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CITY OF PONTIAC
RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
WEDNESDAY, APRIL 22, 2015
1:00 P.M.

Meeting before the RTAB Board at
47450 Woodward Avenue, 2nd Floor, Council
Chambers, Pontiac, Michigan 48342, on Wednesday,
April 22, 2015.

BOARD MEMBERS:

Edward Koryzno, Chairperson
Robert Burgess, Member
Louis Schimmel, Member
Keith Sawdon, Member (Absent)

ALSO PRESENT:

R. Eric Cline (Department of Treasury)
Joseph Sobota (City Administrator)
Nevrus Nazarko (Director of Finance)
Mayor Deirdre Waterman (City of Pontiac)

MEMBERS OF THE PUBLIC ADDRESSING THE BOARD:

Rochelle Brady
Larry Marshall
Doris Taylor Burks
Linda Hasson

REPORTED BY: Quentina R. Snowden, (CSR-5519)
Certified Shorthand Reporter,
Notary Public

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1 PONTIAC, MICHIGAN; WEDNESDAY, APRIL 22, 2015

2 1:00 P.M.

3 MR. CHAIRPERSON: Good afternoon.

4 It's 1:00 p.m., and I'll call the City of Pontiac
5 Receivership Transition Advisory Board meeting to
6 order.

7 Mr. Cline, roll call, please.

8 MR. CLINE: Yes. Edward Koryzno?

9 MR. CHAIRPERSON: Here.

10 MR. CLINE: Robert Burgess?

11 MEMBER BURGESS: Here.

12 MR. CLINE: Louis Schimmel?

13 MEMBER SCHIMMEL: Here.

14 MR. CLINE: All right. Mr. Sawdon is
15 excused from this meeting, but we do have a quorum.

16 MR. CHAIRPERSON: All right. Thank
17 you. I'd like to remind the public that if you
18 intend to speak at audience participation, that
19 there's a sheet, a sign-in sheet at the table, and
20 to have you please sign in. If you do not sign in,
21 you will not be recognized during that portion of
22 the meeting.

23 Next item is approval of the agenda.

24 MEMBER SCHIMMEL: I'll move for
25 approval.

1 MEMBER BURGESS: Support.

2 MR. CHAIRPERSON: Moved and supported
3 to approve the agenda. Any discussion?

4 Seeing none, all in favor of the
5 motion say "Aye."

6 BOARD MEMBERS: Aye.

7 MR. CHAIRPERSON: Opposed, same sign.
8 The agenda is approved as printed.

9 Next item is approval of minutes, the
10 regular meeting March 18, 2015 RTAB meeting with
11 noted clarifications.

12 MEMBER BURGESS: I'll make that
13 motion.

14 MEMBER SCHIMMEL: I'll second it.

15 MR. CHAIRPERSON: Moved and supported
16 to approve the minutes with the noted
17 clarifications. Any discussion? All in favor of
18 the motion say "Aye."

19 BOARD MEMBERS: Aye.

20 MR. CHAIRPERSON: Opposed, same sign.
21 The minutes are approved.

22 Old business. The annual evaluation.
23 Mr. Cline?

24 MR. CLINE: Yes. I'm going to draw
25 the Board's attention that you have received a draft

1 report from my office regarding the City's annual
2 evaluation that was conducted by a member of our
3 staff, with myself participating, and we met on
4 March the 18th with both the Mayor and the City
5 Administrator. I think that the meeting went very
6 well. I think that, you know, it was a very
7 positive meeting. It is worth noting that even
8 after a couple of starts and stops on this process,
9 that I think the delay actually worked to the
10 advantage of helping to improve the process, because
11 evaluation of this City was really the first
12 constructive opportunity to do an evaluation of the
13 community that has been under the oversight of a
14 transition board. And I think that went very well.

15 You have the draft report. I would
16 like the Board to have an opportunity to review it
17 before you consider it for approval. Have gotten a
18 couple of comments of, you know, minor grammatical
19 things and stuff to tweak, but I'd like you to have
20 an opportunity to review it, see if you have any
21 other feedback, or anything you'd like to add to the
22 report. And then when you believe that it's ready,
23 we will present it back for consideration. And at
24 that point, as is outlined in the process, the City
25 will get an official approved copy, as well as the

1 Governor's office and the State Senator and State
2 Representative for Pontiac, so their offices will,
3 as well.

4 MR. CHAIRPERSON: Very good.

5 MR. CLINE: So at this point this is
6 informational, but I appreciate any feedback that
7 you have.

8 MR. CHAIRPERSON: And I'd like to
9 propose to the Board members that we place this on
10 for the next month's meeting for formal approval by
11 the Board.

12 MEMBER BURGESS: We would agree.

13 MR. CHAIRPERSON: Very good. Move on
14 to new business, approval of resolutions and
15 ordinances for City Council meetings, the March 12,
16 2015 regular meeting.

17 Mr. Cline, can you provide some
18 background?

19 MR. CLINE: Yes. Most of the items in
20 this meeting are pretty -- you know, pretty
21 standard. One of the items, which is Resolution
22 15-59, the City Council adopted a resolution
23 requesting an order to -- or an amendment to an EM
24 order that would permit unobstructed after hours
25 access to City Hall for members of the City Council.

1 The City Administrator has recommended
2 that this resolution be denied. In the information
3 that we received, I saw no real justification
4 exactly as to why this issue has come up at this
5 point, or any of the problems there were.

6 So barring that, we have a
7 recommendation from the City Administrator to deny
8 that; and if it's the Board's desire to do so, then
9 you can approve all resolutions with the exception
10 of Resolution 15-59, which you could address in a
11 separate motion.

12 MEMBER SCHIMMEL: I'll move as stated.

13 MR. CHAIRPERSON: Second?

14 MEMBER BURGESS: Second.

15 MR. CHAIRPERSON: Been moved and
16 supported to approve all ordinances and resolutions
17 from the March 12th, 2015 City Council meeting with
18 the exception of Resolution 15-59. Discussion?

19 MEMBER BURGESS: Yes, I have some
20 questions about this ordinance.

21 MR. CHAIRPERSON: Mr. Sobota?

22 MEMBER BURGESS: Do we have a
23 procedure now for elected officials to get into the
24 building?

25 MR. SOBOTA: Yes, we always have had a

1 procedure for the elected officials to gain access
2 to the building.

3 For security reasons, they have been
4 asked to go to the Sheriff's Office, essentially
5 sign in so the Sheriff's Office knows that someone
6 is in the building, and then they're given an access
7 card and they're able to access the facility. And
8 then when they're done, they have to return the
9 access card to the Sheriff's Office so they know
10 that no one is no longer in the building. So it's
11 for security purposes.

12 MEMBER BURGESS: That does not satisfy
13 their need?

14 MR. SOBOTA: No. They want to obtain
15 24/7 access to City Hall without requesting
16 permission or notifying anyone that they are in the
17 building.

18 MEMBER BURGESS: That could be a
19 little dangerous.

20 MR. SOBOTA: We had security issues
21 when Mr. Schimmel issued the order. Improvements
22 have been made, and we've discovered we have other
23 security issues that we're hoping to address
24 relatively soon. Whether or not it would be wise
25 for anyone to have 24/7 access to the building,

1 other than those limited in the order, we'll
2 evaluate it at that time.

3 MEMBER BURGESS: I guess I'm not
4 opposed to having 24/7. I am opposed to someone
5 being in the building with no one else here and they
6 get ill or what have you. But, okay. Thank you.

7 MR. CHAIRPERSON: All right. Any
8 further questions for Mr. Sobota? Seeing none, all
9 in favor of the motion say "Aye."

