

APPROVED - 6/28/16

CITY OF PONTIAC
RECEIVERSHIP TRANSITION ADVISORY BOARD MEETING
SPECIAL ~~EMERGENCY~~ MEETING

MARCH 31, 2016

1:00 P.M.

MEETING BEFORE THE RTAB BOARD AT
47450 WOODWARD AVENUE, PONTIAC, MICHIGAN ON THURSDAY,
MARCH 31, 2016.

BOARD MEMBERS PRESENT:

Edward Koryzno - The Chairperson
Keith Sawdon
Robert Burgess
Douglas Bernstein

RECORDED BY: REGENCY COURT REPORTING
3133 UNION LAKE ROAD
COMMERCE TWP., MICHIGAN 48382
(248) 360-2145

TABLE OF CONTENTS

	PAGE
<u>WITNESS:</u>	
Meeting	4

EXHIBITS:

None

APPROVED - 6/28/16

Pontiac, Michigan

Thursday, March 31, 2016 - 1:00 p.m.

* * * * *

MR. KORYZNO: It is 1:00 p.m., and I will call the City of Pontiac Receivership Transition Advisory Board's Special Meeting to amend the Emergency Manager Order, and to conduct other related business to Order. Mr. Van De Grift, role call.

MR. VAN DE GRIFT: Douglas Bernstein.

MR. BERNSTEIN: Here.

MR. VAN DE GRIFT: Robert Burgess.

MR. ~~BERGESS~~ Burgess Here.

MR. VAN DE GRIFT: Keith Sawdon.

MR. SAWDON: Here.

MR. VAN DE GRIFT: Edward Koryzno.

MR. KORYZNO: Here.

MR. VAN DE GRIFT: All present.

MR. KORYZNO: Thank you. And I would like to thank the Board Members for adjusting your schedule to attend this Special Board Meeting. A reminder to the public, if you intend to speak during the public comment portion of the agenda, it's necessary for you to sign the sign up sheet that's located on the podium in the back of the room.

The next item is approval of agenda.

APPROVED - 6/28/16

I'll entertain a Motion.

MR. SAWDON: I will make that Motion.

MR. BERNSTEIN: Second.

MR. KORYZONO: Moved by Sawdon,
support by Bernstein. Discussion? Seeing none, all
in favor of the Motion say Aye.

MR. SAWDON: Aye.

MR. BURGESS: Aye.

MR. BERSTEIN: Aye.

MR. KORYZONO: Opposed same sign. The
Motion is approved and the agenda is adopted as
presented.

Item II, Old Business; clarification
of approval of GERS Board appointee Kone Bowman. I
wish to clarify the prospective nature of our
approval of Kone Boman's appointment to the GERS
Board, which was made at our last meeting.

Kone Bowman was not properly seated
prior to our approval of his appointment, and so our
approval was not, and I want to emphasis was not
retroactive. Would any of my Board Members like to
speak on this? If not --

MR. SAWDON: I'll agree.

MR. KORYZNO: All right. Thank you.

Item III, New Business; Recommendation to Amend

APPROVED - 6/28/16

Order, EM Order 334, and to repeal EM Order 332.

This is a significant event for the City of Pontiac. Because of the very real progress that the City has made, both while under Emergency Management, and while operating under the supervision of the Board, it is now appropriate to consider a greater restoration of Local Control.

This could be accomplished by a recommendation to the State Treasurer to repeal EM Order 332, which created the position of City Administrator, and an amendment to EM Order 334, a proposed Amended Order is included and would allow to -- would allow the City Charter to control most of the City's operations with several exceptions.

To accomplish this there's a resolution before the Board, which should be read into the record by the Motion maker, and I will entertain a Motion.

MR. SAWDON: Motion to approve.

MR. BERNSTEIN: Support.

MR. KORYZNO: And would you please read the resolution Mr. Sawdon.

MR. SAWDON: A Motion to approve the amendment to Order 334, and to rescind Order --

MR. KORYZNO: The entire resolution.

APPROVED - 6/28/16

MR. SAWDON: Oh, you want the --

MR. KORYZNO: Yes, for the record.

