



**PONTIAC CITY COUNCIL
STUDY SESSION**

June 22, 2017

6:00 P.M.

194th Session of the 9th Council

It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."

Call to order

Roll Call

Authorization to excuse councilmembers

Approve Agenda

Approval of the minutes

1. Regular Meeting June 10, 2017 Closed Session Minutes June 10, 2017 and Regular Minutes June 15, 2017

Public Comment

Public Hearing

2. Michigan Motion Picture Studios, LLC request to establish a plant rehabilitation district.

Agenda Items for Consideration.

3. Request to establish a plant rehabilitation district for parcel 64-19-03-201-002 4GW Real Estate Investment LLC and Williams International Co. LLC
4. Request for resolution approving application to the Michigan Strategic fund for designation of renaissance zone in City of Pontiac Tax Increment Finance Authority development area and related matters.
5. Resolution to approve Wade Trim Contract Extension-Second Revision
6. WHRC Memorandum of Understanding.
7. Request for approval of Settlement Agreement CPREA vs. City of Pontiac

Adjournment

June 10, 2017

**Official Proceedings
Pontiac City Council
192nd Session of the Ninth Council**

A Special Study Session of the City Council of Pontiac, Michigan was called to order in City Hall, Saturday, June 10, 2017 at 10:00 A.M. by President Patrice Waterman.

Call to Order at 10:00 A.M.

Roll Call

Members Present: Carter, Taylor-Burks, Waterman, and Woodward.

Members Absent: Holland, Pietila, and Williams.

Mayor Waterman was present.

Clerk announced a quorum.

17-188 **Excuse Councilperson Holland, Pietila, and Williams for personal reasons.** Moved By Councilperson Taylor-Burks and supported by Councilperson Woodward.

Ayes: Carter, Taylor-Burks, Waterman, and Woodward.

No: None

Motion Carried.

17-189 **Approval of the Agenda.** Moved by Councilperson Taylor-Burks and supported by Councilperson Woodward.

Ayes: Carter, Taylor-Burks, Waterman, and Woodward.

No: None

Motion Carried.

One individual addressed the council during public comment.

17-190 **Resolution for Closed Session.** Moved by Councilperson Woodward supported by Councilperson Taylor-Burks.

Whereas, Section 8 (e), MCL 15.268, permits a public body “[to] consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have detrimental financial effect on the litigation or settlement position of the public body”: and,

Whereas, the Pontiac City Council believes that an open meeting would have a detrimental financial effect on the litigating or settlement position of the City.

Therefore, Be It Resolved that the Pontiac City Council recesses into closed session for the purpose of consulting with its attorney regarding settlement strategy in the cases of CPREA vs. The City of Pontiac.

Ayes: Carter, Taylor-Burks, Waterman, and Woodward.

No: None

Resolution Adopted.

June 10, 2017

Councilman Holland arrived at 10:12 a.m.

Kermit Williams arrived at 10:14 a.m

President Patrice Waterman adjourned the meeting at 11:20 a.m.

SHERIKIA L.HAWKINS
CITY CLERK

June 15, 2017

**Official Proceedings
Pontiac City Council
193rd Session of the Ninth Council**

A Formal Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Thursday, June 15, 2017 at 6:00 P.M. by President Patrice Waterman.

Call to Order at 6:00 P.M.

Roll Call

Members Present: Carter, Pietila, Taylor-Burks, Waterman, Williams and Woodward.

Members Absent: Holland.

Mayor Waterman was present.

Clerk announced a quorum.

17-191 **Excuse Councilperson Mark Holland for personal reasons.** Moved By Councilperson Pietila and supported by Councilperson Taylor-Burks.

Ayes: Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Motion Carried.

17-192 **Motion to move Closed Session back until Attorney arrives.** Moved by Councilperson Taylor-Burks and supported by Councilperson Woodward.

Ayes: Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Motion Carried.

17-193 **Agenda Approved adding items # 8, (MDOT Form 2207B) #9, (MDNR Grant Extension of North Spur) #13, (Microsoft Office) #14, (Workers Compensation and Liability Insurance Renewal) and #15 (City of Pontiac Emergency Support Plan) to consent agenda.** Moved by Councilperson Woodward and supported by Councilperson Carter.

Ayes: Taylor-Burks, Waterman, Williams, Woodward, Carter and Pietila.

No: None

Motion Carried.

17-194 **Journal of June 6, 2017.** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

Ayes: Waterman, Williams, Woodward, Carter, Pietila and Taylor-Burks.

No: None

Motion Carried.

17-195 **Journal of June 8, 2017.** Moved by Councilperson Woodward and supported by Councilperson Pietila.

June 15, 2017

Ayes: Williams, Woodward, Carter, Pietila, Taylor-Burks and Waterman.

No: None

Motion Carried.

President Patrice Waterman opened up public hearing regarding an Ordinance to amend various sections of Chapter 22, Article VI of the City of Pontiac Code of Ordinances at 6:09 p.m.

There were 3 individuals who address the body during public hearing.

1. Ken Moses 1047 Larkmoor, Berkley, MI. He stated that this will expand the rental market. People will be renting to their cousins and he doesn't think it's good for the City.
2. Nevrus Nazarko 989 Woods Lane. He's concerned about the financial impact numbers have not been extracted. Who will do the enforcement?
3. Billie Swazer 1619 Marshbank. She said Pontiac has a lot of relatives and if her brother needs help, she will help him.

Councilman Mark Holland arrived at 6:12 p.m.

President Patrice Waterman closed public hearing at 6:16 p.m.

17-196 **Request to approve the final reading of the Ordinance to amend various sections of Chapter 22, Article VI of the City of Pontiac Code of Ordinances.** Moved by Councilperson Pietila and supported by Councilperson Taylor-Burks.

