has been some disagreement as to who is an actual -  
8 seated member of the GERS Board for the last year and a -  
9 half. And, if this resolution -- or if these -  
10 resolutions, as presented by City Council, are approved -  
11 at today's meeting, then, at the GERS Board meeting -  
12 next week, this question will have been resolved. -

13 So the request was made to bring this forward -  
14 so that the confusion, disagreement, however you want -  
15 to describe it, will have been settled by action of -  
16 this Board, assuming that the Board acted in the -  
17 affirmative in approving the two names that have been -  
18 presented before you today. -

19 THE CHAIRPERSON: But, so the timeliness -  
20 issue does not concern a lack of a quorum or -- to -  
21 conduct business or anything of that nature, it's more -  
22 or less just the desire to resolve this issue. -

23 MR. SOBOTA: To my knowledge, this leaves the -  
24 Board with nine of eleven members. If we continue -  
25 along the position we've had for the last year and a -

1 half, two years, however long it's been -- and a -  
2 quorum, I believe, is six and I don't believe there has -  
3 been any problem having six members attend a GERS Board -  
4 meeting; I've been unaware of anything like that. -

5 THE CHAIRPERSON: All right. Thank you. Any -  
6 questions from the Board for Mr. Sobota? -

7 All right. We have a motion -- or excuse -  
8 me -- we have an issue before us. The first issue is -  
9 to consider renewal of the motion to appoint -  
10 Mr. Kone' Bowman to the GERS Board. -

11 Mr. Bowman's appointment came up in a -  
12 resolution a year ago and that vote resulted in a tie -  
13 and so the motion failed under the Board procedures. -  
14 This can be a renewal if the Board so desires to -  
15 reconsider his appointment to the GERS Board. -

16 In order to do that, a first vote would be -  
17 a -- a motion and a support to reconsider, renew that -  
18 appointment. If that passes, then there would be an -  
19 actual vote on his appointment. So, given those -  
20 circumstances, does the Board have any questions for -  
21 me, as Chair, regarding this? -

22 MR. SAWDON: I'd like to go ahead and make a -  
23 motion. -

24 Motion to renew or reconsider Resolution -  
25 14-454. -

1 MR. BURGESS: I support.-

2 THE CHAIRPERSON: Moved by Sawdon, support by -  
3 Burgess to entertain a motion to renew the motion from -  
4 December 16th, 2014 where a City Council Resolution -  
5 14-454 reappointment to the GERS Board Kone' Bowman was -  
6 considered. 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. Now, that was the -  
12 motion to renew. The next motion is -- would be a -  
13 motion to approve, deny, postpone Resolution 14-454, -  
14 reappointment of Mr. Bowman. -

15 MR. SAWDON: Motion to approve. -

16 MR. BURGESS: I support. -

17 THE CHAIRPERSON: Been moved by Sawdon, -  
18 support by Burgess to approve Mr. Bowman's appointment. -  
19 Discussion? -

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

22 BOARD MEMBERS: Aye. -

23 THE CHAIRPERSON: Opposed, same sign. -

24 Mr. Bowman is appointed to the GERS Board. -

25 The next item is to entertain a motion to -

1 postpone the Resolution of 16-66, appointment to GERS -  
2 Board Kevin Williams and James Walker, Junior as City -  
3 Council has put forward two names and, because of the -  
4 action just taken by the City Council -- or by the RTAB -  
5 Board, there's one vacancy available so I would ask -  
6 that the Board send this back to City Council for their -  
7 recommendation as to who -- which of those two -  
8 individuals they wish to put forward. -

9 MR. BERNSTEIN: I'll make that motion. -

10 MR. BURGESS: I support. -

11 THE CHAIRPERSON: Moved by Bernstein, support -  
12 by Burgess. 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 to refer this matter back to City -  
18 Council for their recommendations as to one of the two -  
19 individuals is approved. -

20 Item 7, Emergency Manager Order S-334 -  
21 Amendment. I want to bring to the Board's attention -  
22 that the amendment in your packet for the job -- the -  
23 language for the amendment refers to the first -  
24 reference to the development -- which should be the -  
25 Economic Development Director is the Community -

1 Development Director. So Economic Development Director -  
2 should read consistently throughout that -- that -  
3 paragraph. -

4 I'll give you a moment to --

5 MR. SAWDON: So Paragraph A and B should read -  
6 the same --

7 THE CHAIRPERSON: Yeah. -

8 MR. SAWDON: -- in terms of title? -

9 THE CHAIRPERSON: Yes. -

10 MR. SAWDON: All right. Thank you. -

11 THE CHAIRPERSON: Mayor Waterman, could you -  
12 provide a summary of this matter for the Board, please. -

13 MAYOR WATERMAN: Yes, I do. And you're --  
14 regarding the economic development --

15 THE CHAIRPERSON: Correct. -

16 MAYOR WATERMAN: -- issue? -

17 Okay. Pending last month's RTAB meeting, -  
18 when the RTAB did approve the recommendations from the -  
19 annual evaluation, including the fact that we made -  
20 great strides and we're ready to move forward, both -  
21 Deputy Mayor and other staff that took that into stride -  
22 along with further conversation we've had with the -  
23 Treasury Department and how we could be prepared for -  
24 further movement as Pontiac moved back -- moved through -  
25 the transition, one of the things we realized was that -