MR. SAWDON: I changed my position --

MR. KORYZNO: Did you support that Mr. Bernstein?

MR. BERNSTEIN: Yes.

MR. KORYZNO: Okay. I just want it for the record, thank you.

MR. SAWDON: I'm just joking. Whereas Section 10 of Public Act 343 -- 436, the Local Government Finance Stability and Choice Act provides for the issuance of an Emergency Manager Order, and whereas by operation of Law, such Order succeed any conflicting City Charter provisions, and whereas Section 23 of that Act provides that prior to removing -- removing a City from Receivership, the Governor may appoint a Receivership Transition Advisory Board, and whereas by the letter dated August 19, 2013, the Governor appointed a Receivership Transition Advisory Board to monitor the continual finance recovery of the City of Pontiac, and whereas, by the same appointment letter, the Pontiac Receivership Transition Advisory Board is authorized to recommend amendments and modifications to existing Emergency Manager Orders and to the State Treasurer.

APPROVED - 6/28/16

And now therefore be it resolved the Pontiac Receivership Transition Advisory Board hereby recommends to the State Treasurer that one, Emergency Manager Order Number S334, be modified as detailed in the enclosed Proposed Order, and two, the Emergency Manager Order S332 be rescinded in its entirety.

Those -- these recommended changes would restore much of the City of Pontiac Charter's authority, which had previously been rescinded by Emergency Manager Order.

MR. KORYZNO: Thank you Mr. Sawdon.

MR. SAWDON: You're welcome.

MR. KORYZNO: Moved by Sawdon, supported by Burgess. Discussion? Mr. Van De Grift, could you please provide the Board and the audience a summary of what the Order, Amendment of Order 334 will consist of?

MR. VAN DE GRIFT: I would be happy to. Drew Van De Grift, Department of Treasury. The Proposed Order before you is a significant departure and nearly total revision from the previous Emergency Manager Order. Under this Proposed Order, the controlling document for City operations will be the City Charter with certain exceptions.

The Board will continue to review certain vital City actions, including the adoption of

APPROVED - 6/28/16

budgets, budget amendments, collective bargaining agreements, and future Legal settlements, concerning the Phoenix Center and retiree healthcare benefits.

I note that previously the Board approval was required for all contractual matters which exceeded ten thousand dollars. However, the threshold under this Proposed Order is five hundred thousand dollars in fifty fold increase, in the amount that the City can't authorize for itself.

I should add that all pending resolutions adopted by the City Council since the last regular meeting will be subject to this Order once signed by the Treasurer. So, any resolutions that were adopted at the meetings that would be pending for your April meeting would be subject to this Order as Amended.

MR. KORYZNO: Any further discussion? As stated previously, the City of Pontiac has made substantial financial and operational progress, and I am very pleased to support this resolution.

MR. SAWDON: I agree.

MR. KORYZNO: Seeing no further discussion, all in favor of the Motion say Aye.

MR. SAWDON: Aye.

MR. Burgess DOUGLAS: Aye.

APPROVED - 6/28/16

MR. BERSTEIN: Aye.

MR. KORYZNO: Opposed same sign. The Motion is approved. The next item is public comment. Mr. Van De Grift will announce your name, for those who have signed up. Per the Board rules, you will have two minutes to address the Board, and Mr. Van De Grift will proceed momentarily.

MR. VAN DE GRIFT: Mayor Waterman.

MAYOR WATERMAN: Thank you gentlemen, citizens of Pontiac, employees and staff, it has been a long journey to get to this point for the restoration of local control in the City of Pontiac.

I am elated that at last Pontiac has surmounted the problems of its past, to merge from financial stress, to now that's been duly announced the turn of the -- and City Charter powers. I look forward to reviewing in detail, the provisions as outlined in the draft of the resolution, which are not approved by this Board.

This landmark accomplishment has been achieved by the great determination and resilience of the City of Pontiac. It's citizens who I have vowed to serve, it's employees, advisors and partners, and even from the onlookers, who have cheered us on the significant step of a return to -- and I salute them.