Ordinance No. 2345

An ordinance to amend various sections of Chapter 22, Article VI of the City of Pontiac Code of Ordinances.

The City of Pontiac ordains:

Chapter 22, Article VI, shall be amended to read as follows:

ARTICLE VI. HOUSING CODE

Division 7. Inspections of One- and Two-Family Dwellings

22-801 Registry of owners and premises.

(a) A registry of owners and premises shall be maintained by the Department of Building Safety.

(b) The owners of one- and two-family dwellings which are occupied by persons other than the owner, which may be evidenced by the homestead declaration on the property being less than 100% and a dwelling unit not occupied by the titled owner of the property, or a one- or two-family dwelling for which an owner is offering to others for purposes of occupancy through rental or lease agreements, or by other mutually acceptable agreements leading to occupancy including land contracts, shall register their names, places of residence or usual places of business, Social Security or taxpayer identification number, state identification number, name(s) of the tenant(s), and the location of the premises regulated by this division with the Department of Building Safety. If the premises are managed or operated by an agent, the agent's name, place of business, Social Security or taxpayer identification number, and state identification number shall also be provided. The owners shall register by June 30, 2012, after the enactment of this division, without additional penalty. Within sixty (60) days after change of ownership or change of agent, the new owner or agent shall reregister with the Department of Building Safety in the same manner as

previously set forth. The Department of Building Safety may require information in addition to the information required by this division for purposes of registration. A fee shall be paid upon registration. Such registration shall be valid until changed. Late registration fees paid after its due date shall be assessed a twenty-five dollar (\$25.00) late fee per rental unit per month until paid.

(c) A property that has a land contract recorded with the Oakland County Register of Deeds that names the occupant of the dwelling unit shall be exempt from the requirements of this division.

(Code 1985, § 14-165; Ord. No. 2247, § 1, 1-26-12; Ord. No. 2255, § 1, 4-17-12)

22-802 Fees.

(a) Fees for registration, certificates of compliance, temporary certificates, rescheduling fees, related inspections, appeals, and any other fee required by this division shall be recommended by the Finance Director and the Department of Building Safety and established by resolution of the City Council upon adoption of the annual budget and may be amended by resolution of the City Council from time to time. Fees shall be payable at time of registration or request for inspection.

(b) Owners of one-and two-family dwellings which are occupied by a family member of the owner, shall not be charged any of the fees enumerated in subsection (a) above, except that all owners shall be responsible for paying the inspection fees. For the purposes of this subsection, a family member is any individual related by blood or marriage, which relationship is or a permanent and distinct domestic character and shall be limited to mother, father, grandparent, mother-in-law, father-in-law, brother, sister, son, daughter, son-in-law, daughter-in-law, or any other adoptive dependent. Evidence of relationship may be proven at the time of registration by birth certificate, marriage certificate, record of adoption, tax returns showing dependent status, or any other documents that may be required by the Department of Building Safety.

(c) Property owners shall also be responsible for any unpaid fees invoiced within the previous 365 days. After June 30, 2012, any invoice that is paid after its due date shall be assessed a twenty-five dollar (\$25.00) late fee per rental unit per month until paid.

(d) There shall be no refunds for any fees paid unless the service is not provided because of the fault of the Department of Building Safety.

(e) Effective January 1, 2013, the Department of Building Safety may charge one information verification fee during a calendar year to verify information obtained during the registry of owners and premises, including names of tenants, obtained in a previous calendar year. If such verification fee is assessed, the City Council shall by December 1 of the prior calendar year, upon the recommendation of the Finance Director and the Department of Building Safety, establish the fee. The fee shall be in effect for the entire calendar year and shall expire on the last day of the calendar year. Any unpaid verification fee shall be assessed a one-time, twenty-five dollar (\$25.00) late fee after its due date.

(Code 1985, § 14-166; Ord. No. 2247, § 1, 1-26-12; Ord. No. 2255, § 1, 4-17-12)

22-803 Inspections required.

(a) The Department of Building Safety shall cause periodic inspections to be made of dwellings regulated by this division. In no event shall the period between the inspections exceed three years, except that the period shall be five years for owners of property who qualify for the fee waiver in section 22-802(b) above. This section does not limit the requirement in section (b) to have the property re-inspected upon change in occupancy.

(b) In addition to the periodic inspections required by subsection (a) of this section, inspections shall also be required prior to any change in occupancy of a dwelling unit after having once been occupied. It shall be the duty of the owner or agent of such dwelling units to notify the Department of Building Safety prior to the reoccupancy of a vacated one- or two-family dwelling unit. No dwellings subject to this division may be reoccupied until inspected pursuant to this section, except as provided in subsection (h) of section 22-806. The owner or agent of a dwelling unit reoccupied after June 30, 2012, and before the issuance of a certificate of compliance shall be guilty of a municipal civil infraction subject to a fine of five hundred dollars (\$500.00); each day shall be considered a separate offense.

(c) Inspections shall be conducted in a manner calculated to secure compliance with applicable city ordinances and regulations appropriate to the needs of the community.

(d) An inspector or team of inspectors may request permission to enter all premises regulated by this division at reasonable hours to undertake an inspection. Upon an emergency, an inspector or team of inspectors shall have the right to enter at any time.

(e) Owner or the agent shall schedule the inspection at least sixty (60) days before the expiration date of a certificate of compliance, or sooner. Failure to schedule an inspection shall result in the immediate suspension of a certificate of compliance and penalties as described in Section 22-807(f) and the assessment of a twenty-five dollar (\$25.00) late fee per unit per month for any inspection that is scheduled late under this ordinance after June 30, 2012. No inspection shall be made unless the appropriate fee has been paid. Any request to reschedule an inspection shall result in a rescheduling fee.

