

1 CITY OF PONTIAC
2 SPECIAL RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
3 THURSDAY, JUNE 30, 2017
4 1:00 P.M.

5
6
7 Special Meeting before the RTAB Board at
8 47450 Woodward Avenue, Pontiac, Michigan, on Friday,
9 June 30, 2017.

10

11 BOARD MEMBERS PRESENT:
12 Edward Koryzno, The Chairperson
13 Keith Sawdon
14 Robert Burgess
15 Douglas Bernstein

16

17 OTHERS PRESENT:
18 Patrick Dostine
19 Mayor Deirdre Waterman
20 Linda Hasson

21

22 REPORTED BY:
23 Mona Storm, CSR# 4460

24

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6	B. Approval of Agenda		4
7	C. Approval of Minutes, 1-19-17		4
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9	II. UNFINISHED BUSINESS, None		
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	(attachment #2, #2a, and 2b)		
12	B. Approval of Resolution #17-215 and Resolution		8
	#17-216 (Williams International: Create new Renaissance		
13	Zone and a PA 198)(attachment #3, #3a3b, and 3c)		
	C. Approval of Resolution #17-208(Denek		9
14	Contracting, Plant Rehab District)(attachment #4 and 4a)		
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17	Systems for Certain members of the General Employee		
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18	F. Approval of Resolution #17-217 (Wade Trim		15
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1 Pontiac, Michigan

2 Friday, June 30, 2017

3 1:00 p.m.

4 THE CHAIRPERSON: Good afternoon. It's
5 1:00 p.m. and I'll call the City of Pontiac
6 Receivership Transition Advisory Board meeting for
7 June 30th, 2017 to order.

8 Mr. Dostine, could you call roll, please.

9 MR. DOSTINE: Robert Burgess?

10 MR. BURGESS: Here.

11 MR. DOSTINE: Douglas Bernstein?

12 MR. BERNSTEIN: Here.

13 MR. DOSTINE: Keith Sawdon?

14 MR. SAWDON: Here.

15 MR. DOSTINE: Edward Koryzno?

16 THE CHAIRPERSON: Here.

17 MR. DOSTINE: You have a quorum, Mr. Chair.

18 THE CHAIRPERSON: Thank you.

19 A note to the public, that, if you intend on
20 speaking at the public comment period of the meeting,
21 it will be necessary for you to sign the sign-up sheet
22 at the back of the room where the agendas are. If you
23 do not sign up, you will not be recognized.

24 Next item, approval of the agenda. I'll
25 entertain a motion to approve the agenda, as presented.

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

2 MR. BURGESS: Second.

3 THE CHAIRPERSON: Moved by Sawdon, supported
4 by Burgess. Is there discussion?

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

6 BOARD MEMBERS: Aye.

7 THE CHAIRPERSON: Opposed, "nay".

8 The agenda's approved as presented.

9 Item 1, C is approval of the minutes. I'll
10 entertain a motion to approve the RTAB minutes of
11 January 19th, 2017 as presented.

12 MR. BERNSTEIN: I'll so move.

13 MR. SAWDON: Support.

14 THE CHAIRPERSON: Moved by Bernstein,
15 supported by Sawdon. Any discussion?

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

18 BOARD MEMBERS: Aye.

19 THE CHAIRPERSON: Opposed, "nay".

20 The minutes are approved as presented.

21 Number 2 on the agenda is Old Business. We
22 have none.

23 So we'll move to Item 3, New Business,
24 approval of Resolution 17-186 the FY '18 budget.

25 Mayor Waterman, could you please provide a

1 summary for the Board?

2 MAYOR WATERMAN: I'd be happy to. Been a
3 long time since we've seen each other, gentlemen. So
4 got a lot going on. The budget was duly approved by
5 the City Council on June 9th of this year, after I
6 presented a balanced budget to the City Council and the
7 sum total of that is the general fund now constitutes
8 \$37,355,000. And the summary of all funds is
9 \$78,418,000.

10 We started the process with a goal-setting
11 session, working with Council on that. We also have
12 the reality in this budget of a \$15 million surplus, as
13 a general fund surplus, as of June 30th. And we've
14 deployed -- are deploying part of that in the new
15 budget, for '17 and '18, to take care of some
16 long-delayed infrastructure need, including \$2 million
17 to repair our roads as well as another needs, capital
18 needs.

19 You do have a budget book in front of you.
20 We did this in a different way this year. Including,
21 this is the first year we've done a three-year rolling
22 budget, which is before you. And this budget package
23 is the sum total of all the efforts that went into
24 preparing this. And we do, according to the Finance
25 Director, who is not with us today because of a family

1 emergency, plan to submit this for a GFOA Award
2 consideration.