1           it was very important for us to have a good economic -  
2           development staff, ready to assume the responsibilities -  
3           posed by both economic development plan plus the needs -  
4           of the City to have economic and community development. -

5                        To that end, as we know, that Mr. Sobota now -  
6           holds that title of Community Development Director and, -  
7           if we are to move forward and if that position is then -  
8           reframed, then we will need to have someone who is in -  
9           that position to be able to carry on those functions -  
10          and to be able to assist City government. -

11                       To that end, I have given before you an -  
12          updated version of a job description for such an -  
13          Economic Development Director. Of course because we -  
14          have not moved to that point where we actually have -  
15          dates for that transitioning to happen, we don't, -  
16          actually, have started the process to identify someone -  
17          to fill that position. So this is put in as a -  
18          placeholder to understand that this is the job -  
19          description that we will be looking for, so that you -  
20          can approve that. -

21                       We already have the amount identified in the -  
22          budget as well as the fact that it is in one of the job -  
23          items that had a budgeted line item salary range that -  
24          is included and is considered in the budget. So that's -  
25          already decided. It's just the name and a face and so -

1 this will be the placeholder. And, as we -- they'll -  
2 authorize us to begin that process at the proper point -  
3 in the transition and then when we have the name, then -  
4 we will so present it to the RTAB, too, in this -  
5 placeholder position. -

6 THE CHAIRPERSON: Any questions for -  
7 Mayor Waterman? -

8 Thank you. -

9 The proposed change to the Emergency Manager -  
10 Order would remove the appointment of the Economic -  
11 Development Director position from the City -  
12 Administrator, place that under the purview of the -  
13 Mayor, allows that position to set the salary range, -  
14 define the job description and to hire that individual. -

15 So I -- I will entertain a motion. -

16 MR. BERNSTEIN: I'll make that motion. -

17 MR. BURGESS: I support. -

18 THE CHAIRPERSON: Moved by Bernstein, support -  
19 by Burgess. -

20 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 motion is approved. -

1                   Excuse me. And this is a motion to -  
2                   recommended to the State Treasurer? -

3                   MR. SAWDON: Right. -

4                   THE CHAIRPERSON: Item B, City Administrator -  
5                   Items, Item 1, Rejection of Ordinance to grant pension -  
6                   to former City employees was addressed in New Business. -

7                   Item 2, Resolution from City Council Meeting -  
8                   of March 3, 2016, addressed in New Business. -

9                   Item 3, submittal of application for MSHDA -  
10                  Statewide Partnership Grant. -

11                  Mr. Sobota? -

12                  MR. SOBOTA: A few months ago, the Board -  
13                  approved an application for a grant for the Congress -  
14                  for New Urbanism. At that time, we represented that -  
15                  there would be a \$15,000 cost to the City and then the -  
16                  balance would be covered by this Congress for New -  
17                  Urbanism. -

18                  After that grant had been applied for, we -  
19                  learned that the Congress for New Urbanism needed to -  
20                  have a grant pay for their expenses and they could not -  
21                  apply for it so they requested the City of Pontiac to -  
22                  make application to MSHDA to cover the cost for the -  
23                  Congress for New Urbanism. -

24                  The City still has a \$15,000 cost but the -  
25                  cost for the Congress for New Urbanism, which -

1 originally we believe would be covered by them, action -  
2 needs to be covered by this grant from MSHDA that we -  
3 had already made application for on February 22nd. -

4 So this is significantly after the fact that -  
5 we are requesting formal permission to make application -  
6 to MSHDA to apply for a grant to cover the cost of the -  
7 Congress for New Urbanism, which would be developing a -  
8 plan to reimage downtown. -

9 THE CHAIRPERSON: Any questions for -  
10 Mr. Sobota from the Board? -

11 MR. SAWDON: Motion to approve. -

12 MR. BERNSTEIN: Second. -

13 THE CHAIRPERSON: Moved by Sawdon, support by -  
14 Bernstein to approve. -

15 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 Item C, Mayor Items. Item 1, McLaren Oakland -  
22 Offer to Purchase. This is informational only. -

23 MAYOR WATERMAN: I just saw some McLaren -  
24 Board members here so I just wanted to make sure that I -  
25 wasn't speaking in their stead. But this is also a -

1 carryover item from the last meeting of the RTAB. As -  
2 you recall, I had this on my Mayor's report at that -  
3 point. And the Mayor -- because the City Administrator -  
4 had this on the purview and this ability falls under -  
5 his authority, I did ask us to go back and to reconvene -  
6 and to consider that in consideration with the City -  
7 Administrator over the last month. -

8 I'm bringing it back because I will report to -  
9 you that, despite my attempts to do so, still the City -  
10 Administrator had been very inscrutable in his actions -  
11 in this regard. So I still -- we don't have a -  
12 definitive action for you, to my dismay, because I -  
13 think there were some assurances made to McLaren in -  
14 previous negotiations. -

