

Pontiac Receivership Transition Advisory Board (TAB)

Minutes

January 22, 2014

1:00 pm

(Approved February 19, 2014)

Pontiac City Hall
Council Chambers – 2nd Floor
47450 Woodward Avenue
Pontiac, MI 48342

Members Present

Edward Koryzno
Robert Daddow
Keith Sawdon
Louis Schimmel

Members Absent

None

Staff Present

R. Eric Cline, Treasury
Angela Dempkowski, Treasury
Joseph Sobota, City of Pontiac
N. Nazarko, City of Pontiac

I. CALL TO ORDER

A. Roll Call

Mr. Koryzno called the meeting to order at 1:00 pm. Let the record show that all Board Members are in attendance.

B. Approval of Agenda

Motion made (Schimmel) and supported (Daddow), the Board unanimously voted to approve the December 18, 2013 TAB agenda, as amended with Item III, B(3) being removed from the agenda at the request of the City.

C. Approval of Draft Minutes of December 18, 2013 TAB Meeting

Motion made (Sawdon) and supported (Schimmel), the Board unanimously voted to approve the draft minutes of the December 18, 2013 TAB meeting.

II. OLD BUSINESS

None

III. NEW BUSINESS

A. Approval of Resolutions & Ordinances for City Council Meetings

1. December 12, 2013 – Regular Meeting

Koryzno – Entertain a motion to approve all City Council resolutions from the December 12, 2013 Regular Meeting.

Motion made (Daddow) and supported (Schimmel), the Board unanimously approved the motion.

2. December 19, 2013 – Regular Meeting

Koryzno - Entertain a motion to approve all City Council resolutions from the December 19, 2013 Regular meeting.

Motion made (Schimmel) and supported (Sawdon), the Board unanimously approved the motion.

3. December 23, 2013 – Regular Meeting

Koryzno - Entertain a motion to approve all City Council resolutions from the December 23, 2013 Regular meeting.

Motion made (Sawdon) and supported (Daddow), the Board unanimously approved the motion.

4. January 2, 2014 - Regular Meeting

Koryzno - Entertain a motion to approve all City Council resolutions from the January 2, 2014 Regular meeting.

Motion made (Daddow) and supported (Sawdon), the Board unanimously approved the motion.

5. January 9, 2014 - Regular Meeting

Koryzno - Entertain a motion to approve all City Council resolutions from the January 9, 2014 Regular meeting, with the exception of Resolution #14-15 (Council Rules) and Resolution #14-20 (DEP Plans).

Cline - Reviewed the two items of exception with the Board. Resolution #14-15 (Council Rules) is being recommended for denial because EM Order S-334 requires the Council to set public comment at 2 minutes/person. The adopted rules set public comment at 3 minutes/person, which is in direct conflict with the EM

Order. TAB approval of this resolution will clearly be in opposition to the EM Order. Resolution #14-20 (DEP Plans) is being recommended for denial in order to separately modify the approving motion. The City has requested TAB approval of the DEP plans and submission to Treasury. The TAB should not “approve” the DEP plans but affirm City Council approval and then authorize submission to Treasury.

Board further discussed the Council Rules Resolution and decided to postpone discussion. Mr. Sawdon asked that general approval of all resolutions and the Council Rules be addressed in one motion.

Koryzno – Entertain a motion to approve all City Council resolutions from the January 9, 2014 Regular meeting, with the exception of Resolution #14-15 (Council Rules) and to postpone discussion on Resolution #14-15 (Council Rules) until February 19, 2014 TAB meeting.

Motion made (Schimmel) and supported (Sawdon), the Board unanimously approved the motion.

Koryzno - Entertain a motion to approve City Council resolution #14-20 by affirming the approval of two Deficit Elimination Plans by the Pontiac City Council and authorizing the submission of these plans to the Michigan Department of Treasury.

Motion made (Sawdon) and supported (Schimmel), the Board unanimously approved the motion.

B. City Administrator Items

1. Change in Staffing – Request for Reconsideration

Cline - The City has requested that the TAB reconsider its denial at the December meeting of changing a part-time DPW position to a full-time position. The City’s justification for this is included in the attachments. If the TAB is desirous to change its previous decision, it has been determined that, procedurally, because no previous notice was given (at the prior meeting), a 2/3 majority would be needed to approve a change in the previous decision. Any motion that is made must state that this motion is to rescind/amend the previous action.

Sobota – When the positions were first created there were two full time positions. The DPW Director left employment with the City and the second full time position employee filled the DPW Director position. During the budget process, the second full time position was abolished. We have determined that we do not have enough eyes on the street and don’t know if we are receiving correct reports. In addition, this person has a CDL license and can drive a snow plow. When the contractor cannot give the service needed, this person will be able to drive the

snow plow. We realize snow is a winter season, but note that we are going to have pothole season and grass season at parks. If this second full time position is approved, we will remove the part time position. Funds are available in the Major and Local Street Fund for this fiscal year.

Sawdon – What is the additional cost?

Sobota – 40 hours for the winter, during the grass season, the funds would be paid from the General Fund.

Sawdon – What is the total new cost funding source? Looking at your cash flow you will be negative in June by \$500,000. You are going to have a larger short fall by the end of the fiscal year.

Sobota – The additional \$10,000 will come from the Major and Local Street Fund, the rest will come from the General Fund.

Sawdon – Is there a reduction in the amount paid to the vendor if they do not provide the service?

Sobota – Yes, the vendor is paid by the miles plowed.

Sawdon – Do you have any intention of re-evaluating the current vendor?

Sobota – Yes.

Koryzno – Entertain a motion to amend the previous decision adopted on December 18, 2013 regarding a change in staffing to now read that the recommended change in staffing is approved.