3 So you have that before you, gentlemen, for
4 your approval.

5 THE CHAIRPERSON: Any questions for
6 Mayor Waterman from the Board?

7 All right. Seeing none, I'll entertain a
8 motion.

9 MR. BURGESS: I'll make that motion.

10 MR. SAWDON: Support.

11 THE CHAIRPERSON: Moved by Burgess, supported
12 by Sawdon to approve the Resolution 17-186, the FY '18
13 budget. Any further discussion?

14 I'd just like to say, Mayor, that the
15 document is very impressive.

16 MR. SAWDON: I agree.

17 THE CHAIRPERSON: Well done.

18 MR. BURGESS: Yes.

19 MAYOR WATERMAN: Thank you.

20 MR. SAWDON: Nicely done.

21 MAYOR WATERMAN: It's a joint effort.

22 THE CHAIRPERSON: All right. All in favor of
23 the motion, say "aye".

24 BOARD MEMBERS: Aye.

25 THE CHAIRPERSON: Opposed, say "nay".

1 The budget resolution is approved.

2 Item B is approval of Resolution 17-215 and
3 Resolution 17-216, Williams International, Creation of
4 a New Renaissance Zone and a Public Act 198 approval.

5 Mayor Waterman?

6 MAYOR WATERMAN: Yes. That's also a very
7 good economic development achievement for the City of
8 Pontiac. Williams International was an aerospace
9 industry contractor, which is relocating its
10 headquarters here from Commerce Township. It will
11 immediately bring in 400 jobs as well as \$200 million
12 of investment phased in and, over a period of eight
13 years, in terms of their concept plan, could result in
14 as much as of a benefit to Pontiac, accumulative, of
15 \$1.5 billion.

16 So this is truly a great advantage for the
17 City of Pontiac, in addition to climbing to the number
18 of employees but, also, a development agreement that we
19 were able to work out and that we have traditionally
20 done with the RACER Trust properties.

21 In this development agreement, there are a
22 number of wins for both the City and Williams
23 International, one of which is novel to us, is \$150,000
24 annual payment towards the City of Pontiac for job
25 training, particularly in the high-tech industries. So

1 that is something that we worked with Williams
2 International, who truly will be -- wants to be a good
3 corporate partner to the City of Pontiac, as they move
4 and establish their headquarters here.

5 So, with this establishment of the new
6 Renaissance zone as well as the 198, which was added to
7 that, we do recommend your approval for this.

8 THE CHAIRPERSON: Thank you. Any questions
9 from the Board members for Mayor Waterman on this
10 resolution?

11 Seeing none, I'll entertain a motion.

12 MR. SAWDON: Motion to approve.

13 MR. BERNSTEIN: Second.

14 THE CHAIRPERSON: Moved by Sawdon, support by
15 Bernstein.

16 Any further discussion by the Board?

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

19 BOARD MEMBERS: Aye.

20 THE CHAIRPERSON: Opposed, say "nay".

21 The motion is approved.

22 Next item is approval of Resolution 17-208,
23 Denek Contracting, Plant Rehab District.

24 Mayor Waterman?

25 MAYOR WATERMAN: Yes. Denek Contracting is

1 also a new business to the City. They are using this
2 establishment of the Plant Rehab District in order to
3 rehabilitate an industrial building that has been long
4 vacant, decaying and dilapidated. So we were able to
5 work this arrangement out as well as a development
6 agreement in terms of preferential hiring and training
7 for Pontiac employees -- Pontiac residents.

8 So this is the rehab district that we do --
9 had been -- duly been considered by City Council and
10 Administration to also recommend this for approval.

11 THE CHAIRPERSON: Duly recommended.

12 Thank you.

13 Do the Board members have any questions for
14 Mayor Waterman on this resolution?

15 Then I will entertain a motion.

16 MR. BURGESS: Make that motion.

17 MR. SAWDON: Support.

18 THE CHAIRPERSON: Moved by Burgess, supported
19 by Sawdon to approve Resolution 17-08 Denek
20 Contracting, Plant Rehab District. Further discussion?

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

23 BOARD MEMBERS: Aye.

24 THE CHAIRPERSON: Opposed, say "nay".

25 The motion is approved.

1 Item D, approval of Resolution 17-203,
2 Workers' Compensation and Liability Insurance Renewals.

3 Mayor Waterman?

4 MAYOR WATERMAN: Yes. This is a standard
5 annual renewal. It is consisting of the accident fund
6 renewal to the tune of \$78,322. And for the MMRA
7 renewal, the proposal is \$658,902. So this is standard
8 for us and we do, at this time, need approval of this
9 renewal.