15 This has been going on for six months and one -  
16 of the things that I think is regrettable is that -- we -  
17 are doing that reimaging of our downtown -- that -  
18 McLaren has been one of the major players in that, one -  
19 of the major angles for the City. It is the third -  
20 highest employer in the City as well as the fact that -  
21 they have been quite influential and helpful as we have -  
22 advanced the City in terms of economic development as -  
23 well as just healthcare for our citizens of which I -  
24 have a personal interest, being a healthcare -  
25 practitioner by training. -

1                   But these are the points I just want to make. -  
2           I bring it back here. The fact that one of the things -  
3           that's been a detriment, a hindrance to moving forward, -  
4           is that when the RTAB and the Treasury placed the City -  
5           Administrators in place, they had certain authorities -  
6           and they had certain actions and they had certain -  
7           powers. And where these actions -- and they have -  
8           chosen to apply these arbitrarily or inconsistently, as -  
9           this seems to be the case, it throws the City into a -  
10          big quandary. It also has us lose faith with those who -  
11          have attempted to support our progress and it also -  
12          doesn't restore the faith, the faith in Pontiac's -  
13          economic development prowess or the goodwill and faith -  
14          of the community as a whole. -

15                   I think these people were told that, if they -  
16          met a certain threshold for this purchase, that it -  
17          would be theirs because it was so ordered in the S-334. -  
18          And, as I'm showing you, the documentation is this is -  
19          one of the properties that had already been -  
20          demonstrated by the Emergency Manager that, if there -  
21          was a threshold met, then it could be transferred. -

22                   Of course it was put in there, in this -  
23          document that I gave you. But the City Administrator -  
24          had some arbitrary decision-making over that. He has -  
25          chosen to use that in a way that we find inscrutable. -

1 I don't understand. I have no information for you. -

2 But I think the RTAB, because although he's -  
3 listed as a City employee, he's not reportable, -  
4 responsible to me, he's responsible to you. And so, if -  
5 any undue influence you can apply on the City -  
6 Administrator, I do bring this again to your attention -  
7 because that is a hindrance to the City, in terms of -  
8 economic development and I would just like to so inform -  
9 you that that is the case. -

10 The City Administrator may have further -  
11 information he wants to share with you. He certainly -  
12 has not shared it with me or, to this extent, with -  
13 being a soundboard, and I just represent what the -  
14 conversations have been that I know of thus far. -

15 Similarly, the second issue, the duck pond, -  
16 that is a RACER Trust property that certainly was -  
17 transferred to us and is a great value to the City -  
18 because we want to use it as a storage yard for our -  
19 vehicles. We have lost the previous storage yard from -  
20 the DPW, it was over on Wesson Street, we no longer -  
21 have it. -

22 We are now parking large dump trucks in front -  
23 of City Hall, for a lack of place to store these, and -  
24 where they can be repaired or kept safe. So this is a -  
25 simple matter to me. And the City Administrator had -

1 given his assurance that everything was moving forward -  
2 until all of a sudden there is just a complete reversal -  
3 that nobody understanding what this is all about, -  
4 including the DPW Director. -

5 So -- because it's he's not reportable to me, -  
6 I just report it to you and you could see if you want -  
7 to have him give you any other answer or that keep -  
8 having it on the agenda here, we'll allow you to take -  
9 any action in that regard. -

10 THE CHAIRPERSON: Thank you, Mayor. -

11 Item IV, Nonaction items, Item A, Financial -  
12 Report attached. -

13 Item B, City Administrator -- well, -  
14 Mr. Nazarko, you didn't jump up so I wasn't sure. -

15 MR. NAZARKO: Good afternoon. I have nothing -  
16 to add to the financial reports I have presented to -  
17 you. -

18 THE CHAIRPERSON: All right. Any questions -  
19 from the Board for Mr. Nazarko? -

20 MR. SAWDON: No. -

21 THE CHAIRPERSON: All right. Thank you. -

22 MR. NAZARKO: Thank you. -

23 THE CHAIRPERSON: Item B, City Administrator -  
24 Report. -

25 MR. SOBOTA: Up until about a couple of weeks -



1 ago, it had been close to a year before I had any -  
2 discussions -- last had any discussions with McLaren -  
3 over the proposed sale of the lot. I was unable to -  
4 have any meetings scheduled. -

5 Finally, after the last TAB meeting, a -  
6 representative from McLaren did meet with me. I asked -  
7 for some additional information. I am in the process -  
8 of reviewing that information along with some other -  
9 historical information that I am aware of when -  
10 discussions began with Mr. Schimmel several years ago. -  
11 So, once I complete my review, I will be able to render -  
12 a decision on the proposed sale of Lot 1 AP. -

13 In regards to the duck pond, I know that I --  
14 my decision in this matter is completely against that -  
15 of -- opposite that of the Mayor and the DPW Director. -  
16 I believe that the -- I requested all the information -  
17 as possible, did due diligence on the property, in -  
18 terms of assessment of the physical structure, -  
19 estimated operating cost, proposed use of the facility. -  
20 There's no problems with the physical structure itself. -

21 The estimated operating costs that have been -  
22 provided by the DPW Director are reasonable, they've -  
23 been included in the Mayor's budget proposal for the -  
24 future fiscal year. I also requested from RACER a copy -  
25 of the environmental. -

