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CITY OF PONTIAC

RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING

THURSDAY, JULY 27, 2017

1:00 P.M.

Special Meeting before the City of Pontiac

RTAB Board at Pontiac City Hall, Council Chambers,
2nd Floor, 47450 Woodward Avenue, Pontiac, Michigan, on
Thursday, July 27, 2017.

BOARD MEMBERS PRESENT:

Edward Koryzno - The Chairperson
Keith Sawdon
Robert Burgess
Douglas Bernstein

FROM THE CITY:

Mayor Deirdre Waterman

OTHERS PRESENT:

Patrick Dostine
Billie Swazer
Linda Hasson

REPORTED BY: Mona Storm, CSR# 4460

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1 Pontiac, Michigan

2 Thursday, July 27, 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 to
7 order.

8 Mr. Dostine, roll call.

9 MR. DOSTINE: Keith Sawdon?

10 MR. SAWDON: Present.

11 MR. DOSTINE: Robert Burgess?

12 MR. BURGESS: Present.

13 MR. DOSTINE: Douglas Bernstein?

14 MR. BERNSTEIN: Present.

15 MR. DOSTINE: Edward Koryzno?

16 THE CHAIRPERSON: Present.

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

18 THE CHAIRPERSON: Thank you. A reminder to
19 the audience, that, if you wish to speak at Public
20 Comment, it will be necessary for you to sign the sheet
21 at the rear of the room. If you do not, you will not
22 be recognized.

23 Next item on the agenda, Item 1B, is Approval
24 of Agenda. I'll entertain a motion.

25 MR. BERNSTEIN: I'll so move.

1 MR. BURGESS: Second. Second, support.

2 MR. SAWDON: I have a -- I have a suggestion,
3 though. Shouldn't we -- shouldn't we add a spot for
4 the Mayor to talk, under maybe New Business?

5 THE CHAIRPERSON: Yes, we should. Let me
6 suggest that we create an Item 3A1 for Mayor's
7 Comments.

8 MR. BERNSTEIN: I'll amend my motion to add
9 that to the agenda.

10 THE CHAIRPERSON: All right. Mr. Burgess?

11 MR. BURGESS: And I'll support.

12 THE CHAIRPERSON: All right. So it's been
13 moved by Bernstein, supported by Burgess, to approve
14 the agenda as amended. Any further discussion?

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

16 BOARD MEMBERS: Aye.

17 THE CHAIRPERSON: Opposed, say "nay".

18 The agenda is approved, as amended.

19 Item C is Approval of Minutes. I'll
20 entertain a motion to approve the RTAB minutes of
21 June 30, 2017, as presented.

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

23 MR. BURGESS: I support.

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

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

3 BOARD MEMBERS: Aye.

4 THE CHAIRPERSON: Opposed, say "nay".

5 The minutes are approved, as presented.

6 There is no Old Business. And, under
7 New Business is Item A, Resolution 2017-1,
8 Recommendation from Deputy State Treasurer.

9 Mr. Dostine, could you provide the Board with
10 a summary, please?

11 MR. DOSTINE: Sure, Mr. Chair.

12 So, before the Board today is Resolution
13 2017-1. This resolution recommends to the Governor the
14 termination of receivership. At this point, I would
15 respectfully ask that you, as Chairman of the Pontiac
16 Receivership Transition Advisory Board, read the
17 resolution into the record, as this is an important day
18 in this City's history.

19 THE CHAIRPERSON: Thank you.

20 "A Receivership Transition Advisory Board for
21 the City of Pontiac, Resolution 2017-1 recommending
22 termination of receivership.

23 Whereas Subsection 223(b) of Public Act 436
24 of 2012, the Act empowered the Governor to appoint a
25 Receivership Transition Advisory Board in the City of

1 Pontiac to monitor municipal affairs until the
2 conclusion of receivership.

3 And whereas, by the letter dated August 19,
4 2013, the Governor appointed a Receivership Transition
5 Advisory Board in the City of Pontiac.

6 And whereas significant financial and
7 operational progress has been made by the City.

8 And whereas it has been established to the
9 satisfaction of the Board that the causes of the City's
10 financial emergency have been rectified in a
11 sustainable fashion.