(f) A tenant may request inspection of the dwelling unit upon payment of the inspection fee.

(Code 1985, § 14-167; Ord. No. 2247, § 1, 1-26-12; Ord. No. 2255, § 1, 4-17-12)

22-804 Inspection warrants.

(a) In a nonemergency situation where admission to premises to be inspected under the provisions of this division is refused by the occupant or person in charge thereof, the Department of Building Safety shall apply to a court of competent jurisdiction for a warrant to inspect the premises. The warrant shall state the address of the building to be inspected, the nature of the inspection, and the reasons for the inspection. It shall be appropriate and sufficient to set forth the basis for inspection established in this division, or as set forth in other applicable law. The warrant shall also state that it is issued pursuant to this division, and the purpose for which it is issued.

(b) In the event of an emergency, no inspection warrant shall be required.

(Code 1985, § 14-168; Ord. No. 2247, § 1, 1-26-12)

22-805 Inspection policy and recordkeeping.

(a) It is the policy of the city that the inspection procedures set forth in this division are established in the public interest to secure the health and safety of the occupants of dwellings and of the general public.

(b) The current edition of the International Property Maintenance Code along with any subsequent amendments or supplements with technical amendments approved and recommended by the International Code Council is hereby adopted by reference to establish the minimum conditions of the dwelling unit and the maintenance of the structure in general.

(c) The Department of Building Safety shall keep records of all inspections and matters related to the procedures set forth in this division in accordance with the record retention schedule adopted by the City Council.

(Code 1985, § 14-169; Ord. No. 2247, § 1, 1-26-12)

22-806 Certificate of compliance.

(a) An owner or agent shall apply for a certificate of compliance. Inspection and issuance of certificates shall be in accordance with the requirements of this division and with rules and procedures established by the Building Code Official.

(b) An application for a certificate of compliance shall be made when the owner enrolls in the registry of owners and premises. If the owner fails to register within the time required, any occupant of unregistered or uncertified premises may make application.

(c) Single- and two-family dwellings regulated by this division shall not be occupied unless a certificate of compliance has been issued by the Department of Building Safety. The certificates shall be issued only upon prior inspection of the premises, except as provided in subsection (h) of this section. The certificate shall be issued within fifteen (15) days if the dwelling is entitled thereto at the date of inspection.

(d) Inspections shall be made prior to first occupancy of single- and two-family dwellings regulated by this division when the construction or alteration is completed.

(e) Upon finding that there is no condition that would constitute a hazard to the health and safety of the occupants, and the premises are otherwise fit for occupancy, the certificate of compliance shall be issued. If the finding is of a condition that would constitute a hazard to health or safety, no certificate shall be

issued, and an order to comply with this division shall be issued immediately and served upon the owner in accordance with section 22-807. On reinspection and proof of compliance, the order shall be rescinded and a certificate issued.

(f) When a certificate of compliance is withheld pending compliance, no premises that have not been occupied for dwelling purposes shall be so occupied, and those premises that have been or are occupied may be ordered vacated until reinspection and proof of compliance has been established by the Department of Building Safety.

(g) A certificate of compliance shall be issued on condition that the premises remain in safe, healthful, and fit condition for occupancy. If upon reinspection the Department of Building Safety determines that conditions exist that constitute a hazard to health or safety, the certificate may be immediately suspended and a notice shall be served upon the owner to comply with this division.

(h) The Department of Building Safety may authorize the issuance of a temporary certificate without inspection for those premises in which there are no violations of record, and shall issue such temporary certificates upon application in cases where inspections are not made within a reasonable time. Temporary certificates may also be issued for premises with violations of record when the owner can show proof of having undertaken to correct such conditions.

(i) A violation of this division shall not prevent the issuance of a certificate of compliance, but the Department of Building Safety shall not issue a certificate when the existing conditions constitute a hazard to the health or safety of those who may occupy the premises.

(j) It shall be required, and the responsibility of the owner, to maintain and post on the inside of the main entrance to the dwelling unit one copy of the certificate of compliance, either temporary or permanent, as such certificates are issued, at the premises for which they have been issued.

(k) No certificate of compliance shall be issued for any property unless all property taxes and water and sewer bills associated with the parcel in question are current and that the owner is in compliance with the provisions of the Pontiac Income Tax Ordinance.

(l) Any certificate of compliance issued by the Department of Building Safety after September 1, 2011, with an expiration date less than one year from the date of issuance shall be deemed to expire three years after the date of issuance. The Department of Building Safety shall correct all records to reflect this change.

(Code 1985, § 14-170; Ord. No. 2247, § 1, 1-26-12; Ord. No. 2255, § 1, 4-17-12)

22-807 Violations.

(a) If, upon inspection, the premises or any part thereof are found to be in violation of any provision of any code or ordinance of the city, the violation shall be recorded by the Department of Building Safety in the applicable owner and premises files.

(b) The owner, and at the discretion of the Department of Building Safety, the occupants, shall be notified in writing of the existence of the violation. The notice shall state the date of the inspection, the name of the inspector, the specific details of the violation, and the time within which the correction shall be completed.

(c) A violation that is determined by the inspector to constitute a hazard to the health or safety of the occupants, under circumstances where the premises cannot be vacated, shall be ordered corrected within the shortest reasonable time. All other violations shall be corrected within a reasonable time as determined by the Department of Building Safety.

(d) The Department of Building Safety shall reinspect after a reasonable time for ascertaining whether the violations have been corrected. There shall be an additional fee charged and paid before each reinspection.