10 BOARD MEMBERS: Aye.

11 MR. CHAIRPERSON: Opposed, same sign.
12 The resolutions from the March 12th, 2015 meeting
13 are approved with the exception of Resolution 15-59.

14 Item 2 --

15 MR. CLINE: Excuse me, Mr. Chairman.

16 MR. CHAIRPERSON: Yes?

17 MR. CLINE: Do you want to, as you've
18 done in the past, adopt a motion specifically
19 addressing what you want to do with 15-59?

20 MR. CHAIRPERSON: Yes. That was the
21 next step. Thank you.

22 MR. CLINE: All right.

23 MR. CHAIRPERSON: Now I'll entertain a
24 motion to consider Resolution 15-59 either approved,
25 denied or postponed.

1 MEMBER BURGESS: I move that we
2 postpone.

3 MEMBER SCHIMMEL: Support.

4 MR. CHAIRPERSON: It's been moved and
5 supported to postpone consideration of Resolution
6 15-59. Discussion? Seeing none, all in favor of
7 the motion say "Aye."

8 BOARD MEMBERS: Aye.

9 MR. CHAIRPERSON: Opposed, same sign.
10 Resolution 15-59 is postponed.

11 Item 2, March 19, 2015 regular City
12 Council meeting. Entertain a motion.

13 MEMBER BURGESS: I'll make that
14 motion.

15 MEMBER SCHIMMEL: Support.

16 MR. CHAIRPERSON: And the motion is
17 to?

18 MEMBER BURGESS: Approve.

19 MR. CHAIRPERSON: Okay. Thank you.
20 It's been moved and supported to approve the regular
21 meeting minutes of March 19th, 2015. Discussion?
22 Seeing none, all in favor of the motion say "Aye."

23 BOARD MEMBERS: Aye.

24 MR. CHAIRPERSON: Opposed, same sign.
25 March 19th minutes are approved.

1 The March 26, 2015 regular City
2 Council meeting minutes. I'll entertain a motion.

3 MEMBER BURGESS: I'll make that motion
4 to approve.

5 MEMBER SCHIMMEL: Support it.

6 MR. CHAIRPERSON: It's been moved and
7 supported to approve the minutes. Discussion?

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

9 BOARD MEMBERS: Aye.

10 MR. CHAIRPERSON: Opposed, same sign.
11 The minutes are approved.

12 Item 4, the April 2nd, 2015 City
13 Council meeting minutes. Mr. Cline, could you
14 provide some background on this issue, please.

15 MR. CLINE: Yes. One resolution that
16 I'd draw your attention to is Resolution 15-91,
17 which deals with the rates charged at the Senior
18 Center. If you recall, a couple months ago the
19 Mayor came before us, the City Council had offered a
20 resolution to lower the rates, as I recall, and the
21 Mayor had asked that we delay action on that to give
22 her an opportunity to have some further discussion
23 with the City Council on this matter.

24 I know that there has been some lack
25 of discussion, for whatever reason, between the

1 Mayor and the City Administrator and the City
2 Council on this particular issue.

3 At this particular meeting, the City
4 Administrator provided a report to Council that he
5 wished to present on the Senior Center rates and
6 that Council postponed hearing that report
7 indefinitely, which effectively killed that item.

8 I think the Board, given that, may
9 have been requested to take no action on this. You
10 know, you have the option of denying that specific
11 resolution and then still allow an opportunity
12 for further conversation at the City Council level
13 to occur on this matter.

14 MEMBER SCHIMMEL: Okay. I'll move --

15 MR. CHAIRPERSON: Mr. Sobota?

16 MR. SOBOTA: Mr. Chairman, technically
17 at this point in time, the resolution to postpone
18 indefinitely which will definitely kill the
19 resolution, would be proper to approve, as Council
20 will no longer be considering that particular
21 resolution.

22 There is a new resolution pending
23 before the City Council at tomorrow's meeting that
24 is different than the one that was considered back
25 in March.

1 MR. CHAIRPERSON: Now you.

2 MEMBER SCHIMMEL: So based on that, I
3 guess I'll make a motion to --

4 MR. CHAIRPERSON: Hold on. Do you
5 have a question, Mr. Burgess?

6 MEMBER BURGESS: No.

7 MR. CHAIRPERSON: Okay. All right.
8 I'm sorry.

9 MEMBER SCHIMMEL: To approve all of
10 the meeting except for Resolution 15-91.

11 MEMBER BURGESS: Second.

12 MR. CHAIRPERSON: It's been moved and
13 supported to approve all resolutions from the
14 April 2nd Council meeting with the exception of
15 Resolution 15-91. Any further discussion? All in
16 favor of the motion say "Aye."

17 BOARD MEMBERS: Aye.

18 MR. CHAIRPERSON: Opposed, same sign.
19 The motion is approved. Now we'll consider
20 Resolution 15-91.

21 MEMBER SCHIMMEL: What is the Mayor
22 and the City Administrator asking us to do regarding
23 this?

24 MR. SOBOTA: The resolution that was
25 presented in March was more comprehensive than what

1 Council was looking for. So they will not consider
2 this resolution. The Mayor has presented a new,
3 more narrower resolution to be considered tomorrow.
4 We were trying to address all of the issues with the
5 Senior Center. Council wants to concentrate only on
6 one issue.

7 So that is what the Mayor has
8 presented for consideration for tomorrow. My guess
9 is, this whole issue is going to come up again when
10 we do our fee schedule revision in June.

11 MEMBER SCHIMMEL: So, Mayor, should we
12 just postpone this?

13 MAYOR WATERMAN: Yes, I agree with
14 that statement.

15 MEMBER SCHIMMEL: I'll move to
16 postpone.

17 MEMBER BURGESS: I'll second.

18 MR. CHAIRPERSON: It's been moved and
19 supported to postpone Resolution 15-91. Further
20 discussion? Seeing none, all in favor of the motion
21 say "Aye."

22 BOARD MEMBERS: Aye.

23 MR. CHAIRPERSON: Opposed, same sign.
24 Resolution 15-91 is postponed.

25 Item 5, April 9, 2015 regular City

1 Council meeting minutes. Mr. Cline, provide some
2 background, please.

3 MR. CLINE: Yes. We have a couple of
4 different resolutions. Resolution 15-¹⁰⁴~~94~~ (sic) is a
5 resolution that was adopted by Council to consider
6 the adoption of an ordinance amendment for their
7 retirement system that would allow 69 former
8 employees to effectively gain early retirement
9 status.

10 The City attorney has subsequently
11 come out and issued an opinion on this matter after
12 the vote was taken, that basically calls into
13 question that there are a number of reasons not to
14 adopt this at this time. The City Administrator has
15 recommended that the Board, this Board, not adopt
16 that resolution.

17 And in speaking with the Finance
18 Director, there are some concerns about the actual
19 financial impact of implementing this. And the
20 Finance Director has some concerns that the level of
21 research into that impact has been limited. And as
22 I stated, the City Administrator has recommended
23 that the Board not approve that resolution.

24 On another matter, there is a
25 Resolution 15-103, which is a report from some

1 consultants from the City, regarding the granting of
2 prior service credit to two former employees, a Mr.
3 Brown and another individual whose name, I'm sorry,
4 eludes me at the moment.

5 But, I'm suggesting that the Board
6 consider postponing that, because I don't believe
7 that we have enough information on that to give you
8 a thorough report as to the details of that. And
9 that is Resolution 103.

10 MR. CHAIRPERSON: All right. I will
11 entertain a motion to approve all the ordinances and
12 resolutions from the April 9th meeting with the
13 exception of Resolutions 15-103 and 15-104.

14 MEMBER BURGESS: Second --

15 MEMBER SCHIMMEL: I'll move.

16 MEMBER BURGESS: Second.

17 MR. CHAIRPERSON: It's been moved and
18 supported. Any discussion?

19 MR. CLINE: I'm sorry, just for the
20 record, I misspoke and I said it was Resolution
21 15-94, and it was actually 104.