1 I do note that there are some small minor -  
2 environmental concerns on the property. And, as a -  
3 result, there will be restrictions. Specifically, they -  
4 do not want to have the grounds disturbed. In other -  
5 words, if the facility in the future outgrows its -  
6 usefulness because there has been discussion to bring -  
7 back DPW to a level, we would not be able to use that -  
8 facility to the level that we had before. -

9 Our prior DPW facility was also on a polluted -  
10 piece of property at a worse degree than what this one -  
11 is and I believe that we have not yet had a firm -  
12 recommendation as to what the future of the DPW will be -  
13 in the City of Pontiac. -

14 Once that is completed, then we should do a -  
15 site assessment at that time. In terms of the property -  
16 itself, it is in a reverter clause, as the City used to -  
17 own this property, RACER is willing to return the -  
18 property to the City, clear all of the facilities and -  
19 restore soil to a grassy condition. -

20 I have been in contact with the City Attorney -  
21 and he believes that the City can reject this property. -  
22 In addition to re -- receiving this property, the City -  
23 would be receiving two other pieces of property just to -  
24 the west of the facility that the City will also be -  
25 responsible for maintaining. We will not be able to -

1 sell them because they're non-usable land.-

2 Under the Final Order, I do have the -  
3 authority to make this decision. So, essentially, I -  
4 had voiced to the Mayor and the DPW Director that I -  
5 didn't believe that this was in the best interest of -  
6 the City so I was not going to be approving this.-

7 However, the City Council also has the -  
8 ability to accept property and, I believe, at some -  
9 point in the near future, that request will be -  
10 forwarded to the City Council and they will probably -  
11 consider and then this action will be brought to the -  
12 Board for final approval.-

13 But that's where I stand at this time on the -  
14 issue of the property commonly known as the duck pond.-  
15 Other than that, I have nothing to report.-

16 THE CHAIRPERSON: Any questions for -  
17 Mr. Sobota from the Board? -

18 MR. SAWDON: No. -

19 MR. BERNSTEIN: Please. -

20 THE CHAIRPERSON: Yes? -

21 MR. BERNSTEIN: Mr. Sobota, could you give an -  
22 idea so the people from McLaren may have an idea of -  
23 timeframe what we're looking at? -

24 MR. SOBOTA: I believe by the end of the -  
25 month, definitely.-

1 MR. BERNSTEIN: Okay. -

2 MR. SOBOTA: I had a couple other items come -  
3 up on the priority list, if you will. -

4 MR. BERNSTEIN: Okay. -

5 MR. SOBOTA: So it is still sitting at the -  
6 top of my inbox but I've got some rather thick reports -  
7 that I have to go through and do some analysis on it. -

8 MR. BERNSTEIN: Got it. Thank you. And, -  
9 secondly, as to the duck pond, is it -- is it simply a -  
10 case where the deterrent outweigh the benefits? -

11 MR. SOBOTA: In my opinion, I believe they -  
12 do. However, obviously, there are opinions that differ -  
13 with that. -

14 MR. BERNSTEIN: Of course. -

15 MR. SOBOTA: So I would -- if City Council -  
16 wants to take the matter up, they can take that matter -  
17 up at that time with the same information that has been -  
18 already presented to me. -

19 MR. BERNSTEIN: But is it acknowledged that -  
20 there's an issue, as far as storage for the City? -

21 MR. SOBOTA: No. -

22 MR. BERNSTEIN: Okay. -

23 MR. SOBOTA: We presently do store our -  
24 vehicles in an old fire station. We also have the -  
25 ability to store our salt trucks at the Oakland County -

1 yards. So we do have a -- a place to store vehicles at -  
2 this time, especially during off season, we're able to -  
3 utilize the Oakland County storage yards as they -  
4 originally were given all of the salt plows. So we do -  
5 have that availability. -

6 MR. BERNSTEIN: And that's at no cost, I -  
7 assume. -

8 MR. SOBOTA: That's at no cost to us other -  
9 than the fact when the vehicles are damaged and needs -  
10 to be repaired by us, the City is responsible for the -  
11 maintenance cost of those vehicles. -

12 MR. BERNSTEIN: Thank you. -

13 THE CHAIRPERSON: Thank you, Mr. Sobota. -

14 Mayor Waterman, do you have comments? -

15 MAYOR WATERMAN: Some of that information is -  
16 suspiciously incorrect. If you would like to have a -  
17 more correct assessment, the DPW Director is right here -  
18 and I would ask that he be allowed to give you the -  
19 correct information. -

20 Would you step forward, Mr. King? The -  
21 Deputy Mayor has also researched this and she is -  
22 already very much in support of this and we're both in -  
23 consternation that Mr. Sobota finds himself at odds -  
24 with all of us. -

25 MR. KING: Good afternoon. -

1 THE CHAIRPERSON: Good afternoon. -

2 MR. KING: When the financial manager, -  
3 Louis Schimmel, got rid of the Wesson yard, it left us -  
4 with an inability to store necessary equipment where it -  
5 allows any normal DPW to be able to access in a -  
6 moment's notice, as we all do in operation; that's what -  
7 we're all responsible for. -