(e) The Department of Building Safety shall attempt to ascertain those circumstances where the occupant or occupants shall be responsible for the correction of violations. In instances where disputes arise as to responsibility for violations and corrections, the owner of the premises shall be held to be responsible for corrective action, unless the owner establishes that the occupant or occupants are responsible.

(f) Violation of any provisions of this division shall be deemed a municipal civil infraction, punishable by a fine of not less than \$100.00, or more than \$500.00; plus any costs, damages, expenses, and other sanctions. This division is further subject to the repeat offender provision of this Code. This provision states that increased civil fines may be imposed for repeated violations by a person of any requirement or provision of this division. As used in this division, "repeat offense" means a second (or any subsequent) municipal civil infraction violation of the same requirement or provision (1) committed by a person and (2) for which the person admits responsibility or is determined to be responsible. The increased fine for a repeat offense under this article shall be as follows:

(1) The fine for any offense, which is a first repeat offense, shall be no less than \$300.00, plus costs.

(2) The fine for any offense, which is a second repeat offense or any subsequent repeat offense, shall be \$500.00, plus costs.

(g) If any owner who receives a fee waiver pursuant to Section 22-802(b) is found to have presented false or fraudulent information in order to obtain the fee waiver, or if the occupant of the dwelling is found not to be a family member of the owner, as defined in Section 22-802(b), the owner of the property shall be guilty of a civil infraction, punishable by a fine of not less than \$500.00. Any property owner found to have violated this section shall not be eligible for any fee waiver at any property owned within the City.

Further, each day on which any violation of this division continues constitutes a separate offense and shall be subject to penalties or sanctions as a separate offense. In addition to any other remedies available at law, the city may bring in the local district court an injunction or other process against a person or company to restrain, prevent, or abate any violation of this division.

(Code 1985, § 14-171; Ord. No. 2086, § 1, 10-22-98; Ord. No. 2247, § 1, 1-26-12)

22-807.1 Appeals.

(a) If, upon inspection, the premises or any part thereof is found to be in violation of any provision of the International Property Maintenance Code and the Department of Building Safety has declined to issue a certificate of compliance, the property owner has the right to appeal the decision of the Department of Building Safety to the board of appeals established by the city under the Housing Law of Michigan upon petition and payment of the appeal fee.

(b) An owner aggrieved by a final decision or order of the board of appeals may appeal the decision or order to the circuit court by filing a petition for an order of superintending control within 20 days of the dates of the decision.

(Ord. No. 2247, § 1, 1-26-12)

Section 2. Severability.

If any section, clause, or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause, or provision declared to be unconstitutional, void, or illegal shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

Section 3. Saving Clause.

A prosecution which is pending on the effective date of this ordinance and which arose from a violation of an ordinance repealed by this ordinance, or a prosecution which is started within one (1) year after the effective date of this ordinance arising from a violation of an ordinance repealed by this ordinance and which was committed prior to the effective date of this ordinance, shall be tried and determined exactly as if the ordinance had not been repealed.

Section 4. Repealer.

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 5. Publication.

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The Clerk shall publish this Ordinance in a newspaper of general circulation.

Section 6. Effective Date.

This Ordinance shall be effective ten days after date of adoption by the City Council.

Ayes: Woodward, Holland, Pietila, Taylor-Burks, Waterman and Williams.

No: None

Ordinance Adopted.

17-197 **Resolution to go into Closed Session.** Moved by Councilperson Woodward and supported by Councilperson Pietila.

Whereas, Section 8 (e), MCL 15.268, permits a public body “[to] consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have detrimental financial effect on the litigation or settlement position of the public body”: and,

Whereas, the Pontiac City Council believes that an open meeting would have a detrimental financial effect on the litigating or settlement position of the City.

Therefore, Be It Resolved that the Pontiac City Council recesses into closed session for the purpose of consulting with its attorney regarding settlement strategy in the case of Sharon Buck vs. The City of Pontiac.

Ayes: Carter, Holland, Pietila, Taylor-Burks, Waterman, Williams and Woodward.

No: None

Resolution Passed.

17-198 **Resolution in the case of Sharon Buck vs. the City of Pontiac.** Moved by Councilperson Pietila and supported by Councilperson Taylor-Burks.

Be It Further Resolved that the Pontiac City Council accepts the facilitation settlement on the case of Sharon Buck vs. the City of Pontiac.

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Resolution Passed.

17-199 **Request to approve an Ordinance to provide limited increase in pension systems for certain members of The General Employee Retirement System.** Moved by Councilperson Williams and supported by Councilman Holland.

ORDINANCE NO. 2346

An ordinance to provide for a limited increase in pension payments for certain members of the General Employee Retirement System.

Whereas, the temporary increase to certain members of the GERS pension system is set to expire on August 31, 2017; and,

Whereas, the City Council desires that this temporary increase continues for at least one more year; and,

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Whereas, in order for this temporary increase to continue, the Transition Advisory Board must recommend that the State Treasurer approve an amendment to Order S-307; and,

Whereas, such amendment must be approved by the State Treasurer before September 1, 2017; and,

Whereas, such ordinance, if approved, will take effect from September 1, 2017 and expire on August 31, 2018 or when the CPREA health care litigation is resolved and health insurance will be provided to retiree class, whichever comes first, and,

Whereas, the Pontiac City Council considers this an emergency.

The City of Pontiac ordains:

Section 1. Amendments.

The General Employee Retirement System ordinance shall be amended to read as follows:

- a. Section 17.6 shall be amended to add the following language:

Temporary Pension Increase

"All persons who are receiving retirement benefits as of August 1, 2017 and who enter pay status through August 1, 2018, shall be entitled to receive an increase in their monthly allowance of four hundred dollars (\$400.00) per month beginning September 1, 2017 through August 31, 2018, or when the CPREA litigation is resolved and health insurance will be provided to retiree class, whichever comes first.