22 MEMBER BURGESS: 104. Okay.

23 MR. CHAIRPERSON: So it's been moved
24 and supported to entertain a motion -- or to approve
25 all ordinances and resolutions from the April 9,

1 2015 meeting with the exception of Resolutions
2 15-103 and 15-104. Further discussion?

3 MEMBER BURGESS: Yes. Madam Mayor, do
4 you have a position on this?

5 MAYOR WATERMAN: I'm sorry, is it 103
6 or 104 we're talking about?

7 MR. CHAIRPERSON: Well, actually, why
8 don't we save that discussion, Mayor.

9 MAYOR WATERMAN: Yes.

10 MR. CHAIRPERSON: We'll approve all of
11 the other resolutions and then have you comment on
12 those.

13 MEMBER BURGESS: Okay. All right.
14 Fine.

15 MR. CHAIRPERSON: Any other questions?
16 Discussion?

17 MEMBER BURGESS: No.

18 MR. CHAIRPERSON: Seeing none, all in
19 favor of the motion say "Aye."

20 BOARD MEMBERS: Aye.

21 MR. CHAIRPERSON: Opposed, same sign.
22 The motion is approved.

23 Now consideration of Resolution
24 15-103, the report from Rodwan.

25 MEMBER BURGESS: Rodwan.

1 MR. CHAIRPERSON: Rodwan. Excuse me.
2 Is that your --

3 MEMBER BURGESS: Yes.

4 MR. CHAIRPERSON: Okay. Now, Mayor,
5 you may speak to this issue.

6 MAYOR WATERMAN: That was just a
7 simple calculation of time. And, actually, I don't
8 have that information in front of me, but I have no
9 concerns about that, 103 at the time for your
10 consideration, but I just don't have the specific
11 details for you in front of me. And I think that's
12 what Mr. Cline is saying, that he wanted you to have
13 the specifics. Is that what --

14 MR. CLINE: Yes. I don't think the
15 issue is that particular detail, but we just didn't
16 have a good opportunity to really discuss that in
17 detail with the City. So I'm just -- wish you to
18 consider, you know, postponing it until the next
19 month.

20 MR. CHAIRPERSON: Any other
21 discussion?

22 MEMBER BURGESS: No.

23 MAYOR WATERMAN: And you have that
24 information. I can speak to 104, because that was
25 the matter that was brought to Council.

1 MEMBER SCHIMMEL: Mayor, let's just
2 stay right there. I move that we postpone 103.

3 MAYOR WATERMAN: Okay.

4 MEMBER BURGESS: Second.

5 MR. CHAIRPERSON: It's been moved and
6 supported to postpone consideration of Resolution
7 15-103. Further discussion? Seeing none, all in
8 favor of the motion say "Aye."

9 BOARD MEMBERS: Aye.

10 MR. CHAIRPERSON: Opposed, same sign.
11 Resolution 15-103 is postponed.

12 Now consideration of Resolution
13 15-104, the Early Retirement Ordinance. Mayor?

14 MAYOR WATERMAN: Yes. That is the one
15 that was originally brought by resolution as a first
16 reading of the ordinance, and the resolution is the
17 one that you just talked about that granted --
18 indicated Council's intention to grant early
19 retirement status to 69 employees.

20 This is a matter that had been
21 previously discussed and had been reviewed by the
22 TAB Board about a year and a half ago, from what I
23 understand. And this resolution, because it was
24 added on at the time of the Council meeting, did not
25 give many of us a chance to -- have a chance to

1 review the details about it. It had been discussed
2 once at -- in my presence, at a Finance Subcommittee
3 meeting back in October. And I recall from that,
4 that the Finance Director had been advised to do
5 some research about it, and had asked some questions
6 which had never been answered.

7 After that, there wasn't any
8 formalized discussion, so I thought it was a dead
9 issue, and didn't realize that there was continued
10 discussion on the -- directed to some Council. It
11 was not shared with me, and that it was brought to
12 this Council meeting.

13 Now, the resolution was passed and
14 that was considered the first reading of this. The
15 following week -- and there was really no time for
16 discussion at that meeting. The following week,
17 Council president did announce at the acceptance of
18 the agenda that this matter would be referred back
19 to Subcommittee for further discussion. I did
20 commend Council for that, because like anything of
21 this import, we wanted to have a chance to look at
22 its ramifications. And certainly I did not have the
23 information that had been shared with maybe some of
24 the other Council members, and I certainly needed
25 that to completely evaluate it. And certainly

1 something of this import not only has an effect on
2 the mediation that we are undertaking right now,
3 which has gone quite a long -- a long way, and has
4 been extended by Judge Cohn because he feels that
5 we're making some progress. I don't know whether
6 adequate progress, but some progress, because I
7 can't read his mind and what he's thinking. But
8 certainly he has extended the period of mediation
9 beyond the original 60 days that he had allowed. So
10 we're now into several months past that 60 days.

11 And we have, in lieu of getting
12 information, have already undertaken actuarial
13 studies. The City paid for all of the actuarial
14 studies, because the complaining plaintiff has
15 not -- has the wherewithal to do the studies, and at
16 \$10,000 to \$15,000 a study, this is certainly an
17 expense for the City that I take very seriously.

18 So, those are all things that need to
19 be taken into consideration. But I do want to -- I
20 think I would invite further discussion at the
21 Subcommittee meeting, and that is going to happen
22 April 28th. And we'll have a chance to hear from
23 the various proponents and have a chance to see if
24 we can approach each of these situations
25 individually, because I understand that there's

1 differing collective bargaining agreements for some
2 of these, and I'm not sure all the 69 people have
3 been notified and want to be part of this.

4 So we're just trying to do some
5 discovery right now. We understand that some people
6 were -- feel appeased by that, but nobody is not
7 going to get what is due to them in terms of their
8 pension. That has been certainly guaranteed by the
9 situation, the pension situation. These are people
10 asking for something in terms of early retirement
11 based upon what maybe a few other people have been
12 granted.

13 So that's where we are at right now,
14 and we will continue that discussion April 28th.

15 MEMBER BURGESS: Okay. Thank you.

16 MR. CHAIRPERSON: I'll entertain a
17 motion.

18 MEMBER BURGESS: I make that motion to
19 postpone.

20 MR. CHAIRPERSON: Is there support?

21 MEMBER SCHIMMEL: I was going to make
22 a motion to deny, but I will support a postponement.

23 MR. CHAIRPERSON: It's been moved and
24 supported to postpone Resolution 15-104. Any
25 further discussion? Seeing none, all in favor of

1 the motion say "Aye."

2 BOARD MEMBERS: Aye.

3 MR. CHAIRPERSON: Opposed, same sign.
4 Resolution 15-104 is postponed.

5 Next item is the City Administrator
6 items. Item number 1 is Correction to DPW
7 Assistant's Employment Agreement. The City
8 Administrator wishes to amend the employment
9 agreement to address sections regarding paid leave
10 that were inadvertently left off. Mr. Sobota?

11 MR. SOBOTA: I tried to take a
12 shortcut and use the existing agreement when we made
13 him a full-time employee, and I failed to remember
14 and recognize that part-time employees were offered
15 no paid time off, and all hourly full-time employees
16 were. So we wanted to provide the time off that
17 should have been granted, and then allow the
18 gentleman in question to either choose to use it or
19 to have it cashed out before the end of the fiscal
20 year; and funds are available.