12 And whereas, for these and other reasons, the
13 Board has determined that it is appropriate to end
14 receivership status in the City as defined in
15 Subsection 2(q) of the Act.

16 Now, therefore be it is resolved the Pontiac
17 Receivership Transition Advisory Board hereby
18 recommends to the Governor of the State of Michigan
19 that the City's current receivership status be
20 terminated.

21 If this action is taken by the Governor, this
22 Board would be dissolved and the City would
23 successfully transition to complete local control.

24 In witness of the members of the Receivership
25 Transition Advisory Board for the City of Pontiac have

1 adopted this resolution."

2 I'll entertain a motion.

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

4 MR. SAWDON: Support.

5 THE CHAIRPERSON: Moved by Burgess, supported
6 by Sawdon, to approve Resolution 2017-1. Any
7 discussion?

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

10 BOARD MEMBERS: Aye.

11 THE CHAIRPERSON: Opposed, say "nay".

12 The motion is approved.

13 We'll move on to Item 3A1, Mayor's Comments.
14 Mayor Waterman.

15 MAYOR WATERMAN: Thank you, gentlemen. Your
16 unanimous vote of recommendation to the Governor to
17 completely end Pontiac's receivership certainly is a
18 significant moment in Pontiac's history. I thank you
19 for that and I think it is a proud and significant
20 moment for the citizens of Pontiac.

21 We note for the books that this is almost ten
22 years from the date that the Financial Review Team
23 began its review of the City's finances, on March 31st
24 of 2007, to here, July 27th, I believe, 2017.

25 So this has been a long, arduous journey for

1 the City to come through. But I think we have come
2 through more fiscally sound, safer, wiser, with more
3 economic progress and potential to fulfill the hopes
4 and aspirations of our citizens.

5 I think this is indeed an achievement for all
6 the citizens of Pontiac, all the people who have come
7 together to come to this moment; the elected officials,
8 the representatives, all the neighborhood groups, all
9 the civic organizations, all the people who believed in
10 Pontiac's ability to be resilient and to come to this
11 moment.

12 So I, on behalf of all of them, say we're
13 thankful for this opportunity. We're thankful, also,
14 to be able to fulfill the needs of citizens whose
15 wishes and hopes for this community have been delayed
16 by having to fulfill certain requirements that were
17 caused by this financial crisis which we have
18 surmounted now.

19 So, on behalf of the citizens of Pontiac, I
20 do commend you, also, for the fact that one of the
21 things that was stated to me in promises by Treasury
22 officials was that there were certain benchmarks, and
23 that, if we achieved those, that we would be able to
24 reach this moment.

25 And the last benchmark that was asserted was

1 the passing of the Council, the affirmation of a
2 tentative settlement agreement for the retiree health
3 litigation, which will move us on the path now to be
4 able to resolve that issue, which was one of the
5 remaining large issues for Pontiac's solvency.

6 So I just note this for Pontiac's history.
7 And I do commend the effort of the recommendation to
8 the Governor. And I duly trust that the Governor will
9 forthwith adhere to your recommendation so that
10 Pontiac, as of this time, will be completely removed
11 from the receivership. Thank you.

12 THE CHAIRPERSON: Thank you, Mayor Waterman.

13 Next item, 3B, is Public Comment.

14 Mr. Dostine will call your name and you'll have two
15 minutes to speak.

16 MR. DOSTINE: Mr. Chair, the first request
17 comes from Billie Swazer, Swazen?

18 MS. SWAZER: Swazer.

19 THE CHAIRPERSON: Swazer.

20 MR. DOSTINE: Swazer. Thank you.

21 MS. SWAZER: Good evening. I'm Billie
22 Swazer. Okay. And I need to know, now that you have
23 recommended termination of the receivership for the
24 City of Pontiac and returned us to Home Rule, what does
25 this mean for the pending litigation with the CPREA and

1 with the other groups that have pending?

2 There was a \$400 monthly stipend to Police
3 and Fire. I think you approved the one for the GERS
4 people. But that \$400 for Police and Fire, I would
5 like to know what happens with that.

6 And do -- since we go back to Home Rule, the
7 Mayor being the Mayor and the Council being the Council
8 and you not being the overseers, then do we go to
9 litigation whenever we have a problem with the Mayor
10 and the Executive Board, as opposed to the Council?