Motion made (Schimmel) and supported by (Daddow), the Board unanimously approved the motion.

2. Temporary Hiring Authority

Koryzno - Entertain a motion for the Board to authorize the City Administrator to hire up to three persons at an hourly rate of \$20.00 per hour with an overtime rate of \$30.00 per hour for the purpose of salting and plowing streets in the City of Pontiac. No temporary employee shall work more than a total of 200 hours. Such authority shall cease as of April 1, 2014.

Motion made (Schimmel) and supported (Daddow), the Board unanimously approved the motion.

3. Approval of Purchasing Agent/Fiscal Analyst

Sobota – Per the recommendation of the City Administrator and the Finance Director, we request that the board deny this request.

This item was removed from the agenda at the beginning of the meeting at the request of the City Administrator. No action was taken.

4. Approval of Mayor's Appointment to Housing Commission

Koryzno - Entertain a motion to approve this appointment.

Motion made (Sawdon) and supported (Schimmel), the Board unanimously approved the motion.

5. Estate of Jkhary Craft v. City of Pontiac – Request Authorization for Facilitation and Appeal

Sobota – This is a lawsuit against the City for a wrongful death in the process of apprehending a juvenile. The City had 30 days to appeal. We received authorization to file for an appeal. We are now asking for permission to actually appeal and to facilitate negotiations. During early negotiations, the plaintiff demanded \$900,000. The City Attorney recommends scheduling the facilitation to negotiate.

Koryzno - Entertain a motion to authorize the scheduling of facilitation to negotiate and appeal the case of the Estate of. Jkhary Craft v City of Pontiac.

Motion made (Sawdon) and supported (Daddow), the Board unanimously approved the motion.

6. Approval to Apply for Juvenile Accountability Block Grant

Koryzno - Entertain a motion to approve the City's filing for an application for a Juvenile Accountability Block Grant.

Sobota – In the past, Oakland County has administered and provided the match required for this grant. The City is interested in filing for the application and will come back to the Board for approval of accepting the grant and the assignment to Oakland County.

Motion made (Schimmel) and supported (Sawdon), the Board unanimously approved the motion.

7. Item 7 – Concerning Offer to Purchase Lot 1AH – Informational only and no action required.

8. Item 8 – Community Housing Network PILOT - Informational only and no action is required.

IV. NON ACTION ITEMS

A. Monthly Financial Reports – November 2013 and December 2013

Sobota – Brief report out on the November 2013 and December 2013 financial reports.

Nazarko – Reports that the City is still working with Plant Moran on cleaning up the books.

Sawdon- How are the receivable collections? Can you give me an update on the VEBA and retirement system and Pontiac schools? Is the contractor for income tax collection doing a cross reference check with the state?

Nazarko – The receivables from the pension system have not been received by the City as of this date. The issues are being looked into and we do not see a problem that this will get resolved. We would appreciate any help from the Board to encourage the schools to pay their bills, as no money has been received as of this date. We did not include the school payment amount in our cash flow, so if we do receive it, our cash flow won't be as bad. The income tax contractors are not performing well. They have not done cross reference checks with the state for the last 5 years; as time passes, it is more difficult to collect the past due moneys. We are stressing to the vendor to do the cross referencing.

Daddow – OPEB Audit receivable – did the City receive the \$541,000?

Nazarko – Yes. We are working to reconcile the records. The spreadsheet and the original invoices had discrepancies and we are making those corrections.

Daddow – When the records are satisfied, please provide me with all other invoices for payment.

Nazarko – All invoices have been provided.

Daddow – Please double check that so the correct billing is done.

B. Quarterly Report

Entertain a motion that report is received, discussed, and filed.

Motion made (Daddow) and supported (Sawdon), the Board unanimously approved the motion.

C. Board Comments

None

V. **PUBLIC COMMENT**

1. Pastor Robert Martin, Pontiac, MI – Would like to know what the criterion is to have the TAB removed from the City. Expressed concern that the Mayor is not receiving documents requested from the City.
2. Hubert Price Jr., Pontiac, MI – Inquired as to how a citizen can receive copies of attachments that are referred to on TAB agendas?
3. Pastor Roger Jackson, Pontiac, MI – Concerned that there are other cities that have Emergency Managers that give the Mayor more authority, but not in Pontiac.
4. Mayor Deirdre Waterman, Pontiac, MI – Expressed her pride of how well the new Council is working together. She also thanked the Board for considering the request to adopt the new Council Rules and Procedures.
5. Billie Swazer, Pontiac, MI – Signed up, not present to speak.
6. Robert Cluckey, Pontiac, MI – Requests the TAB be eliminated and restore the power to the Mayor.
7. Kyle Westberg, Pontiac, MI – Expressed his disappointment that the item regarding the Community Housing Network PILOT was not discussed at this meeting.
8. Hubert Price, Jr., Pontiac, MI – Mr. Price was granted extra time by the Board to state his second concern. He would like the Mayor to have the authority to appoint a Deputy Mayor and requests that the City be more cooperative in working with the Mayor.

Koryzno – Addressed the public in regard to the role of the Transition Advisory Board and noted the Governor makes the final decision regarding removal of Transition Advisory Boards.

Schimmel – Noted that his thoughts as the previous Emergency Manager for TAB removal from the City would definitely include resolutions to the following three critical issues: 1) litigation regarding the Phoenix Center, 2) Retiree health care (this was resolved temporarily but not permanently), and 3) Firefighters retirement issue. These are three very large critical issues that he feels need to be resolved before Pontiac is financially stable.

VI. ADJOURNMENT

There being no further business, the meeting was adjourned at 2:17 pm.



Angela Dempkowski