21 MR. CHAIRPERSON: Any questions for
22 Mr. Sobota? I'll entertain a motion.

23 MEMBER BURGESS: I'll make that motion
24 to approve.

25 MEMBER SCHIMMEL: Support.

1 MR. CHAIRPERSON: Moved and supported
2 to approve the amendment of the employment agreement
3 for the DPW assistant. Any further discussion?
4 Seeing none, all in favor of the motion say "Aye."

5 BOARD MEMBERS: Aye.

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

8 Item 2, Estate of Jkhary Craft versus
9 Edward Lasseigne. City Administrator wishes to file
10 an appeal with the United States Supreme Court
11 regarding this matter. Mr. Sobota? Did I come
12 close on the names?

13 MR. SOBOTA: I think that's as close
14 as you can come.

15 This is an alleged -- complaint where
16 a juvenile was allegedly killed by a Pontiac Police
17 Officer. And this is a Federal case. Our attorneys
18 believe that the Court of Appeals failed to consider
19 a certain point in law that has recently been
20 decided at the Federal level. So they feel that by
21 referring this to the U.S. Supreme Court, we have a
22 better chance. The amount in controversy exceeds
23 half a million dollars, and the City is responsible
24 for the first half a million dollars on this case.
25 And I believe that the cost to file the appeal is

1 \$5,000. So if you spend \$5,000, you save half a
2 million, I think that's a good investment.

3 MR. CHAIRPERSON: Any questions for
4 Mr. Sobota? I'll entertain a motion.

5 MEMBER SCHIMMEL: I'll move.

6 MEMBER BURGESS: Second.

7 MR. CHAIRPERSON: Moved and supported
8 to approve of an appeal to the United States Supreme
9 Court regarding the Estate of Jkhary Craft v Edward
10 Lasseigne. Any further discussion? Seeing none,
11 all in favor of the motion say "Aye."

12 BOARD MEMBERS: Aye.

13 MR. CHAIRPERSON: Opposed, same sign.
14 The motion is approved.

15 Item 3, Willie Kellem versus City of
16 Pontiac. The City Administrator wishes to reject
17 the proposed settlement and proceed to trial.

18 MR. SOBOTA: We were prepared to
19 proceed to trial back in March, however, just before
20 trial, plaintiff's attorney contacted our counsel
21 and made another settlement offer. Our counsel had
22 a negotiation and was able to bring that down to
23 \$30,000. However, both the City Council and I and
24 the Mayor, in closed session, discussed this
25 strategy, and we believe that the City has a very

1 good opportunity to prevail at trial. The attorney
2 for the plaintiff has been in practice for a little
3 bit over a year, even though this case has been
4 ongoing. The attorney who had prepared this case is
5 no longer even with the firm.

6 The allegation is that excessive force
7 was used on the particular individual. We believe,
8 obviously, that excessive force was not used and it
9 was justified.

10 The plaintiff in the case filed -- has
11 no medical bills, and the only thing that we're able
12 to identify is he had a split lip. Our attorney
13 believes that we do have a very good case moving
14 forward, however, his argument has always been, you
15 have 100 percent of settling for \$30,000 than a
16 chance of having a case come and award anywhere
17 between \$7,000 and \$110,000. There is no evidence
18 that any sort of medical awards would be made, since
19 there are no bills, and the only injury, allegedly,
20 was a split lip.

21 So Council, the Mayor and I, are all
22 in agreement that there are some outstanding cases
23 that are out there where we need to start putting
24 our foot down and saying No, we're not going to
25 settle, because the likelihood of winning is very

1 good for the City. This is one. We're going to be
2 discussing a couple other cases over the next few
3 weeks and months, as well, so you may be seeing
4 similar recommendations coming. But we do want to
5 set the bar high, saying that in Pontiac we're no
6 longer going to be paying out.

7 The suspect in this case is a habitual
8 offender, actually, and was actually being chased
9 for attempted murder. The only drawback was that in
10 the case that he was tried for, he was not
11 convicted, for one reason or the other. But his
12 list of witnesses and even his testimony will be
13 highly scrutinized by our attorney.

14 MR. CHAIRPERSON: All right. Any
15 questions for Mr. Sobota? I'll entertain a motion.

16 MEMBER SCHIMMEL: I'll move to
17 approve.

18 MEMBER BURGESS: Second.

19 MR. CHAIRPERSON: It has been moved
20 and supported to approve the rejection of the
21 proposed settlement and proceed to trial on the
22 Willie Kelleem versus City of Pontiac case.

23 Any further discussion? Seeing none,
24 all in favor of the motion say "Aye."

25 BOARD MEMBERS: Aye.

1 MR. CHAIRPERSON: Opposed, same sign.
2 Motion is approved.

3 Item 4, Comprehensive Compensation
4 Package. Mr. Cline, could you provide --

5 MR. CLINE: Yes. This is something
6 that's been discussed periodically over a few
7 months, but the City has proposed a comprehensive
8 plan for employee benefits that they would like to
9 begin to offer. Our office is in the process of
10 reviewing this, and in some additional discussion
11 with the City Administrator, they are comfortable
12 and expected and it would be a suggestion that the
13 Board consider postponing this to allow us further
14 time to review this, so we fully understand what the
15 City is proposing and can better explain all of the
16 possible impact of this to the City. So, we had
17 this information, and it is under review.

18 MR. CHAIRPERSON: All right.

19 MEMBER SCHIMMEL: I'll move to
20 postpone.

21 MR. SOBOTA: If I could, Mr. Chairman,
22 before you do so. If I could sort of put some seeds
23 out there and get a gut reaction so I have an idea
24 of where we may be going over the next month.

25 The comprehensive compensation package

1 has actually been talked about for probably close to
2 a year around here. We have had employees
3 requesting raises or improvements in benefits. I
4 forgot to include in here that this will require an
5 amendment to an EM order, so all the more reason why
6 this can't be approved today. It will require an
7 amendment to an EM order.

8 But what we are essentially asking for
9 the employees, is based on the City's current
10 economic situation with the improvement in finances
11 and the general fund, I will say rather significant
12 improvement, the fact that other communities that
13 are in receivership or have been in receivership
14 have not eliminated benefits for their employees,
15 and also that there is some question, and we're
16 debating this internally, as to whether or not the
17 City is compliant with the Affordable Care Act.
18 This has all been brought into account.

19 What I have done is I have identified
20 comparable communities in the State of Michigan,
21 which happens to be the same communities, the Local
22 Officers Compensation Commission has identified for
23 purposes of compensation for mayor and council, to
24 identify comparable positions across these
25 communities to see what salary ranges are, taking

1 into consideration what the duties of those
2 positions are compared to Pontiac, because there is
3 a difference, verifying to make sure, and we have
4 confirmed every community offers benefits, health
5 insurance benefits for current employees, and offers
6 some sort of a pension package.

7 So what the comprehensive compensation
8 package does is two things, primarily. Number one,
9 it would offer health insurance coverage to
10 employees only when they are working for the City.
11 When they retire, they will not be entitled to any
12 health insurance.

13 Number two, it would create a defined
14 contribution plan with MERS, with an employee match.
15 For every \$2 the employee contributes, the City will
16 deposit \$1 into the DC plan with MERS to a limit of
17 7 percent.

18 So those are the two main enhancements
19 that would affect all of the employees who -- except
20 the four, who presently receive benefits..

21 There are a few minor salary
22 modifications that are made. We have noted that
23 there is one position in particular that is
24 significantly underpaid based on comparables. And
25 we're trying to also make some minor corrections to

1 a few other positions.

2 So the net impact to the City's
3 financial statements is approximately \$325,000
4 should everyone accept all benefits. Because if you
5 don't accept health benefits, then you get a
6 cash-out, which is significantly less, and the
7 pension contribution is a match. So if the employee
8 does not contribute, the City does not spend any
9 money. And that is assuming 100 percent of the time
10 of every employee is charged to the general fund,
11 and we know that's not going to be the case, because
12 of charges to the major local and senior funds as
13 well.