11 So I just want to know how we move forward
12 with this, trying not to go into litigation but going
13 there, if necessary. And especially with the
14 temporary -- the temporary agreement with CPREA, I'm
15 very interested, as a retiree, how does that move forth
16 down the line?

17 The Council has approved it, Police and Fire
18 VEBA has not. And I guess something happened with the
19 judge last week, I haven't quite heard exactly what
20 that was. But I want to know how, you know, us, as
21 retirees, move on because it's money every month coming
22 out of my check and I'd just kind of like to know how
23 I'm going to be moving forward so can I know what to do
24 to pay my bills. Thank you.

25 THE CHAIRPERSON: Thank you, Ms. Swazer.

1 MR. DOSTINE: The next request comes from
2 Ms. Linda Hasson.

3 MS. HASSON: Well, well, well, surprise,
4 surprise. I didn't imagine that, after being involved
5 this many years, that there would be a room with only a
6 few people to celebrate possibility of coming out of
7 receivership.

8 I came today because I was expecting that the
9 litigation was approved -- would be approved by this
10 Board in regards to this next step to get out of
11 receivership. I also came today to make sure that the
12 resolution for the 69 early retirees was included.
13 Because I recall that that was supposed to be approved
14 by this Board at -- simultaneously, as one of the
15 prerequisites to get out of litigation.

16 I'd like to know, is it your understanding
17 that this has been rectified? There still were a
18 couple of challenges at the end. And so I want to make
19 sure that, if you're leaving, that you're not
20 arbitrarily leaving and we do not have a plan in place
21 to make sure that this moves. Because it will need a
22 lot of support.

23 And I am trusting that the Mayor and her
24 staff are going to make sure that this moves forward
25 and that we will have to work with the City Council to

1 follow through because it's not over.

2 Decisions that are made happen and continue
3 for years. That is why they call a budget a living
4 document because it lives and it has to be fed and
5 nurtured. And I do believe that the decisions that are
6 made are very serious. But I would like to know, from
7 this Board, if you had had any information on the
8 litigation and if you believe it is sustainable. Thank
9 you.

10 THE CHAIRPERSON: Thank you, Ms. Hasson.

11 MR. DOSTINE: Mr. Chair, that concludes
12 Public Comments.

13 THE CHAIRPERSON: Thank you, Mr. Dostine.

14 Next item on the agenda is Board Comment.
15 Any comments from the Board members?

16 MR. SAWDON: I just want to congratulate the
17 Mayor and her staff and, of course, City Council for
18 working hard to get to this point. It's -- I was
19 reminded today that it's been four years since the
20 Board has been formed and it was hard work but we got
21 here and I'm really proud of all the work that
22 everyone's done, frankly.

23 THE CHAIRPERSON: Mr. Burgess?

24 MR. BURGESS: I would like to congratulate
25 the Mayor the Council and the citizens as well for

1 getting to this point. I know that it won't be easy
2 going forward but I think you're in good hands and you
3 will do the things that you need to do in order to make
4 Pontiac a successful municipality. Thank you.

5 THE CHAIRPERSON: I also would like to
6 commend the Mayor and City Council for making
7 significant progress in improving the City's financial
8 condition. The residents should be very thankful for
9 leadership that's been exercised during the last four
10 years.

11 In regards to the questions from Ms. Hasson
12 and Ms. Swazer, as Mr. Dostine said earlier, the
13 recommendation of this Board will go to the Governor.
14 And, if the Governor acts favorably on that
15 recommendation, the City will be returned to complete
16 Home Rule and any actions regarding the lawsuit or the
17 stipends would be in the hands of the Mayor and City
18 Council.

19 So, with that, I have no further comments and
20 I'll entertain a motion to adjourn.

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

22 MR. BURGESS: Support.

23 THE CHAIRPERSON: Moved by Sawdon, support by
24 Burgess to adjourn. All in favor, say "aye".

25 BOARD MEMBERS: Aye.

1 THE CHAIRPERSON: The meeting is officially
2 adjourned at 1:13 p.m. Thank you.

3 (Meeting was concluded at 1:13 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 (15) pages, is a true and correct transcript of my said stenographic notes.

Date

Mona Storm
CSR-4460