Section 2. Severability.

If any section, or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause or provision declared to be unconstitutional, void or illegal shall thereby cease to be a part of this Ordinance, but the remainder of the Ordinance shall stand and be in full force and effect.

Section 3. Repealer.

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

Section 4. Publication.

The Clerk shall publish this Ordinance in a newspaper of general circulation.

Section 5. Emergency Declaration and Effective Date.

This Ordinance is declared an emergency to allow the pension recipients to collect the increase authorized in this Ordinance on the date identified in this Ordinance and shall be effective immediately upon adoption by the City Council and approval by the Transition Advisory Board and State Treasurer. This ordinance must be approved by the State Treasurer by August 31, 2017

Deputy Mayor Report or Departmental Head Report – Jane Bais-DiSessa

Recognition of Elected Officials – Rosie Lance Richardson, Chairperson of Pontiac Library.

17-200 **Request to approve MDOT Resolution-Form 2207B. (Consent Agenda)** Moved by Councilperson Williams and supported by Councilperson Taylor-Burks.

This Performance Resolution is required by the Michigan Department of Transportation for purposes of issuing to a municipal utility an "Individual Permit for Use of State Highway Right of Way", or an "Annual Application and Permit for Miscellaneous Operations within State Highway Right of Way".

RESOLVED WHEREAS, THE CITY OF PONTIAC hereinafter referred to as the "GOVERNMENTAL AGENCY," periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain utilities or other facilities, or to conduct other activities, on, over, and under State Highway Right of Way at various locations within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the GOVERNMENTAL AGENCY agrees that:

1. Each party to this Agreement shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this Agreement, as provided by law. This Agreement is not intended to increase either party's liability for, or immunity from, tort claims, nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.
2. If any of the work performed for the GOVERNMENTAL AGENCY is performed by a contractor, the GOVERNMENTAL AGENCY shall require its contractor to hold harmless, indemnify and defend in litigation, the State of Michigan, the DEPARTMENT and their agents and employee's, against any claims for damages to public or private property and for injuries to person arising out of the performance of the work, except for claims that result from the sole negligence or willful acts of the DEPARTMENT, until the contractor achieves final acceptance of the GOVERNMENTAL AGENCY. Failure of the GOVERNMENTAL AGENCY to require its contractor to indemnify the DEPARTMENT, as set forth above, shall be considered a breach of its duties to the DEPARTMENT.
3. Any work performed for the GOVERNMENTAL AGENCY by a contractor or subcontractor will be solely as a contractor for the GOVERNMENTAL AGENCY and not as a contractor or agent of the DEPARTMENT.

The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the GOVERNMENTAL AGENCY, or their subcontractors or any other person not a party to the PERMIT without the DEPARTMENT'S specific prior written consent and notwithstanding the issuance of the PERMIT. Any claims by any contractor or subcontractor will be the sole responsibility of the GOVERNMENTAL AGENCY.

4. The GOVERNMENTAL AGENCY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek

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and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.

5. The GOVERNMENTAL AGENCY will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State Highway Right of Way resulting from the installation construction, operation and/or maintenance of the GOVERNMENTAL AGENCY'S facilities according to a PERMIT issued by the DEPARTMENT.

6. With respect to any activities authorized by a PERMIT, when the GOVERNMENTAL AGENCY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.

7. The incorporation by the DEPARTMENT of this resolution as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.

8. This resolution shall continue in force from this date until cancelled by the GOVERNMENTAL AGENCY or the DEPARTMENT with no less than thirty (30) days prior written notice provided to the other party.

It will not be cancelled or otherwise terminated by the GOVERNMENTAL AGENCY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED, that the following position(s) are authorized to apply to the DEPARTMENT for the necessary permit to work within State Highway Right of Way on behalf of the GOVERNMENTAL AGENCY.

Title and/or Name: JOHN V. BALINT, CITY ENGINEER

I HEREBY CERTIFY that the foregoing is a true copy of a resolution adopted by the

(Name of Board, etc)

(Name of GOVERNMENTAL AGENCY) (County)

at a meeting held on the _____ day

of _____ A.D. _____.

Signed Title

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Resolution Passed.

17-201 **Request to approve MDNR Grant Extension for Acquisition of North Spur.**
(Consent Agenda) Moved by Councilperson Williams and supported by Councilperson Taylor-Burks.

Whereas, The City of Pontiac has received a grant from the Michigan Department of Natural Resources for the acquisition of the CN Rail North Spur, and;

Whereas, the current grant time line has recently expired, and;

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Whereas, the engineering division has requested a grant extension by the Michigan Department of natural resources, and;

Whereas, the Michigan Department of natural Resources has approved the grant extension until September 30, 2017 to allow time for closing on the property.

Now, Therefore, Be It Resolved, that the Pontiac City Council authorized the Mayor or Deputy Mayor to sign the grant extension letter from the Michigan Department of Natural Resources which extends the current grant deadline to September 30, 2017.

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Resolution Passed.

17-202 **Request for approval of the purchase for Microsoft Office. (Consent Agenda)** Moved by Councilperson Williams and supported by Councilperson Taylor-Burks.

Whereas, the IT Consultant and the Finance Director have evaluated the current state of our MS Office product; and,

Whereas, the IT Consultant and Finance Director have arrived at the conclusion that an upgrade to the new MS Office 2016 is warranted and desirable; and,

Whereas, the Finance Director certifies that the necessary funds are allocated in the current year's budget; and,

Now, Therefore, Be It Resolved, that the City Council approves the purchase of MS Office for 10 users in the amount not to exceed \$29,530 and the purchasing manager is authorized to put forward the purchase order to that effect to facilitate the purchase.