14 So, what I'm sort of looking for is a
15 gut reaction -- I'm hoping I have supplied enough
16 information to the Board so that you can see the
17 thought process. We did talk to the Mayor. Under
18 the final order, I did confer with the Mayor. She
19 had offered some suggestions. I accepted a few, I
20 rejected others. Conferred with Council. Their
21 reaction was no raises, no benefits until they get
22 some staff. So that's been the reaction from
23 Council.

24 I will say this. Within the last
25 year, we almost lost a very important member of the

1 administration due to another job offer, but that
2 individual chose to stay with the City, realizing
3 that there may be something that we could
4 potentially be doing. And there is another employee
5 that I am aware of, is also seeking employment in
6 another community. And when we have such a small
7 group of employees, and it was evidenced by the fact
8 when we lost our purchasing agent to death a little
9 bit over a year ago, it's very difficult right now
10 to attract quality employees when you are not
11 offering at least health insurance benefits.
12 Pension is something that's also assumed. Mayor has
13 had trouble with a deputy mayor. We have had
14 trouble with an income director. We have had
15 trouble finding a purchasing agent. And the job
16 environment today is significantly different than it
17 was two, three years ago when these individuals were
18 first identified and brought in through Accountemps.
19 The job market is very tight out there. It's very
20 competitive. And as a city, for us to maintain good
21 quality employees, we need to be able to compensate
22 them accordingly, especially comparing our community
23 to other comparable communities.

24 So that's my summary and brief
25 argument, and I'm hoping to at least get some sort

1 of a reaction as to whether or not I'm barking up
2 the wrong tree or if this will be given serious
3 consideration, or if there's any other gut reaction,
4 especially since the City's financial position has
5 changed considerably in the last two years, which
6 Mr. Nazarko will be addressing in his financial
7 report.

8 MEMBER SCHIMMEL: You want feedback?

9 MR. SOBOTA: I'd appreciate some.

10 MEMBER SCHIMMEL: Well, I'm certainly
11 on board for what you're doing. I don't need to
12 give a long speech on that. But, I mean, I think
13 the financial position of the City now is to the
14 point where we have to be competitive to get good
15 employees; and we're not going to get good employees
16 if we don't have competitive compensation packages.
17 I'm good with what you're doing.

18 MEMBER BURGESS: I will wait until I
19 see the numbers.

20 MR. CHAIRPERSON: And I agree with Mr.
21 Burgess.

22 MR. SOBOTA: Okay. Thank you very
23 much.

24 MR. CHAIRPERSON: All right. So I'll
25 entertain a motion.

1 MEMBER BURGESS: Postpone.

2 MR. CHAIRPERSON: Postpone?

3 MEMBER BURGESS: Postpone, yes.

4 MEMBER SCHIMMEL: Move, second.

5 MR. CHAIRPERSON: Okay. It's been
6 moved and supported to postpone consideration of a
7 comprehensive compensation package. Any further
8 discussion? Seeing none, all in favor of the motion
9 say "Aye."

10 BOARD MEMBERS: Aye.

11 MR. CHAIRPERSON: Opposed, same sign.
12 Motion is approved.

13 Item 5, recommendation to deny City
14 Council resolution regarding access to City Hall.
15 That was previously addressed in New Business.

16 Recommendation to deny Council
17 resolution regarding granting pension to GERS
18 deferred members. No action is necessary because
19 that was addressed also under New Business.

20 Mayoral request, Phoenix Center
21 Litigation. The Mayor and the City Administrator
22 wish to file a complaint in Oakland County Circuit
23 Court regarding the liens filed against the City.
24 The Mayor and City Administrator also request
25 approval of a budget of \$50,000 for this action.

1 Mr. Sobota?

2 MR. SOBOTA: Funds are available in
3 our parking fund for this. The owners of Ottawa
4 Towers filed liens -- two or three liens on the
5 property that encompasses the Phoenix Center,
6 arguing reimbursement for repairs that they made
7 without City permission, and also for attorney fees.
8 Our attorneys strongly argue and agree that those
9 liens are not proper. And in order for us to
10 proceed on the condemnation case, which was the
11 initial case that was filed, which had been
12 dismissed by the Circuit Court, we need to start a
13 new action to have these liens removed from the
14 property, so therefore when we make our good faith
15 offer, the Circuit Court cannot say that the liens
16 need to be taken into consideration when that good
17 faith offer is made.

18 So this is part of the legal
19 gymnastics that we need to go through in this
20 particular case.

21 MAYOR WATERMAN: I have some
22 additional information that we have had since we
23 sent this up April 19th when these reports were due.

24 April 15th, the Plaintiff, Ottawa
25 Towers, did file a brief on appeal that is a new

1 action on their part, that has to be responded to in
2 21 days. So that means our attorneys have to
3 respond to it by May 6th. So when the money to
4 support the action that Mr. Sobota described,
5 although we already had the \$50,000 there that had
6 been allotted, but now this is a new action that has
7 to be responded to by May 6th. So that will mean
8 that we will use up that allotment and we need
9 another allotment to cover both actions.

10 MR. CHAIRPERSON: Thank you. I'll
11 entertain a motion.

12 MEMBER SCHIMMEL: I'll move for
13 approval.

14 MEMBER BURGESS: Second.

15 MR. CHAIRPERSON: It's been moved and
16 supported to approve filing a complaint in Oakland
17 County Circuit Court regarding the liens filed
18 against the City, and also approving a budget of
19 \$50,000 for this action.

20 Any further discussion? Seeing none,
21 all in favor of the motion say "Aye."

22 BOARD MEMBERS: Aye.

23 MR. CHAIRPERSON: Opposed, same sign.
24 The motion is approved.

25 Item 8, Mayoral Request, Appointments

1 to the Arts Commission. The Mayor is requesting
2 approval of three appointments to the Arts
3 Commission. I'll entertain a motion.

4 MEMBER BURGESS: I move to approve.

5 MEMBER SCHIMMEL: Support.

6 MR. CHAIRPERSON: Been moved and
7 supported to approve the appointments. Discussion?
8 All in favor of the motion say "Aye."

9 BOARD MEMBERS: Aye.

10 MR. CHAIRPERSON: Opposed, same sign.
11 Motion is approved.

12 Item 9, Mayoral Request, Appointments
13 to the Public Housing Commission. The Mayor is
14 requesting approval of one appointment to the Public
15 Housing Commission.

16 MEMBER BURGESS: I move to approve.

17 MEMBER SCHIMMEL: Support.

18 MR. CHAIRPERSON: Moved and supported.
19 Discussion? All in favor of the motion say "Aye."

20 BOARD MEMBERS: Aye.

21 MR. CHAIRPERSON: Thank you. All
22 opposed, same sign. The motion is approved.

23 Item 10, Mayoral Request,
24 Organizational Charts. Mr. Cline?

25 MR. CLINE: Yes. This information was

^{by}
provided to the Mayor. This was some information originally requested from the Mayor by the Deputy State Treasurer regarding sort of her -- I guess, a long-term vision of how she sees the organization of the City as we progress into years to come here.

So, that information that the Mayor has provided has been sent up to the Deputy Treasurer's office for him to review. It was suggested that maybe the Board, since we have no direct action to respond to at this time, just receive and file this information. That's in the hands of Treasury, and if anything comes of that, that will definitely be brought back to the Board. But at the moment, this is just informational.

MR. CHAIRPERSON: All right. I'll entertain a motion to receive and file the information received from Mayor Waterman.

MEMBER BURGESS: I make that motion.

MEMBER SCHIMMEL: Support.

MR. CHAIRPERSON: Been moved and supported. Discussion? All in favor of the motion say "Aye."

