

**Pontiac Receivership Transition Advisory Board
Minutes**

February 19, 2014

1:00 PM

Approved March 17, 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

E. Cline, Dept. of Treasury
A. Dempkowski, Dept. of Treasury
J. Sobota, City of Pontiac
N. Nazarko, City of Pontiac

I. CALL TO ORDER

A. Roll Call – 1:00 pm

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

Koryzno – Entertain a motion to approve the February 19, 2014 agenda.

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

C. Approval of Draft Minutes of January 22, 2014 TAB meeting

Koryzno – Entertain a motion to approve the draft minutes of the January 22, 2014 TAB meeting.

Sawdon – Please correct a typo on page four in the last paragraph.

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

II. OLD BUSINESS

A. Resolution #14-15 (Council Rules) - Amendment of Order S-334 – Modify Public Comment Time

Koryzno – Entertain a motion to recommend to the State Treasurer to approve an amendment to Emergency Manager Order S-334 to increase the required amount of City Council Public Comment time from 2 minutes per person to 3 minutes per person.

Daddow – Are the rest of the Council procedures in affect even though the TAB did not approve them?

Sobota – Yes.

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

III. NEW BUSINESS

A. Rescheduling of March 2014 Board Meeting

Koryzno - Entertain a motion to reschedule the March 2014 RTAB meeting date from Wednesday, March 19, 2014 to Monday, March 17, 2014.

Koryzno - The City should be reminded that their deadline for submission should also be adjusted by two days in order to accommodate this change.

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

B. Approval of Resolutions & Ordinances for City Council Meetings

1. January 16, 2014 - Regular Meeting

Koryzno - Entertain a motion to approve all City Council resolutions from the January 16, 2014 Regular meeting.

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

2. January 23, 2014 - Regular Meeting

Koryzno - Entertain a motion to approve all City Council resolutions from the January 23, 2014 Regular meeting.

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

3. January 30, 2014 - Regular Meeting

Koryzno - Entertain a motion to approve all City Council resolutions from the January 30, 2014 Regular meeting.

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

4. February 6, 2014 - Regular Meeting

Koryzno - Entertain a motion to approve all City Council resolutions from the February 6, 2014 Regular meeting, with the exception of Resolution #14-47 (Combs v. Pontiac), Resolution #14-48 (Stefani v. Pontiac), Resolution #14-49 (Bryant v. Pontiac), Resolution #14-57 (Interfund Borrowing), and Resolution #14-59 (Election Services Agreement with Oakland County).

Sawdon – Resolution 14-50 involves issuance of cell phones for the Oakland County Sheriff's Office. Was this an increase and what was budgeted?

Sobota - This resolution was not voted on. There was an oral agreement for 22 cell phones - nothing in writing. Discussions took place on whether drug forfeiture funds could be used to fund this agreement. This item will be resubmitted at a future Council meeting

Sawdon – Resolution 14-51 involves a two-year option agreement with JRanck to maintain the City's streetlights. Is the extension at the same price?

Sobota – Yes, it is for the same price. They did request a 3% to 5% increase and that is not permitted under the contract. They are required to give us a two-year extension at the same price.

- Resolution 14-47 (Combs v. Pontiac)

Koryzno - Entertain a motion to approve Resolution #14-47 (Combs v. Pontiac).

Sobota - This litigation involves allegations of police assault and battery. The Plaintiff is not willing to settle. The City is requesting to formally appeal.

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

- Resolution 14-48 (Stefani v. Pontiac)

Koryzno - Entertain a motion to approve Resolution #14-48 (Stefani v. Pontiac).

Sobota – This litigation involves a workers comp case. The Officer was involved in a car accident and incurred injury - was hit by someone else. The Officer sued the person responsible and settled in Circuit Court. The City is going to get compensation for the cost at a \$20,000 proposed settlement for a workers comp lien.

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

- Resolution 14-49 (Bryant v. Pontiac)

Koryzno - Entertain a motion to approve Resolution #14-49 (Bryant v. Pontiac).

Sobota – This litigation involves a workers comp case. A DPW employee alleges injury. The City Attorney has negotiated a settlement of \$99,000. This will close the case forever.

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

- Resolution 14-57 (Interfund Borrowing)

Koryzno - Entertain a motion to postpone a decision on Resolution #14-57 (Interfund Borrowing) until the March 2014 RTAB meeting.

Daddow – In reference to Chapter 20 - Drain Fund, are the City fund and County fund related?

Sobota – No, they are not. We just carried the fund name over.

Daddow – So, this does not have anything to do with water and sewage lines.

Sobota – That is correct.

Sawdon - Does the City have an Internal Service fund?

Sobota – No it does not. We will have a negative cash flow in March and June, and have a payment for fire services that is due in July. Addressing the cash flow, we have identified internal service funds to allow to temporarily borrowing at whatever the rate of interest is up to March 1. We are looking into this to see if this will continue or if it will be one-time only. We will have a better idea next month.

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

- Resolution 14-59 (Election Services Agreement with Oakland County)

Koryzno - Entertain a motion to approve Resolution #14-59 (Election Service Agreement with Oakland County).