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Resolution Passed.

17-203 **Request for approval of workers compensation and liability insurance renewal. (Consent Agenda)** Moved by Councilperson Williams and supported by Councilperson Taylor-Burks.

Whereas, the Huttenlocher Group, the City's insurance agent has presented the City with proposals for workers compensation and general liability and property insurance for coverage beginning July 1, 2017; and,

Whereas, the Deputy Mayor and Finance Director have reviewed the proposals, have recommended that both proposals are accepted, and have certified available funding;

Now, Therefore, Be It Resolved, that the City Council approves the proposal from the Accident Fund of Michigan for a premium of 78,322 and approves the proposal from the Michigan Municipal Risk Management Authority for general liability and property insurance for the total contribution of \$658,902.

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Resolution Passed.

17-204 **Request to adopt the City of Pontiac Emergency Operations Support Plan. (Consent Agenda)** Moved by Councilperson Williams and supported by Councilperson Taylor-Burks.

Whereas, the City of Pontiac elected to be incorporated into the Oakland County Emergency Management Program and that by becoming part of the Oakland County Emergency Management Program, the City of Pontiac and Oakland County have certain responsibilities to each other,

Whereas, this Emergency Operations Support Plan has been developed to identify the responsibilities between the City of Pontiac and Oakland County in regards to emergency management activities,

Whereas, the plan provides a framework for the City to use in performing emergency functions before, during, and after a natural disaster, hostile attack, technological incident or other emergency,

Whereas, this support plan is to be used in concurrence with Oakland County's Emergency Operations Plan as it is a supporting document.

Whereas, the support plan will be maintained in accordance with the current standards of the Oakland County Emergency Operations Plan; Review of this plan shall be accomplished every four (4) years.

Now, Therefore, the Pontiac City Council hereby adopts this Emergency Operations Support Plan, in support to the Oakland County Emergency Operations Plan.

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Resolution Passed.

17-205 **Request for approval of the New Resort Class C License.** Moved by Councilperson Pietila and supported by Councilperson Woodward.

June 15, 2017



Michigan Department of Licensing and Regulatory Affairs
Liquor Control Commission (MLCC)
Toll Free: 866-813-0011 • www.michigan.gov/lcc

Business ID: _____
Request ID: _____
(For MLCC use only)

Local Government Approval
(Authorized by MCL 436.1501)

Instructions for Applicants:

- You must obtain a recommendation from the local legislative body for a new on-premises license application, certain types of license classification transfers, and/or a new banquet facility permit.

Instructions for Local Legislative Body:

- Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a Regular meeting of the Pontiac City council/board
(regular or special) (township, city, village)

called to order by President Patrice Waterman on 6/15/2017 at 6:00 p.m.
(date) (time)

the following resolution was offered:

Moved by Peltla and supported by Williams

that the application from Woodward Restaurant Group, LLC
(name of applicant)

for the following license(s): New Resort Class C issued under 436.1531 (4).
(list specific licenses requested)

to be located at: 100 Concourse Dr. Pontiac, MI 48341

and the following permit, if applied for:

☐ Banquet Facility Permit Address of Banquet Facility: _____

It is the consensus of this body that it Recommends this application be considered for
(recommends/does not recommend)
approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are _____

Vote

Yeas: 7

Nays: 0

Absent: 0

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the Pontiac City
council/board at a Regular meeting held on 6/15/2017
(regular or special) (date) (township, city, village)

Print Name of Clerk

Signature of Clerk

Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

Please return this completed form along with any corresponding documents to:

Michigan Liquor Control Commission

Mailing address: P.O. Box 30005, Lansing, MI 48909

Hand deliveries or overnight packages: Constitution Hall - 525 W. Allegan, Lansing, MI 48933

Fax to: 517-763-0059

LCC-106 (10/15)

LARA is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

Ayes: Pietila, Taylor-Burks, Waterman, Williams, Woodward, Carter and Holland.

No: None

Resolution Passed.

17-206 **Request to accept bid for the 2017 Street Light Maintenance.** Moved by Councilperson Williams and supported by Councilperson Taylor-Burks.

Whereas, the City of Pontiac advertised and received responses to a request for proposals for Street Light Maintenance on May 22, 2017 and publically opened bids; and,

Whereas, a bid tabulation was prepared and reviewed by the Purchasing Agent of the City; and,

Whereas, the most qualified bidder is being recommended for the contract; and,

Whereas, the contract will be granted to Great Lakes Power & Lighting, Inc. The amount of \$50.00 (2017) \$60.00 (2018) \$70.00 (2019) is the total bid for a standard service call and other work performed, by the contractor, under this agreement and will be charged according to the individual bid tab amounts; The contract is for one (1) year w/ option for extending each year for a maximum of three (3) years total. The budget has funding for any and all work performed under this contract.

Now, Therefore, Be It Resolved that the Pontiac City Council authorize the Mayor or Deputy Mayor to enter into a contract with; Great Lakes Power & Lighting, Inc. for Street Light Maintenance as recommended by the DPW Director.

Ayes: Holland, Pietila, Taylor-Burks, Waterman, Williams, Woodward and Carter.

No: None

Resolution Passed.

17-207 **Request to schedule a public hearing for the Michigan Motion Pictures Studios, LLC to establish a plant rehabilitation district.** Moved by Councilperson Williams and supported by Councilperson Taylor-Burks.

Be It Resolved, that the Pontiac City Council will hold a public hearing on Thursday, June 22, 2017 at 6:00 p.m. in the Council Chambers in accordance with the Plant Rehabilitation and Industrial Development Act (industrial Facilities Exemption) (PA 198 of 1974, as amended).

Ayes: Waterman, Williams, Woodward, Holland, Pietila and Taylor-Burks.