BOARD MEMBERS: Aye.

MR. CHAIRPERSON: Opposed, same sign. Motion is approved to receive and file the

1 information.

2 Next section is Non-Action Items,
3 Financial Reports monthly for March 2015, and
4 quarterly for March 31st, 2015. Mr. Nazarko.

5 MR. NAZARKO: Good afternoon --

6 MR. CHAIRPERSON: Good afternoon.

7 MR. NAZARKO: -- Members of the Board.

8 The financial reports I presented to the TAB include
9 the monthly required reports by the Board, as well
10 as the quarterly one; and a new addition to the
11 financial reports this quarter is the investment
12 report as of March 31st, 2015. This will be a
13 staple, hopefully, in all future quarters, because
14 we are investing money, as you all know, for the
15 first time we started back in December. Was not
16 enough to report in December quarter, we just
17 started. However, the quarter that ended in March,
18 we added to the investment amounts, and these are
19 not money that are -- fund balances, all of them --
20 or general fund money, I should say, however, these
21 are -- \$12 million of that that is invested with two
22 financial institutions, represents money that we are
23 managing the cash flow situation and trying to earn
24 interest on the idle amounts that, again, are part
25 of the cash balances or fund balances or part of the

1 cash flow situation, such as we collect the property
2 taxes, we keep them two weeks and then submit to the
3 jurisdictions. However, we have decided to play
4 quote/unquote with that money, to invest so the City
5 can get some return on that money instead of sitting
6 idle.

7 Again, we are projecting that this is
8 going to be a significant amount that come into the
9 general fund and other funds as well. For the year,
10 I'm projecting in excess of \$60,000, which again
11 given the fact that we did not earn anything in
12 previous two years, that, to me, is a significant
13 amount. Every little bit helps.

14 The financial statements are as
15 presented to the TAB, represent the situation,
16 financial statements as of March 31st, 2015.
17 However, I'd like to point out that our financial
18 situation is trending in the right direction, and
19 mainly because we have managed to keep our
20 expenditures within the approved budget, and we have
21 managed also to bring additional revenues over and
22 above what the budget has -- the budget has been
23 approved for.

24 The most significant item on the
25 revenue side is the fact that we are bringing more

1 income tax revenue and we are -- we hope and we'll
2 do our best to keep that pace going. For the fiscal
3 year 2015 ending in June, we are already ahead
4 \$1.8 million compared to the previous fiscal year,
5 the same year for nine months. And for the
6 year-end, I'm projecting that amount to stay at
7 least ~~1.8~~^{1.8} or approach \$2 million.

8 Therefore, we are projecting that at
9 the end -- now this is probably the first projection
10 that I'm presenting to the TAB, that at the end of
11 the year, our fund balance will be increasing in
12 excess of \$2.5 million. So we will be adding -- we
13 do have the fund balance policy now in place that
14 was approved both by the Council and by the TAB; and
15 not just that, our intention is to maintain and we
16 have recommended to the Mayor and the City
17 Administrator via the budgets, to maintain that fund
18 balance, but to add to it. And, again, it is a
19 healthy situation.

20 If you look at the statement of cash
21 flow as presented -- cash flow as I presented to
22 you, we are projecting that we've given you more
23 than 15 months now of cash flow, and I'm projecting
24 that at the end of June 2016, we should have more
25 than \$8 million cash flow. Again, doesn't equate

1 fund balance, doesn't equate cash that we can use
2 for other purposes; however, to get -- to go from
3 the point that last year I came before this Board to
4 ask to allow me to borrow from other funds to meet
5 the expenditures, temporarily mind you because we
6 did have a balanced budget, but from that situation
7 now to the situation that we are in, I approached
8 the City Administrator and I asked -- or I
9 questioned the usefulness now of the cash flows as
10 presented to the TAB. I will present them to you
11 quarterly, but it will be a healthy situation, in
12 my professional estimate.

13 There are a couple of items that we
14 have been working on. The Mayor and I went to
15 Lansing the other day this week to meet with Mayor
16 Duggan. He had initiated this meeting with the
17 mayors and finance directors of 22 municipalities
18 that have income tax. And there is something, just
19 to give you a head's up, coming down the pike that
20 the Mayor of Detroit is pushing for a so-called
21 universal withholding law that will allow
22 municipalities or employers to withhold for
23 employees that are not -- that live -- that work in
24 their jurisdiction, but live in jurisdictions that
25 have income tax, i.e., Mr. Schimmel works in

1 Pontiac, which he doesn't, but lives in Waterford,
2 then Waterford will be able to withhold money for
3 the residents who work in Pontiac, again, that work
4 elsewhere. I believe that the Mayor and I will be
5 talking about that. We have not made any commitment
6 or determination, but just something that is going
7 to come probably before this Board in the future.

8 We did send the delinquent tax roll to
9 Oakland County; however, I would like to bring to
10 the Board's attention that there is a disagreement
11 between us and Oakland County, because -- as it
12 pertains to a TIFA district. And the unique
13 situation goes like this, in a nutshell. I'm not
14 going to take a lot of time on that, but we have a
15 TIF district number two, right, that was -- it has
16 two subdistricts, if you want to call it that way.
17 And one was created in 1981, the other one was
18 created in 2000. The one that was created in 1981
19 has a positive capture, and the one that was created
20 in 2000 has a negative capture. Our position is
21 that those two should be computed and captured
22 separately. Oakland County's position has been to
23 connect them together, which is a -- causes a
24 negative capture, and therefore wanting more money
25 from us, not allowing us to capture. We have

1 escalated that case to the Treasury Department.

2 MR. SOBOTA: Jim Mills.

3 MR. NAZARKO: Jim Mills. I know he is
4 an authority because we have dealt with him before.
5 And also to Oakland County too, because Oakland
6 County does our assessing. And I've asked them
7 questions as to, you know, their opinion.

8 But this may escalate a little bit
9 further, because we believe that our position is
10 right, of course.

11 And the last item, the initial plan
12 that Mr. Cline is asking every Friday, it's still
13 pending, it's still out there. I believe that we
14 did a good job on the second attempt to convince the
15 Treasury Department Local Audit Division not to
16 require us to do in-depth. However, upon that
17 response, which we're waiting any day now, we will
18 take the proper cause of action to rest assured that
19 we are going to be in compliance with the
20 requirement that we -- within 30 days we respond via
21 in-depth or explanation or not. So we're doing good
22 in that regard.

23 And that concludes my report. Again,
24 the overall picture is positive. We're doing
25 everything we can to keep it going.

1 MR. CHAIRPERSON: Questions?

2 MEMBER BURGESS: Thank you.

3 MR. CHAIRPERSON: Thank you, Mr.

4 Nazarko.

5 MR. NAZARKO: Thank you.

6 MR. CHAIRPERSON: Next item is report
7 from Mayor Waterman.

8 MAYOR WATERMAN: I always look forward
9 to the opportunity to start with good news, and I
10 will do that today, because there is good news.

11 Earlier this morning there was a
12 meeting of the Bloomfield Park. REDICO is moving
13 along. They're very motivated, and they presented
14 their concept plans, which look most interesting for
15 the community. This is just the first step in the
16 process, but I'm very happy to announce that. But
17 the good thing for Pontiac is not only the economic
18 vitality it will bring, but also the 700 to 900 jobs
19 that are predicted for that development. That is
20 great news.

21 Also, Forman Mills, another 75 jobs.
22 And most of these are Pontiac-hired people, they
23 were brought into this community, I think they're
24 known, and they opened up with a lot of aplomb. So
25 that is another group that's coming to town.

1 And IRG, which is the group that
2 bought two of the large properties, the GM Research
3 property on Centerpoint Campus, they are announcing
4 -- I think it's pushed back to a little later this
5 week, but they're announcing a new tenant that's
6 coming in and also bringing jobs, and new to this
7 area, back to International.