8 There was no equipment left. When -  
9 Mr. Schimmel left, we didn't have barricades, we didn't -  
10 have shovels, we didn't have equipment. I had to go -  
11 back and I had to rebuy it. Right now, the majority of -  
12 our barricades were stored in the very back of the -  
13 City Hall, our dump trucks were basically stored at the -  
14 Oakland County yards. I had to take some of the trucks -  
15 back to provide better services to the citizens of the -  
16 City of Pontiac when I had --

17 When the Mayor objected to the fact that I -  
18 was keeping the trucks outside in the parking lot next -  
19 door, I asked that the Waterford Fire Department, who -  
20 basically is utilizing the -- our fire stations, they -  
21 had one station that they were using for storage and I -  
22 requested to be able to house some of our equipment in -  
23 there because we had no other place to put it. They -  
24 agreed to allow us to use it on a temporary basis until -  
25 we acquired our own facility. -

1           The Mayor has an interest as well as I do and -  
2           there is a need in the City of Pontiac that the -  
3           Department of Public Works be able to return to some -  
4           normal action of being able to react, which means we -  
5           have to have available equipment to turn around and do -  
6           it. -

7           Our contractors are not available 24/7; -  
8           unfortunately, we have to be. And I have a -  
9           responsibility to these citizens. When RACER Trust -  
10          basically came back and they offered the building --  
11          they were going to demo the building. Mr. Sobota is -  
12          more in favor of demoing the building, returning it -  
13          back to a piece of vacant land, which becomes now a -  
14          piece -- a parcel that I cannot utilize and that I have -  
15          to maintain, to no value to the citizens of the City. -

16          A compromise that I proposed to them was that -  
17          they remove all of the contents inside of the building, -  
18          meaning the machinery, basically put it in a warehouse -  
19          state and allow us to utilize the building and the -  
20          facility, as it is, at that point, at no cost to the -  
21          City of Pontiac because that would be a considerable -  
22          savings to them, instead of demolishing the entire -  
23          facility. They agreed. -

24          They were more than willing to do exactly -  
25          that, put it in. So, basically, what we do is we get a -

1           60 by 100 building, 60-foot by 100-foot building on a -  
2           two and a half acre parcel at no cost. They're going -  
3           to fix it up. We get lighting, there's heating inside -  
4           of the building and everything else. I don't have to -  
5           borrow an abandoned fire station, I have a yard that I -  
6           can turn around and utilize and be able to store -  
7           equipment as the City starts to move forward. -

8                        As it stands right now, we do not have such a -  
9           facility. If we were to acquire it at some other point -  
10          in time, we would have to pay for it. What makes -  
11          sense; do we acquire a building that we can utilize -  
12          properly right now at no cost to the City or do we wait -  
13          and turn around and spend 150-, 200-, a quarter of a -  
14          million dollars on a facility at some point in time in -  
15          the future? -

16                       That's -- that is my proposal. I've -  
17          explained this to Mr. Sobota. We have been waiting for -  
18          seven months. RACER trust has been waiting for seven -  
19          months on a decision to be made by the City. It is my -  
20          recommendation that we move forward with this -  
21          building -- facility. -

22                       THE CHAIRPERSON: Thank you. -

23                       Any discussion on this? -

24                       All right. -

25                       Next item is public comment. -



1                   Mr. Van De Grift will retrieve the sign-up -  
2                   sheet. Per the Board rules, you will have two minutes -  
3                   to speak. And Mr. --

4                   MR. VAN DE GRIFT: What about the Mayor's -  
5                   report? -

6                   THE CHAIRPERSON: I'm sorry. Mayor, I -  
7                   apologize. -

8                   MAYOR WATERMAN: That's all right. The -- a -  
9                   number of the items that I was going to include have -  
10                  already been considered under New Business or other -  
11                  points in the agenda. I only like to mention, for the -  
12                  fact of the public, that we did receive, and in -  
13                  writing, the annual evaluation which has been signed by -  
14                  the RTAB as well as the Treasurer and it did state the -  
15                  fact that what was quoted verbally last month, that we -  
16                  have moved forward in great stride in the City, which -  
17                  you recognize and we appreciate all the efforts of all -  
18                  of those who contributed to that, including our -  
19                  partners. -

20                  And the only recommendation -- I have it over -  
21                  there. I don't want to run and get it. But the only -  
22                  recommendation was that we had to move forward on the -  
23                  OPEB litigation, which I certainly am concerned about; -  
24                  that is high on my plate. -

25                  One of the things I will bring you to -

1 attention about is the fact that the mediation has been -  
2 going on and one of the things that has limited my -  
3 discussion of this is the fact that the mediator has -  
4 had us under strict confidentiality. Now, this has -  
5 been a hindrance for me because that is certainly a -  
6 very important issue to the City and very important for -  
7 assurance to the citizens that this is being handled in -  
8 a way that will not only meet the needs of our retirees -  
9 but also not bankrupt the City. And I have said that -  
10 that's the settlement that we're trying to work toward. -

11 Now, because of the confidentiality, I have -  
12 not been able to address some of the scope or the -  
13 contours of the settlement that would assure people and -  
14 there are some rumors that are rightfully being passed -  
15 along that I have not been able to address. -