No: Carter

Motion Carried.

17-208 **Request to amend resolution to establish a plant rehabilitation district for parcels #14-33-435-05, 14-33-435-17 and 14-33-433-042 for Denek Contracting.** Moved by Councilperson Williams and supported by Councilperson Woodward.

Whereas, pursuant to PA 198 of 1974, as amended, this Pontiac City Council has the authority to establish "Plant Rehabilitation Districts" within the City of Pontiac; and,

Whereas, Denek Contracting has petitioned this Pontiac City Council to establish an Plant Rehabilitation District on its property located in the City of Pontiac hereinafter described; and

Whereas, construction, acquisition, alteration, or installation of a proposed facility has not commenced at the time of filing the request to establish this district; and

Whereas, written notice has been given by mail to all owners of real property located within the district, and to the public by newspaper advertisement in the Oakland Press and/or public posting of the hearing on the establishment of the proposed district; and

June 15, 2017

Whereas, on March 30, 2017 a public hearing was held at which all owners of real property within the proposed Plant Rehabilitation District and all residents and taxpayers of the City of Pontiac were afforded an opportunity to be heard thereon; and

Whereas, the Pontiac City Council deems it to be in the public interest of the City of Pontiac to establish the Plant Rehabilitation District as proposed; and

IT IS HEREBY DETERMINED that the property comprising not less than 50 percent of the state equalized valuation of the property within the proposed Plant Rehabilitation District is obsolete; and

Now, Therefore, Be It Resolved by the City Council of the City of Pontiac that the following described parcel of land situated in the City of Pontiac, County of Oakland, and State of Michigan, to wit:

PARCEL 1: Lot 243, except the West 390 feet, being also described as the Easterly 560.42 feet of Lot 243, of FERRY FARM ADDITION TO THE CITY OF PONTIAC MICHIGAN, according to the plat thereof as recorded in Liber 5 of Plats, page 45, Oakland County Records.

PARCEL 2: Commencing at the Northeast corner of the East Wilson Avenue Subdivision; as recorded in Liber 21 of Plats, Page 28 of the Oakland County Register of Deeds and the principal place of beginning of parcel herein described; thence bearing North 25 degrees 24 minutes 05 seconds East, a distance of 107.08 feet to a point in the Southerly line of the East Boulevard Subdivision, as recorded in Liber 22 of Plats, Page 6 of the Oakland County Register of Deeds; thence along the Southerly line of said East Boulevard Subdivision, bearing South 63 degrees 31 minutes 28 seconds, a distance of 629.26 feet to a point on the Western right of way line of East Boulevard, said point 60 feet Westerly on the centerline of said East Boulevard; thence along the Western right of way line of said East Boulevard, bearing South 01 degrees 26 minutes 30 seconds East, a distance of 110.02 feet to the point of Intersection with the Northern right of way line of Wilson Avenue; thence along the Northern right of way line of said East Wilson Avenue, bearing North 65 degrees 22 minutes 16 seconds West a distance of 51.17 feet to an angle point; thence continuing along the Northern right of way line of said East Wilson Avenue bearing South 87 degrees 26 minutes 15 Seconds West a distance of 50.41 feet to a point thereon; thence bearing North 62 degrees 05 minutes 29 seconds West a distance of 650.75 feet to the principal place of beginning, said line following the Northerly line of above described Parcel No. 1, being the Northerly line of Lot 243, "FERRY FARMS ADDITION", as recorded in Liber 5 of Plats, page 45, Oakland County Records.

PARCEL 3: Lots 761, 762, 763, and 764, of SUBDIVISION OF THE NORTH ½ OF LOT 246 EXCEPT WEST 150 FEET, S. ½ OF LOT 245 EXCEPT WEST 150 FEET AND EAST 361.5 FEET OF WEST 611.5 FEET OF N ½ OF LOT 245, AND EAST 366.2 FEET OF WEST 516.2 FEET OF LOT 244, OF FERRY FARM ADDITION, CITY OF PONTIAC, OAKLAND CO., MICH, according to the plat thereof as recorded in Liber 18 of Plats, page 16, Oakland County Records.

PARCEL 4: Lot 17, of EAST WILSON AVENUE SUBDIVISION OF WEST 240' OF EAST 800' OF LOT 243 ORIGINAL PLAT OF FERRY FARM ADDITION TO CITY OF PONTIAC, OAKLAND CO., MICHIGAN, according to the plat thereof as recorded in Liber of Plats, page 28, Oakland County Records

Commonly known as: 451 E. Wilson Ave, Pontiac, MI 48341

Tax ID: 14-33-435-017 & 14-33-436-042 & 14-33-435-005

is established as a Plant Rehabilitation District pursuant to the provisions of PA 198 of 1974, as amended.

Ayes: Williams, Woodward, Carter, Holland, Pietila, Taylor-Burks and Waterman.

No: None

Resolution Passed.

June 15, 2017

17-209 **Defer for one week the Professional Service Agreement between the City of Pontiac and Wade Trim Associates, Inc.** Moved by Councilperson Holland and supported by Councilperson Williams.

Ayes: Woodward, Carter, Holland, Taylor-Burks, Waterman and Williams

No: None

Motion Carried.

Councilman Kermit Williams left at 8:40 p.m.

There were 11 individuals who addressed the body during public comment.

Honorable Mayor Waterman Reported.

City Clerk Sherikia L. Hawkins, Councilman Mark Holland, Councilman Woodward, Councilwoman Doris Taylor-Burks, Councilman Randy Carter, President Pro-Tem Mary Pietila and President Patrice Waterman made closing comments. Attorney Travis Mihelick had no closing comments.