Cline – Mr. Sobota provided new information for this item just before the meeting began. The cost is \$300 per year and the agreement is extended by Oakland County to local units for services for County election services.

Sobota – Other additional costs might be required if a special election or a recall election were held.

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

C. City Administrator Items

1. Waterford Township SAFER Grant Application

Koryzno - Entertain a motion to postpone a decision on the Waterford Township SAFER Grant application until the March 2014 RTAB meeting.

Daddow- If we defer this decision, does it impact the application deadline?

Sobota – No. The grant application has already been submitted. Waterford Township just notified us that they applied and have actually received preliminary information that the grant will be awarded to the Township. As part of the grant, when awarded, Waterford Township has 90 days to fill all positions. The Township indicates costs will be \$70,000 and request that the City of Pontiac pay \$20,000. More information was then provided that there would be operational costs estimated at \$36,000. Waterford Township indicated they would try to find other funding sources so the City of Pontiac does not have to pay the operational costs. We do have the \$20,000 match funding in the budget; if the grant is awarded we will contribute. However, if there are additional costs, we will not be able to incur them. The City has not had time to review this yet. The Waterford Township contract will have to be amended to do this.

Koryzno – Do you have regular meetings with the Fire Chief?

Sobota – No, I don't. The City Council does.

Koryzno – Are you saying this issue was never raised in any meetings?

Sobota – Yes, that is correct. The Township will approach us in advance from here on out.

Koryzno - Is there any wording in the contract that would address this issue?

Sobota – No, there is not.

Nazarko – The \$20,000 match funding is available, but I am concerned about future costs. Even though the estimate for operational costs is \$36,000, I would request something written in the agreement as to what the actual costs are.

Koryzno – I agree.

Schimmel – We cannot emphasize enough how thin the margin is between what money the City actually has and what will cause the City to go south in its budget. If the City had a General Fund balance of 12% it would be ok, but they do not. Money is very, very thin.

Koryzno – That is a valid point. Pontiac is at 1.9% and the useable part of that is actually zero.

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

2. 2015-16 Budget Process – Informational and no action required
3. Phoenix Center Litigation – Informational and no action required
4. Approval of Employment Agreements – Senior Service Coordinators

Koryzno - Entertain a motion to approve these agreements.

Sobota – This was an oversight on the City's part. We cannot find agreements between the City and these employees. By law, they require a contract. There is no change in compensation other than they will have paid time off. These positions are paid for from the Senior Citizen Fund. This fund has a structural deficit of \$120,000 per year, but the fund has a fund balance of over \$1M.

Sawdon – Why aren't we addressing the structural deficit instead of employees?

Sobota - The millage supported annual operating expenses and built in some fund balance. It will be up to the voters of Pontiac on whether they want to continue this service.

Sawdon- We should be addressing the deficit, not the employees. We are doing this backwards.

Sobota – If the millage is not renewed, the facility will be put up for sale.

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

5. Amendment of Order S-148 – Hours of Access to City Hall

Koryzno - Entertain a motion to recommend to the State Treasurer to approve an amendment to Emergency Manager Order S-148 to modify access to City Hall.

Sobota – The previous Mayor never had after-hours access and the new Mayor has requested after-hours access. We replaced the names and identified positions instead.

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

6. Amendment of Order S-334 – Amendment of Public Comment Time –
Addressed above in Old Business

7. Approval of settlements – Addressed above in New Business.

IV. NON ACTION ITEMS

A. Monthly Financial Report – January 2014

Sobota – Gave brief overview.

Nazarko – The Board met today and they are questioning the audited financial statements from 2012 and reviewing line by line to see if reimbursements did actually occur. Further overview provided.

B. Quarterly Report – Due April 2014

V. PUBLIC COMMENT

1. Yvette Carson, Pontiac, MI – Referencing a letter received from the Governor, she would like information as to “what does a model city charter look like?”
2. Warren Rodgers, Pontiac, MI – Stated that he is not happy about the 2 minute public speaking time frame. Concerned that there are no African Americans on the RTAB.
3. Renee Beckly, Pontiac, MI – Expressed concerns about the City budget and snow removal.
4. Billy Swazer, Pontiac, MI – Expressed concerns about snow removal.

5. Darryl Folks, Pontiac, MI – Expressed concern about where City money is being spent and funding of the Charter Revision Commission.
6. Robert Cluckey, Pontiac, MI – Spoke about general City business.
7. Mark Holland, Pontiac, MI – Stated that he is not happy about the 2 minute public speaking time frame and does not like the final EM Order.

VI. BOARD COMMENTS

A. Written Reports from the City


Koryzno - Informed the City that the RTAB expects that any Board requested reports will be provided in writing but may be presented verbally.

B. Comments Regarding Public Speaking

1. The State is not proposing a specific Charter for the City. It was information that was provided to help the City come up with its own model.
2. This Board has no authority regarding snow issues.
3. Funding of the Charter Commission rests with the City Administrator.

VII. ADJOURNMENT

There being no further business, the meeting was adjourned at 2:01pm.



Angela Dempkowski