16 And most curious of which is that the -  
17 mediation is all about the state line to take over and -  
18 take over our funding in the pension fund. And that -  
19 is -- I'm hearing from people who I think are fairly -  
20 knowledgeable. -

21 So given the fact and I approached the -  
22 mediator and told him what the issues were that we -  
23 needed to be able to address to satisfy some of these -  
24 questions from the public to also to assure that we're -  
25 working toward -- we can work toward a settlement that -

1 would be to the benefit of the citizens as well as to -  
2 dispel some of these rumors and also the fact that the -  
3 mediation had been moving, until recently, just -  
4 extremely slowly. -

5 So, to effect ability to do that, the -  
6 Mediator did just recently lift the confidentiality and -  
7 said that we were free to discuss the general contours -  
8 of that now with anyone we felt who could help to move -  
9 the settlement forward. -

10 So we are kind of using that option and we'll -  
11 begin to address that so we can discuss some of the -  
12 rumors that may be inadvertently keeping the mediation -  
13 from moving forward with the -- to the productivity -  
14 that we would like. So that's what's going on with the -  
15 OPEB mediation. -

16 The only things additional I'll report, in -  
17 terms of the Phoenix Center, which is other litigation, -  
18 that we did, just yesterday, get a ruling from the -  
19 Court of Appeals in regards to the condemnation -  
20 lawsuit. They did affirm Judge Warren's opinion. The -  
21 attorneys who are handling that particular matter are -  
22 reviewing and assessing that and we are going to be in -  
23 conversation about what that means for our next step. -  
24 So I will report further on that as that has developed. -

25 That concludes my report. -

1 THE CHAIRPERSON: Any questions for -  
2 Mayor Waterman? -

3 Thank you, Mayor. -

4 MAYOR WATERMAN: Thank you. -

5 THE CHAIRPERSON: And I apologize again for -  
6 not recognizing you. Now we'll move on to Public -  
7 Comment. -

8 Mr. Van De Grift will announce your name and -  
9 will also serve as a timekeeper. As I mentioned, you -  
10 all have two minutes to address the Board. -

11 MR. VAN DE GRIFT: Mr. Al Pope. -

12 MR. POPE: Good afternoon. My name's Al Pope -  
13 and I'd like to join the others here in speaking out in -  
14 support of Pontiac's next step in regaining both -  
15 responsibility and control for City operations. -

16 I'd like to address my comments from a -  
17 slightly different perspective. In 2006, I retired -  
18 from the Government Affairs Office at Chrysler. During -  
19 that time, I had responsibility for approximately nine -  
20 states -- not only state level but the municipalities -  
21 within the states. It should be no surprise that often -  
22 cities within states have received federal and state -  
23 support for any number of issues, primarily economic. -

24 Though Michigan has a more detailed program -  
25 relative to reporting and accountability, I assure you -

1 the cities outside of Michigan still have a level of -  
2 oversight to ensure that support they are granted is -  
3 not squandered. -

4 Pontiac is unique, not only from the cities -  
5 outside Michigan but also from within. Ask yourselves -  
6 how many cities have put together a consortium -  
7 consisting of a major university, county leadership, -  
8 several large businesses, business groups, religious -  
9 groups, not-for-profit organizations, foundations, the -  
10 education community and, most important, local -  
11 citizens. Pontiac has. -

12 I'd like to join other members in this -  
13 consortium to express gratitude for the State approving -  
14 Pontiac to begin its efforts towards full recovery. -  
15 This being said, I'd like you to ask you not to look -  
16 into any specific time elements for control to be -  
17 returned to the City but I'd like to recommend -  
18 performance-based. This will determine how quickly the -  
19 City can return and here's why: Performance creates a -  
20 mindset of sooner rather than later. This will -  
21 encourage the consortium to be more highly motivated. -

22 I am basing my recommendation on experiences -  
23 outside of -- and outside of municipalities not being -  
24 incentivized in moving quickly rather than over time -  
25 basis of getting the work done at the end of the time. -

1 THE CHAIRPERSON: I'm sorry, Mr. Pope, your -  
2 two minutes have expired. -

3 MR. POPE: Thank you. -

4 THE CHAIRPERSON: Thank you. -

5 MR. VAN DE GRIFT: Mr. Tom Kimball. -

6 MR. KIMBALL: Thank you, gentlemen. I happen -  
7 to bring greetings from the 1.5 million AARP members -  
8 that I have this glorious opportunity to lead but, more -  
9 so, being a member of the Pontiac OU partnership, which -  
10 I think I talked to you once before about. When I -  
11 talked to you then, I said that we had about four key -  
12 initiatives going between these two great partners. -  
13 That number has moved about 27 great initiatives now, -  
14 spearheaded by the Mayor and President Hynd of Oakland -  
15 University. -

16 Let me say that these initiatives go across -  
17 all the great things that the City wants to do; early -  
18 childhood education, great programs. They have a -  
19 parent university where over 200 parents come out, -  
20 parents that historically would not have had an -  
21 interest now have a substantial interest in what's -  
22 happening in the City's educational arena, workforce -  
23 development and economic development. We have one -  
24 program in health but we recently received \$2 million -  
25 in philanthropic grants managed by the university where -