10 MR. SAWDON: Motion to approve.

11 MR. BURGESS: Support.

12 THE CHAIRPERSON: Moved by Sawdon, support by
13 Burgess. Any further discussion?

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

16 BOARD MEMBERS: Aye.

17 THE CHAIRPERSON: Opposed, say "nay".

18 The motion is approved.

19 Item E, approval of Resolution 17-199,
20 Request to Approve an Ordinance to Provide Limited
21 Increase in Pension Systems for Certain Members of the
22 General Employee Retirement System.

23 Mayor Waterman?

24 MAYOR WATERMAN: This is an amendment to the
25 EM Order of S-307. This is an enhanced pension benefit

1 consideration June 22nd. It was considered, brought
2 back for further discussion at last evening's meeting
3 and it was postponed for further Council's
4 consideration and deferred until time certain for one
5 week.

6 And so we have, from all indications, that
7 this was just consideration of the matters that were
8 discussed at a previous meeting and that we have
9 presented to Council the fact that this is a win/win
10 situation for the City of Pontiac in many ways. It
11 both meets the needs of the City, in terms of having
12 settled payments that are attached to the creation of a
13 new VEBA. And it also will restore healthcare benefits
14 to all the eligible retirees at as close to the same
15 benefit as they had before the -- before the Affordable
16 Care Act was brought in.

17 So this saves the City, in terms of an
18 adverse lawsuit that could bankrupt the City again. It
19 also restores some certainty to the retirees for the
20 term of their life, as was promised to them under
21 the -- under their employment.

22 So we cannot bring that issue to you today,
23 in terms of a settlement agreement. But we do, from
24 all indications, indicate that there will be a
25 consideration by Council. And, hopefully, that will be

1 brought to you for the next meeting in the near future.

2 THE CHAIRPERSON: Thank you.

3 MAYOR WATERMAN: All right?

4 THE CHAIRPERSON: Any questions from the
5 Board for Mayor Waterman on this resolution?

6 I'll entertain a motion.

7 MR. BERNSTEIN: I'll make the motion.

8 MR. BURGESS: I'll support.

9 THE CHAIRPERSON: Moved by Bernstein,
10 supported by Burgess to approve Resolution 17-199,
11 Request to Approve an Ordinance to Provide Limited
12 Increase in Pension Systems for Certain Members of the
13 General Employee Retirement System.

14 Further discussion?

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

17 BOARD MEMBERS: Aye.

18 THE CHAIRPERSON: Opposed, "nay".

19 That motion is approved.

20 Item F, approval of Resolution 17-217,
21 Wade Trim Contract Extension, Second Revision.

22 Mayor Waterman?

23 MAYOR WATERMAN: Yes. The Wade Trim is the
24 company that handles all of our Building and Safety,
25 Code Enforcement and Planning Division needs.

1 We have been in a process, as we have in all
2 the departments, of evaluating performance evaluations
3 of our departments, including Wade Trim that has been
4 rather intensive, beginning some six months ago, and
5 addressing some of the concerns, in terms of operation
6 of this particular division of the City.

7 Having done that, there was a lot of
8 restructuring that went on, in terms of improvement of
9 performance standards. And there are a number of
10 things that were brought in by Wade Trim to address the
11 concerns of performance.

12 Having done that and put that into place, as
13 we were nearing the end of the contract, we realized we
14 needed a longer time to evaluate the organizational
15 effectiveness of the improvements and changes that had
16 been brought about, in addition to the fact that the
17 proposal presented to us by Wade Trim for renewal of
18 their contract had to be more thoroughly evaluated, in
19 terms of ways that it was cost-effective for the City.

20 So we are currently doing a feasibility
21 study, as we do periodically for all the departments
22 that have been outsourced, to see the effect of cost
23 analysis of continuing to outsource versus bringing all
24 or part of those divisions in.

25 So, having gone through both the performance

1 evaluation, the restructuring, which we're still having
2 a chance to evaluate, and now being in feasibility, we
3 thought that we were not ready to do an extensive
4 renewal or to make a decision about continuing on as an
5 outsourced entity.

6 And so, for that, we asked the Council to
7 approve a six-month extension, as we completed that
8 feasibility study and study of the organizational
9 effectiveness and the cost analysis of the City.

10 THE CHAIRPERSON: Thank you.

11 Any questions from the Board for
12 Mayor Waterman on this resolution?

13 Seeing --

14 MR. SAWDON: Motion to approve.

15 MR. BERNSTEIN: Support.

16 THE CHAIRPERSON: Moved by Sawdon, supported
17 by Bernstein to approve Resolution 17-217, Wade Trim
18 Contract Extension, Second Revision.

19 Further discussion?

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

22 BOARD MEMBERS: Aye.

23 THE CHAIRPERSON: Opposed, say "nay".

24 The motion is approved.

25 That concludes the business portion of the

1 agenda.