8 So those are all good things that says
9 Pontiac is open for business. I don't know that I
10 want to harbor upon this, because I know they want
11 to keep this very much QT until later on in May, but
12 one of our major, major, major employers here in the
13 City is also due to make an announcement. I'm going
14 to just use that as a tease, because I promised not
15 to reveal anything real soon, but more to come on
16 that as well.

17 MR. CHAIRPERSON: Details at 11:00?

18 MAYOR WATERMAN: Details very shortly
19 here. I'm just proud to say that the jobs and the
20 vitality and the growth that brings to this
21 community will be phenomenal with those kinds of
22 things. So it does say that the financial practices
23 and things that we're doing in the City have taken
24 out the message that Pontiac is open for business.

25 Now, one of the things that's going to

1 help us along that pathway too, is I've talked about
2 the economic recovery plan that's going on.

3 Yesterday, we got the draft proposal for that
4 economic recovery plan, and that is going to be very
5 detailed and will be the strategic implementation
6 plan for which we can go out and get other investors
7 interested in Pontiac, foundations and such.

8 They're going to outline a number of priority
9 development areas. And we do have a lot of
10 potential here in Pontiac. One of the things that
11 is key to that, is what we call the Central Area
12 District, the near Downtown District. And it's not
13 just about Phoenix Center, although Phoenix Center
14 is a great part of that.

15 So we know that we need to have a plan
16 for that Central City area. And we have -- we need
17 to get involved with what various support agencies
18 will do for us, including there's something that the
19 MEDC offers, it's called Development Ready City
20 Initiative, and once we get involved in that, we
21 can take advantage of all of the resources and
22 support services they offer, not only for this
23 development, but for other developments, they'll
24 support us in the N3 (ph).

25 So I'm very interested to get involved

1 in that process. I know Mr. Sobota has a meeting
2 with one of the leaders of that MEDC set shortly.
3 But I hope that's a process we can get involved in,
4 because there's a long list of priority items, a
5 long list of opportunities for Pontiac, but we --
6 when they said "Mayor, how are you going to
7 implement these things once we come up with this
8 list?" I said, "Well, let's look for ways in which
9 we can get support for this." So that's one of the
10 things I hope to report on later, and we will
11 hopefully have that be one of the ways that we can
12 work toward the development in many areas within the
13 City.

14 We talked about Phoenix Center already
15 and the litigation going on with that. I don't have
16 to go over the court motions that were filed,
17 because we talked about that earlier. There are
18 other ways that are being -- other matters that are
19 being handled there too. I'm not at liberty to say
20 in an open meeting like this, but I just want you to
21 know that we are progressing along a number of other
22 fronts too, which we will not talk about in terms of
23 strategies here.

24 The blight campaign. Certainly as we
25 have taken down a lot of the structures here and

1 have caught up with the usage of our CDBG monies for
2 that, we're now working on the CDBG 14 money. We
3 just had a hearing officer meeting in which we have
4 another 50 structures that were identified to be
5 condemned, that went before the Board of Appeals I
6 think last night. So, these are structures that can
7 be removed from the community, but as we remove
8 them, we now have vacant lots. And so one of things
9 we needed to do is how do we develop a vacant lot
10 strategy for the City of Pontiac. Just today,
11 there's a group that came down from the State Vacant
12 Lot Campaign that are working with
13 district-by-district volunteer groups, some of the
14 people who are left from the Master Plan Steering
15 Committee, and they did a whole tour today. They
16 are in the building off and on all during the day.
17 I met with some of them earlier. But they're now
18 proposing a way in which we can deal with the vacant
19 lots within the City in many creative,
20 environmentally-friendly and other ways.

21 So we have a lot of people involved in
22 that on a volunteer basis who are going to help with
23 that campaign. So I wanted to tell you that.

24 Mediation, we already talked about.
25 And I did submit to you this organizational plan,

1 and it's not only because the Deputy Treasurer asked
2 me to do that, but also because you may recall a
3 conversation we had some months ago here in which we
4 talked about the positioning and the staff under the
5 Community Development, Economic Development
6 Department. And I think there was a question about
7 whether one position should be eliminated or how
8 that should be handled. And you did ask me also to
9 come up with a chart, so I did present this for your
10 information as well.

11 But the main difference is we've grown
12 the Finance Department, the DPW Department depending
13 upon the needs of the community, but my conception
14 of meeting the economic development is one of the
15 ways that we're going to be able to carry forth this
16 economic recovery plan for the City. I don't want
17 to go into detail about this, but it does require
18 that we have a community plan that is more than just
19 tearing down houses. It's much more involved. And
20 what I see in terms of bringing -- it also requires
21 economic retention, business retention, business
22 support. And also I would conceive of bringing the
23 whole Senior Citizen Center situation under the
24 community development. It's now under DPW, and
25 those guys are great at fixing faucets, but they

1 don't really know much about senior programming.

2 So that's what I foresee in bringing
3 this. We do have a position there that is going to
4 be vacated very soon, and because that's the only
5 person I have working with blight, and now I'm very
6 interested in having that position filled with the
7 skill set that we need to handle and continue to
8 work along the blight program, as we have had great
9 achievements thus far.

10 So that's my report for this morning.
11 Gentlemen, any questions?

12 MR. CHAIRPERSON: Any questions for
13 the Mayor?

14 MEMBER BURGESS: None. Thank you.

15 MR. CHAIRPERSON: Thank you, Mayor
16 Waterman.

17 MAYOR WATERMAN: Thank you.

18 MR. CHAIRPERSON: Next item is City
19 Administrator report. Mr. Sobota?

20 MR. SOBOTA: Gentlemen, I'm a firm
21 believer in one-hour meetings, so I have nothing
22 additional to add at this time.

23 MR. CHAIRPERSON: Thank you, Mr.
24 Sobota.

25 MR. NAZARKO: That's a first.

1 MEMBER SCHIMMEL: Duly noted.

2 MR. CHAIRPERSON: The next item is
3 Public Comment. Per the Board rules, you'll have
4 two minutes to speak. Mr. Cline will announce your
5 name and I will act as timekeeper.

6 MR. CLINE: First name is Rochelle
7 Brady.

8 MS. BRADY: Good afternoon.

9 MR. CHAIRPERSON: Good afternoon.

10 MS. BRADY: I'm here regarding the 69,
11 the retired -- or the group of 69 that's attempting
12 to get our pensions.

13 First, I guess the problem is when we
14 came a year and a half ago to this Board with a
15 resolution, we were asked to give an actuary study.
16 We had to get approval to do that, because as the
17 Mayor stated, it always was handled through the
18 City. However, we were not City employees at the
19 time, so we did have to get approval through the
20 City for an outside entity. We paid for that study
21 ourselves. No \$15,000, \$20,000 or anything from the
22 City. That came from the group of 69. That's
23 number one.

24 Number two is, it's our understanding
25 from the State Treasurer's Office, that this Board

1 does not have legal authority over the pension fund.
2 So this group of 69, the information that we're
3 receiving, we're not understanding why we are even
4 in front of the TAB Board. It's not affecting
5 anything with the general fund. We're not asking
6 for benefits in this. I -- as well as the Director
7 of Finance, back in July, he sent a letter to the
8 City Council asking some questions from this group.
9 We answered that through City Council. So when the
10 Mayor gets her information from them, they'll have
11 that for her as well.

12 I just want to make sure I touch on
13 all of the bases. Oh, the actuary study was also
14 done by the company that the City has used for
15 years. There was some questions about the study and
16 it was suggested by this group to go to the company
17 itself, which is Rodwan, because the City has relied
18 on their study for years. So there's no reason to
19 question it now, because we're asked. This group
20 came forward because there are people who have less
21 years than a lot of people in this group. So we're
22 asking for something that we worked for.