1 they will be looking at health disparities throughout -  
2 the City, be looking at nutritional programs to help -  
3 the City and looking at Complete Streets. -

4 Complete Streets is -- I mean, they have a -  
5 lot of names for it. They call it Age Friendly Streets -  
6 and those kind of things. Particularly at AARP, that's -  
7 important for our seniors to have streets that they can -  
8 walk on, bikeways, bike path, this initiative will help -  
9 all of that and we're so happy to be a part of it. -  
10 I've got one problem, though. -

11 THE CHAIRPERSON: Thank you. Your two -  
12 minutes have expired. -

13 MR. KIMBALL: One problem is the issue of -  
14 uncertainty. Until you take out the uncertainty --

15 THE CHAIRPERSON: Yeah. Thank you. I'm -  
16 sorry. -

17 MR. KIMBALL: -- we won't be successful. -  
18 Yeah. -

19 MR. VAN DE GRIFT: Ms. Linda Hasson. -

20 MS. HASSON: 2011 I sat here in front of the -  
21 City Council, March 17th, which is my birthday, showed -  
22 up and said that I realize when Act 4 was recently -  
23 signed, I think it was the day before where they were -  
24 able to dissolve unions, that there were weak people -  
25 and that I was not going anywhere until -- and it has -

1           been five years now and I'm still here. -

2                       I've learned a lot and I -- this process is -  
3           rigorous but certain aspects of it are necessary. I -  
4           understand from what I'm hearing Mr. Sobota's concern -  
5           about the DPW expanding. Emergency managers had -  
6           found -- they found that there were paychecks and -  
7           different things that were going to people that -- like -  
8           the Mayor had said, that there were -- where they -  
9           didn't know that the retirees had deceased and stuff -  
10          was going -- you know, that we were paying for. So -  
11          this process, although it has been rough, it needs to -  
12          see to the end. -

13                      And I appreciate, Mr. Koryzno, you giving the -  
14          time that needs for this process to work its way out. -  
15          I don't want to be cheated. Like I said, I've been -  
16          here six years on this but really on it five years, -  
17          from here to Detroit to Lansing to everywhere, -  
18          Highland Park. And this process is rough but we are so -  
19          close and I can say today that there is light at the -  
20          end of the tunnel. A lot of people may not agree and a -  
21          lot of people -- but boy, I'll tell you, people are -  
22          trying. People are trying in that GERS meeting and I'm -  
23          glad that you -- that you take a second look at your -  
24          decisions to decide whether or not you, you know, may -  
25          have to revisit them. We're all just human beings. -



1 Thank you. -

2 THE CHAIRPERSON: Thank you, Ms. Hasson. -

3 MR. VAN DE GRIFT: Billie Swazer. -

4 THE CHAIRPERSON: Swazer, Swazer. -

5 MR. VAN DE GRIFT: Swazer. Pardon me. -

6 MS. SWAZER: Good evening. I have a -

7 question. -

8 THE CHAIRPERSON: Good afternoon. -

9 MS. SWAZER: A couple years ago or whenever -  
10 Kone' Bowman's appointment was in 2014, you tied on it -  
11 and that was because he did not pay his taxes, was not -  
12 current on his City taxes or his income taxes. Now, -  
13 today you go back and you look at that and say that -  
14 don't matter, it's okay. -

15 I guess I have a question. Is it okay not to -  
16 pay your taxes, not to pay your city taxes and have -  
17 your taxes paid up or is the process that Joseph Sobota -  
18 should have reviewed him continuously for the two years -  
19 or 18 months he's been on there to see if he's paying -  
20 and, if he continuously while he's on there, on the -  
21 GERS Board, making sure that he pays his City taxes, -  
22 that he files his income -- City income tax? Because -  
23 that's my understanding that where some of the flaws, -  
24 why he was not seated and why he did not qualify to be -  
25 on the GERS Board. -

1                   So I want to know at the end of this how --  
2                   how that works so that you can not pay your taxes, -  
3                   not -- owe the City and still sit on the Board and, two -  
4                   years 18 months later, they can say, you know, "That's -  
5                   okay. You didn't pay us. We'll accept you anyway." I -  
6                   guess I -- that mainly is my concern. Thank you. -

7                   THE CHAIRPERSON: Thank you, Ms. Swazer. -

8                   MR. VAN DE GRIFT: Ms. Rochelle Brady. -

9                   MS. BRADY: Good afternoon. -

10                  THE CHAIRPERSON: Good afternoon. -

11                  MS. BRADY: I'm here regarding the fire -  
12                  retirees. This is the -- well, first, let me say this: -  
13                  When we first came to this Board, the one thing you -  
14                  asked us to do was get an actuarial study done. That -  
15                  had never been done with an outside entity, which at -  
16                  that point that's what we were considered. We went, -  
17                  jumped through the hoops, did what we had to do, got -  
18                  the study done by the same company that the City has -  
19                  used for years. -

20                  Now, you keep saying "now". Four years -  
21                  later, two resolutions and an ordinance and now you're -  
22                  saying the \$9 million is going to impact the pension -  
23                  fund. The act -- that's why the study was done and it -  
24                  clearly states that the money is there and it tells you -  
25                  what the impact would be, if any. -