2 The next item is public comment.

3 Pursuant to Board rules, you will have two
4 minutes to address the Board. And Mr. Dostine will
5 announce your name when it's time to speak.

6 MR. DOSTINE: Mr. Chair, excuse me. The
7 first request comes from Ms. Linda Hasson.

8 MS. HASSON: Hi. Good afternoon.

9 THE CHAIRPERSON: Good afternoon.

10 MS. HASSON: I'm pleased to see that the \$400
11 is going to continue. There are --

12 THE CHAIRPERSON: Time out.

13 MS. HASSON: Oh.

14 THE CHAIRPERSON: I forgot how to run the
15 clock here.

16 Here we go. Okay. Wait. No, that's not
17 right.

18 MS. HASSON: Okay.

19 THE CHAIRPERSON: All right. Thank you.

20 MS. HASSON: I'm pleased to see that you're
21 continuing the \$400 but I still have concerns in
22 regards to -- and I know it's not supposed to be maybe
23 your issue but the City working as a whole, as a group.
24 We have great challenges with that.

25 And I would like to have more conversations

1 with the Governor's office and the Treasury's office in
2 regards to hitting those because I believe that we
3 could do that during the process of this. We could
4 have worked harder on that to make this all go faster
5 and to make this all work out. But I do appreciate
6 what you have done.

7 And, as the school district, the same thing;
8 I know you have put a lot more time into the City of
9 Pontiac and I'm very grateful for that because we need
10 help. I'm not a hundred percent for the Emergency
11 Manager Law but we needed help. And we still will need
12 certain things to make sure that we support this --
13 these votes; they're going to last for years. This
14 pension vote needs to be supported; it's going to last
15 for years.

16 And, as I said, right now they're doing so
17 many things with people's pensions and healthcare that,
18 if they do not come up with a decision, I'm concerned
19 that somebody will come up with a decision for them.
20 It's a reality. I had gotten some calls from
21 legislators about the grave concern for the teachers
22 pension, their healthcare and that.

23 And I'm going to tell you, at the end of the
24 day, they may surprise some people and say, "We just
25 don't have the money. It was not put in there when it

1 was supposed to be." And maybe they may decide that
2 they don't want to put the burden the taxpayers, I
3 don't know. But we're heading into the unknown and we
4 need to figure it all out.

5 Thank you.

6 THE CHAIRPERSON: Thank you, Ms. Hasson.

7 MR. DOSTINE: Mr. Chair, that concludes
8 public comments.

9 THE CHAIRPERSON: Okay. Thank you. Next
10 item on the agenda is Board Comment. Any comments from
11 the board members?

12 MR. SAWDON: I just want to say that this is
13 really a great document. I spent have whole career
14 doing these things and this is a really great first
15 step. And I -- you've come a long way. I'm probably
16 the original -- one of the original trustees and I've
17 really seen some great progress. So --

18 MAYOR WATERMAN: Thank you for that. You've
19 come a long way with us and, as part of it, also
20 sharing some of the other good news. Because I know
21 you have been involved and aware of what's going on in
22 Pontiac. And we just thought we'd summarize some of
23 the items that have come to us in the recent weeks
24 here.

25 THE CHAIRPERSON: Thank you.

1 MAYOR WATERMAN: Thank you.

2 THE CHAIRPERSON: All right.

3 MR. BURGESS: Yes.

4 THE CHAIRPERSON: Mr. Burgess?

5 MR. BURGESS: Yeah. I would just like to
6 congratulate the Mayor and the Council for the progress
7 that you continue to make in bringing the City back to
8 fiscal responsibility. This is my fourth budget that I
9 have been with you all and I've seen progress through
10 each of those budgets.

11 I would also like to talk about the
12 preparation for the budget. You laid out, very
13 clearly, the way that you was going to direct the City
14 in the next years to come. And the numbers were backed
15 up with a graph so it was easy to follow as well.

16 Of course there's always some improvement
17 that can be made. And, in that regard, I would ask you
18 to look at some of your third-party suppliers. The
19 expenses seem to be, to me, out of the norm.

20 MAYOR WATERMAN: All right. We'll do that.

21 THE CHAIRPERSON: All right. Thank you,
22 Mr. Burgess.

23 Any other comments?

24 Seeing none, I'll entertain a motion to
25 adjourn.

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

2 MR. BURGESS: Support.

3 THE CHAIRPERSON: Moved by Sawdon, support by
4 Burgess. All in favor, say "aye".

5 BOARD MEMBERS: Aye.

6 THE CHAIRPERSON: We're adjourned at
7 1:20 p.m. Thank you for attending.

8 (Meeting was concluded at 1:20 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. I do further certify that the foregoing transcript, consisting of (21) pages, is a true and correct transcript of my said stenographic notes.

Date

Mona Storm
CSR-4460