APPROVED - 6/28/16

I also thank all those who supported and encouraged me, as I have taken under this task to be Mayor of this great City.

You have given me critical comments, some friendly, some not so. But I aim to serve all the people of the City. We realize that we are role models in this process of Public Act 436, and we proudly accept this place in history, similarly affected municipalities.

With this action, I understand that the City Administrator will be stepping down from those duties and surrendering the powers. I do want to commend Joseph Sobota ~~Sabota~~ in fulfilling the role, which was different from the role I had as Mayor. The role he had was to enact the Emergency Manager's Orders, and to carry on the financial representations of the City.

My role was different. My role as elected to the City was to follow the goal of the people, to move the City forward, and I have attempted to do so. In these two roles, we have often had conflicting ways of going about it, and there have been legendary battles, but I do commend Joseph Sobota ~~Sabota~~, always, even in these differences of opinion, for carrying himself in a professional

APPROVED - 6/28/16

manner, which was effective, and I do wish him well, as he continues to help to confirm his institutional knowledge to the person who -- my Chief Administrative Officer, and that is the Deputy Mayor Jane Bais DiSessa.

MR. KORYZNO: That's two minutes. All right.

MAYOR WATERMAN: All right.

MR. KORYZNO: Thank you, Mayor.

MAYOR WATERMAN: Thank you.

MR. VAN DE GRIFT: Councilman Williams.

COUNCILMAN WILLIAMS: No comment.

MR. KORYZNO: Very good. Joseph Sabota. Sobota

MR. Sobota ~~SABOTA~~: Today is a significant ~~mild~~ mile stone in the City of Pontiac's recovery, with the action taken by the Board this afternoon, recommending that local control be returned to the City's elected officials with only limited oversight.

We are in this position today because of the reforms initiated and implemented by the past Emergency Financial Managers and Emergency Managers have begun to realize or have realized significant financial savings, while at the same time approving

APPROVED - 6/28/16

the operational efficiency of nearly every facet of City operations.

Pontiac truly is a model of how a Local Government can operate efficiently. Operational reforms have been implemented to allow Pontiac to be managed like a professionally managed City. Barriers to business development previously petitioned, were repealed. Board and Commission Members are properly trained.

The current mix of City employees represent outside experience from both the public and private sectors bring a new perspective to customer service. Obviously some residents will disagree in the manner in which many of these reforms are implemented.

Some disagree because they may have been personally harmed by the reforms; some may even publicly disagree. However, but to a person, they should agree that life in Pontiac today, is better than it was when the financial crisis first became evident in 2004.

In closing, I appreciate the trust that you have placed in me, during the past two and one half years. I hope that I was able to meet all of your expectations, while performing my duties to

APPROVED - 6/28/16

the best of my abilities, considering the unusual circumstances under which the City was operating. I wish the best of luck and intentions and goodwill to all of the Elected Officials.

I know it will be a difficult job, however, I hope it will be a rewarding job. The path has been set. Please continue following it.

MR. KORYZNO: Thank you, Mr. ~~Sobota Sabota~~.

MR. VAN DE GRIFT: Mr. Walter Moore.

MR. MOORE: I don't know how you're taking these things, because I wasn't the first one that signed, but I get -- but anyway, all of us are not satisfied, and I can't speak for anybody but myself, but I will be glad when you guys get out of here.

And I hope as you go, some way that we can sue you personally, because what you have done to this Community or allowed to be done, is just absolutely criminal. I'm one that believes that you have been a part of stripping us of assets that you had no right to do.

I don't know what this clarification of Kone Bowman is all about, because you didn't clarify anything. What's the affect of that? And furthermore, how do you repeal something that was

APPROVED - 6/28/16

defeated. When you have a two to two vote, that's a defeat.

That means that that Motion does not pass. And if it does not pass, that means it wasn't even before you. For you to resurrect something from 2014, under some guides of repealing is once again, is an abuse of your power and authority, and I hope that you go to jail for it.

The other thing, what makes you so special to call a meeting, and yet not let people know why you are calling a meeting, until eighteen hours before. You guys need to go -- get out of our City. I'm not proud, Mayor, because guess what, you know why I'm not proud, you're still here. You're still the trail boss.