1                   The Mayor is the one that said that -- well, -  
2                   let me take it back. Lou Schimmel said that you guys -  
3                   are waiting on some type of word from the Mayor -  
4                   regarding this group. The Mayor said that she would -  
5                   not do anything regarding an ordinance unless she had -  
6                   spoke with a few of you to see how they can move -  
7                   forward with this. -

8                   Now, here we are again being postponed, which -  
9                   is like denied. The resolution, you didn't do anything -  
10                  with it. We need to know what it is that's really -  
11                  holding this Board up because it is discrimination. -  
12                  We've already let you know what the issues were. We -  
13                  paid for this stuff. The City didn't pay for this -  
14                  stuff. And either you're going to go by what the study -  
15                  says on some -- on all things or are we being -  
16                  discriminated against? That's what we need to know -  
17                  from this Board. -

18                  And, Mayor Waterman, I need to say, at this -  
19                  meeting, you don't speak up for this group at all. But -  
20                  at the City Council meeting you are acting as if you're -  
21                  in our favor and you clearly are not. -

22                  THE CHAIRPERSON: Thank you, Ms. Brady, your -  
23                  time has expired. Thank you. -

24                  MR. VAN DE GRIFT: Forgive me if I get your -  
25                  name wrong. Is it Patrice Paterma? -

1 MS. PATRICE WATERMAN: Patrice Waterman.-

2 MR. VAN DE GRIFT: Oh.-

3 MS. PATRICE WATERMAN: I can't say good-  
4 afternoon because it's not a good afternoon.-

5 I find it interesting that today you would-  
6 allow the Mayor to come up here and give a summary.-  
7 You saw me sitting back here and I tried to stand up-  
8 and speak for the Council. But to give a summary in-  
9 regards to GERS and the actions that you took today, I-  
10 find appalling; I truly find appalling.-

11 Because, did you receive the letter that we-  
12 had to get their city attorney to come and we could not-  
13 go out and get an independent counsel, we had to get a-  
14 counsel from what the City has? And so we took the-  
15 better of the counsel -- of the legal staff that they-  
16 have in there and they gave us an opinion.-

17 I don't know if you had the opportunity to-  
18 read the opinion that they gave to us. I said and then-  
19 the Mayor wants to come up here and give talking points-  
20 on a veto when she knew that those talking points were-  
21 illegal. She was not allowed to veto. She knew that-  
22 in the end.-

23 But you put that up there on the Board to say-  
24 that it was -- that we -- she should be able to veto.-  
25 When she goes through the states of why it was that she-

1 wanted to veto our appointments to the GERS Board, this -  
2 is not going to sit well with the Pontiac City Council; -  
3 it's not going to sit well with us at all, as the -  
4 actions that were taken here today. -

5 And in regards to the Mayor coming up, -  
6 talking about the attorney, yes, Council did not have -  
7 legal representation. So I did go and talk to the GERS -  
8 attorney to ask her to help me to write a letter as it -  
9 related to in regard to the vote. As for somebody to -  
10 come here and try to throw shade on a person who come -  
11 here, I think that's despicable, that is just -  
12 despicable to me. -

13 And there is no legal conflict. The forces -  
14 opposing Mr. Harris and Mr. Bowman was not the Council -  
15 but it was the City Administrator and the City TAB -  
16 Board sitting there. So we just tried to come in and -  
17 do what we thought best to correct a big issue. Thank -  
18 you. -

19 THE CHAIRPERSON: Thank you, Council -  
20 President Waterman. -

21 MR. VAN DE GRIFT: That concludes public -  
22 comment. -

23 THE CHAIRPERSON: All right. The next agenda -  
24 item is Board Comment. Any comments from the Board? -

25 Ms. Swazer mentioned the Bowman appointment. -

1 I would like to remind you that the Bowman appointment -  
2 and Harris appointments came before this Board. They -  
3 were denied until Mr. Bowman was -- had paid the debts -  
4 he owed the City. At that time, he was reconsidered by -  
5 the Board. The Board, as I stated earlier, tied in -  
6 that vote and then that's what we reconsidered today. -

7 And seeing no other comments from the Board, -  
8 I'll entertain a motion to adjourn. -

9 MR. BURGESS: I make that motion. -

10 THE CHAIRPERSON: Moved by Burgess. -

11 MR. SAWDON: Support. -

12 THE CHAIRPERSON: Support by Sawdon. -

13 All in favor of the motion say "aye". -

14 BOARD MEMBERS: Aye. -

15 THE CHAIRPERSON: Opposed, same sign. -

16 The meeting is adjourned at seven minutes -  
17 after 2:00. Thank you. -

18 (Meeting was concluded at 2:07 p.m.) -

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C E R T I F I C A T E -

I, Mona Storm, do hereby certify that I have recorded stenographically the proceedings had and testimony taken in the meeting, at the time and place hereinbefore set forth, and I do further certify that the foregoing transcript, consisting of (55) pages, is a true and correct transcript of my said stenographic notes.

\_\_\_\_\_ -  
Date

\_\_\_\_\_  
Mona Storm  
CSR-4460 -

APPROVED - 6/28/16