23 MR. CHAIRPERSON: Thank you, Ms.

24 Brady.

25 MS. BRADY: Okay. Thank you. Have a

1 good day.

2 MR. CLINE: Larry Marshall.

3 MR. MARSHALL: You know, a lot of
4 questions that she asked just now were questions I
5 had. I don't know if you guys are going to respond
6 to her or not.

7 MR. CHAIRPERSON: During Board comment
8 I'll respond to one of the questions she posed.

9 MR. MARSHALL: Just one? All right.
10 I'll just reiterate something that she said.

11 MR. CHAIRPERSON: Fine.

12 MR. MARSHALL: The actuarial study.
13 As she stated, it was this Board, TAB Board, when
14 this matter previously came before you, you said the
15 only issue was the actuarial studies. Stop that,
16 man.

17 But -- so I want -- just want to
18 reiterate that that was the finding of the -- the
19 opinion of this Board. And Rodwan has been doing
20 the actuarial studies for the pension fund for quite
21 awhile now. So even the actuarial studies done,
22 that Mr. Schimmel requested when he was the -- here,
23 the Emergency Financial Manager, or the Financial
24 Manager, whatever it was called at that time, those
25 were done by Rodwan, and we had no problems with

1 them. So I just want to reinforce that.

2 One other thing that -- and the
3 authority for this -- reiterate the authority of
4 this Board to deal on pension matters, since the
5 system is very well funded. But I just want to make
6 a statement, because I heard about Art Brown and
7 Vita Lum (ph). I met with Mr. Nazarko about those
8 individuals a few weeks back. And those are just
9 old grievances, answers that were given by the City
10 of Pontiac administrators before Mr. Schimmel came,
11 and only thing we're asking is that their time that
12 the City granted them be approved, all right? And
13 some of these things have been going on for a number
14 of years now. None to the imagination. I gave Mr.
15 Nazarko the history of those and information
16 regarding them, and I certainly wish somebody could
17 bring this to a close. I thought when Council
18 finally passed that resolution the other day it
19 would be done.

20 Thank you. Always good to see you,
21 Mr. Schimmel.

22 MR. CHAIRPERSON: Thank you.

23 MR. CLINE: Billie Swazer.

24 MS. SWAZER: I have nothing.

25 MR. CLINE: Oh, okay. Doris Taylor

1 Burks.

2 MS. BURKS: Good afternoon.

3 MR. CHAIRPERSON: Good afternoon.

4 MS. BURKS: My name is Doris Taylor
5 Burks. I am Councilwoman for District 6 in the City
6 of Pontiac. And I'm here today to speak for myself
7 and my colleagues concerning keys to get in this
8 building. We feel that we are being punished for
9 something that happened before we even came along,
10 okay? And the -- the 8th Council have like little
11 passes. We used to have them -- I'm retired from
12 GM, so we had the same kind of cards where you
13 swipe. And myself, I -- I'm not looking to be here,
14 come in this building seven days a week. I have
15 other things that I do. But five days, even after
16 5:00, I -- I was coming to the subcommittee meeting.
17 I was about five minutes late. I couldn't get in
18 the building. I was bamming (sic) on the door, it
19 was pouring down rain. And it just so happened one
20 of the employees was leaving late, and that's how I
21 got in. I think that's unfair to us. We haven't
22 taken anything from this building. It's nothing in
23 here I want. So, I think it's wrong to be denied
24 those passes, even if it's just for five days to use
25 after hours if we need to come in after hours.

1 Because chains is everywhere, so, you know, what can
2 you take -- what do you -- we don't want -- I know I
3 don't want anything from here.

4 So I'm asking you to reconsider this
5 for us. We are trying to do our job and do it well.
6 Thank you very much and have a great evening.

7 MR. CHAIRPERSON: Thank you, Council
8 Member Burks.

9 MR. CLINE: Linda Hasson.

10 MS. HASSON: Correct me if I'm wrong,
11 but the pension fund, isn't Mr. Nazarko the top
12 person who oversees the pension fund by being the
13 Secretary and also the Director of Finance? I'd
14 like that question answered because I do believe
15 that that is also the City's fund, and so if money
16 gets taken out, the City is responsible to put it
17 back in. So if anybody could shed light on that.

18 What I'd like to do is tell you that
19 the Mayor has been doing a very good job. She has
20 been fiscally responsible and doing her due
21 diligence. I also am glad to see that Joseph is
22 standing by her side and sticking with her. I am
23 very concerned about things that are happening with
24 the City Council, for example, the Sheriff's
25 Department contract, I looked, all of the other

1 cities had theirs approved, because the new contract
2 was supposed to start April the 1st. It's
3 April 22nd that it comes to you. So, I want
4 deadlines to be met. I want people to do their job.
5 There is a theory behind not getting rid of all of
6 the people. As Mr. Schimmel can state, when he left
7 Hamtramck and different cities, when you take all of
8 the people away, then stuff goes back to the way it
9 was. So we may want to check out the pay for that.

10 And also, the Mayor is not a liar. I
11 am very upset that the Council has conducted
12 themselves in such a manner. And I'm concerned
13 about people who are misinterpreting her statements.
14 We -- there's a disconnect here. We need to find
15 out what is going on. I -- you know, and I'm not
16 speaking that all of the Council people are in this
17 manner, but we've got a situation here that has to
18 be dealt with, because she did not lie. She knew
19 about this, but she didn't know the resolution was
20 going to be put in front of her. So we need to show
21 some respect. I've been showing respect. I haven't
22 been showing up at the Council meetings daunting
23 anybody. Let's all get it together. Thank you.

24 MR. CHAIRPERSON: Thank you, Mrs.
25 Hasson.

1 MR. CLINE: And that concludes those
2 who have signed for public comment.

3 MR. CHAIRPERSON: All right. Thank
4 you. Next item on the agenda is Board comment. Any
5 comments from any of the Board members?

6 MEMBER BURGESS: No.

7 MR. CHAIRPERSON: The only thing I
8 want to address is the question that was posed by
9 Ms. Brady about the authority for the -- this Board
10 to consider the resolution for the pension system.
11 And this Board has authority to approve or
12 disapprove all resolutions or ordinances that come
13 before the City Council. So that --

14 MS. BRADY: That wasn't the question.

15 MR. CHAIRPERSON: Regardless of what
16 the resolution or the ordinance is, this body has
17 the authority to do that.

18 Unless anyone has anything else, I
19 will entertain a motion to adjourn.

20 MEMBER SCHIMMEL: I'll move.

21 MEMBER BURGESS: Second.

22 MR. CHAIRPERSON: It's been moved and
23 supported to adjourn the meeting. All in favor of
24 the motion say "Aye."

25 BOARD MEMBERS: Aye.

1 MR. CHAIRPERSON: Opposed, same sign.

2 Meeting is adjourned at 2:09 p.m.

3 (At 2:09 p.m., proceedings concluded.)

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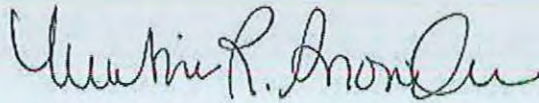
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C E R T I F I C A T E

I, Quentina Rochelle Snowden, do
hereby certify that I have recorded stenographically
the proceedings had and public comment taken in the
meeting, at the time and place hereinbefore set
forth, and I do further certify that the foregoing
transcript, consisting of (62) pages, is a true and
correct transcript of my said stenographic notes.

Dated: April 29, 2015



Quentina R. Snowden, CSR-5519

Notary Public, Genesee County, Michigan

My commission expires: 1/4/2018