I don't like it, and I hope that before I leave here, that I will have enough money to sue you gentlemen personally, because you wouldn't -- this wouldn't occur in whatever community you come from. And you should be disgraced to sit yourself up in front of us and to pretend that somehow you are some super human being, sent down here by the Governor, is absolutely sinful --

MR. KORYZNO: That's two minutes --

MR. MOORE: -- and you disgrace --

APPROVED - 6/28/16

MR. KORYZNO: Thank you Mr. Moore.

MR. VAN DE GRIFT: Billie Swazer.

MS. SWAZER: Good evening.

MR. KORYZNO: Good evening, Ms.

Swazer.

MS. SWAZER: I want to know, what does 2A mean, clarification of approval of the GERS appointment Kone Bowman to retroactive. Was it retroactive to December 2014 when he was not approved?

And if he was not retroactive -- or if it was retroactive -- if it was not retroactive, what position then would Kone Bowman have held on the GERS Board from December 2014 until this month when the TAB Board approved.

And the other thing, for the next New Business, will Joseph ~~Sobota Sabota~~ be gone from City Government, or if he is staying, what position and what authority will he have? Thank you.

MR. VAN DE GRIFT: Thank you Ms.

Swazer. Ms. Linda Hassan.

MS. HASSAN: Good afternoon. I'd like to --

MR. KORYZNO: Good afternoon.

MS. HASSAN: I'd like to thank you for

APPROVED - 6/28/16

all of the attention that you have placed on the City of Pontiac. We had discussions at the GERS meeting yesterday in regards to the mediation.

I just would like it on the record that I asked Mr. Schimmel, in this room, while he was a TAB member, if he approved for anybody to apply for a 420 transfer, he said no, he said -- and shook his head. I asked him again, he did the same thing. Because we could be placed in a very bad situation with that.

I also wanted to let you know that there is a situation in regards to conflicts that are being discussed in the mediations in that situation, with retirees benefits, and also what I would like to bring to your attention is, the meeting is a very contentious -- it is very -- I am not going to stand here afraid of anybody.

The meeting has been horrific. People are yelling at each other. It is -- there is an issue. And when you want me to say that I am going to hold something at a certain level that is pre-funded, and then tell me about all this and wanting two hundred and some million dollars, you better be sure that these people are handling it in a professional way.

APPROVED - 6/28/16

And I am not seeing that at this point. And Mayor, I would like to publicly apologize for the badgering that you have endured. And I am not going to be afraid of these people. I have already contacted people in regards to this. And I would just like to thank you for all of your support, and we will continue.

We will rise above. I wish you could have done more about the culture, because that's what really needs to be ticked on. But that's okay. I got it. Thank you.

MR. VAN DE GRIFT: Thank you Ms. Hassan. That concludes public comment.

MR. KORYZNO: Thank you Mr. Van De Grift. The next item is Board comments. Any comments from the Board?

MR. SAWDON: None from me.

MR. BURGESS: None from me.

MR. KORYZNO: Mr. Bernstein?

MR. BERNSTEIN: No comment.

MR. KORYZNO: In regards to Ms. Swazer's questions, the appointment of Mr. Bowman was effective at the March meeting, our last meeting. I will check, but I believe it was March 16th. And in regards to Mr. ~~Sobota Sabota's~~ continued employment with the

APPROVED - 6/28/16

City, that is between Mayor Waterman and Mr. ~~Sobota Sabota~~, and our recommendation to the Treasurer if he in fact signs this Order.

Again, remember that this is a recommendation from the Board to the State Treasurer. And that's all I have. And so I will entertain a Motion to adjourn.

MR. SAWDON: So moved.

MR. BURGESS: Second.

MR. KORYZNO: Moved by Sawdon, supported by Burgess. All in favor.

MR. SAWDON: Aye.

MR. BURGESS: Aye.

MR. BERSTEIN: Aye.

MR. KORYZNO: Opposed same sign. The meeting is adjourned at 1:19 p.m. Thank you for coming.

(Whereupon upon meeting concluded at or about 1:19 p.m.)