SHERIKIA L.HAWKINS
CITY CLERK



MEMORANDUM

City of Pontiac
Finance Director
Nevrus P. Nazarko, CPA
47450 Woodward Avenue
Pontiac, Michigan 48342
Phone: 248.758.3118
Fax: 248.758.3197

DATE: June 20, 2017

TO: Mayor Deirdre Waterman,

FROM: Nevrus P. Nazarko, CPA, Finance Director
Jane Bais-DiSessa, Deputy Mayor

SUBJECT: Williams International Tax Abatements

Mayor Waterman,

As you are aware, during the last few weeks, we have been reviewing the proposal from Williams International Co, LLC, a company that intends to move its operations in the City of Pontiac, in the area where Michigan Movie Production studios are currently located at 1999 Centerpoint and three other parcels adjacent to it.

Williams International Co, LLC is seeking various tax abatements (PA 198 relief and Renaissance Zone designation) for these parcels that will extend the tax abatements for the next 15 years.

Our analysis of the 4 parcels shows that the property taxes expected to be collected in tax year 2017 by the City of Pontiac on all these parcels amounts to \$36,765. Furthermore, the income tax collections from the employers/employees currently located at the location during 2016 were approximately \$6,300.

Williams International Co, LLC and the Mayor's office have exchanged proposals back and forth that resulted in the final offer from Williams International Co, LLC of fees and commitment to the City of Pontiac to be higher than their initial proposal.

First of all, the projected capital investment from Williams in the area, based on their proposal will be approximately 300 million dollars within 5 years of their move into the City, and could go as high as 1.5 billion dollars by year 2034.

Second, the workforce to support their operations moving into the City will start with approximately 500 employees and could reach as high as 1,589 employees by 2034 (schedule attached)

Third, I find impressive their commitment to the City of Pontiac to aid the youth obtaining the necessary skills needed in the high tech manufacturing industry. The company is committing \$150,000 annually to be spent on training and education of Pontiac residents to be better prepared for the careers of tomorrow.

Based on our conservative estimates, Williams International Co, LLC will directly contribute approximately \$500,000 annually to the City of Pontiac and that amount is expected to be as high as \$750,000 per year by 2032 (schedule attached).

While the indirect impact of their investment in the area has to be estimated, the consensus is that their move will spur other development and businesses in the surrounding community that in turn will provide additional revenues for the City of Pontiac.

Based on the above facts and figures, we strongly recommend the move to grant the abatements to Williams International Co. LLC

Please let me know if you have any questions or need additional information.

Williams International
New Project / Headquarters Relocation
Summary Statistics

	\$ M 2017	\$ M 2018	\$ M 2019	\$ M 2020	\$ M 2021	\$ M 2022	\$ M 2023	\$ M 2024	\$ M 2025	\$ M 2026	\$ M 2027	\$ M 2028	\$ M 2029	\$ M 2030	\$ M 2031	\$ M 2032	\$ M 2033	\$ M 2034	\$ M 2035	\$ M Total
Capital Expenditures:																				
Land / Building Purchases (Real Property)	\$ 57.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57.0
Building Improvements	\$ 18.8	\$ 25.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 60.9
IT Software / Hardware	\$ 24.4	\$ 3.9	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 1.0	\$ 45.3
Machinery Capex - New Projects*	\$ 33.2	\$ 48.4	\$ 44.6	\$ 22.2	\$ 21.0	\$ 37.9	\$ 174.4	\$ 50.1	\$ 69.2	\$ 69.2	\$ 67.4	\$ 179.0	\$ 111.5	\$ 103.2	\$ 103.2	\$ 67.6	\$ 67.6	\$ 47.7	\$ 47.7	\$ 1,365.2
	\$ 133.4	\$ 77.3	\$ 46.6	\$ 24.2	\$ 23.0	\$ 39.9	\$ 176.4	\$ 52.1	\$ 71.2	\$ 71.2	\$ 69.4	\$ 181.0	\$ 113.5	\$ 105.2	\$ 105.2	\$ 69.6	\$ 69.6	\$ 49.7	\$ 49.7	\$ 1,528.4

Capex Site Breakout

1999 Office/MMP5	\$ 133.4	\$ 52.3	\$ 46.6	\$ 24.2	\$ 23.0	\$ 39.9	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0	\$ 2.0
1999 Vacant Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174.4	\$ 50.1	\$ 69.2	\$ 69.2	\$ 67.4	\$ 179.0	\$ 111.5	\$ 103.2	\$ 103.2	\$ 67.6	\$ 67.6	\$ 47.7	\$ 47.7	\$ 47.7
2001 CP Product Support	\$ -	\$ 25.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Excludes tooling of \$17M (2017-2018) & \$34M (2019-2022)

Labor Location:	Current Before Move	Current After Move	Year End 2017	Year End 2018	Year End 2019	Year End 2020	Year End 2021	Year End 2022	Year End 2023	Year End 2024	Year End 2025	Year End 2026	Year End 2027	Year End 2028	Year End 2029	Year End 2030	Year End 2031	Year End 2032	Year End 2033	Year End 2034	Year End 2035
Pontiac	-	385	440	599	651	724	811	903	922	947	1,109	1,134	1,153	1,171	1,248	1,266	1,343	1,458	1,472	1,575	1,589
Commerce	500	115	124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	500	500	564	599	651	724	811	903	922	947	1,109	1,134	1,153	1,171	1,248	1,266	1,343	1,458	1,472	1,575	1,589

Change Year-over-Year			64	35	52	73	87	92	19	25	162	25	19	18	77	18	77	115	14	103	14																			
New Hire Average Wages	\$60k - \$70k	Cumulative Increase→		99	151	224	311	403	422	447	609	634	653	671	748	766	843	958	972	1,075	1,089																			
Existing Workforce Average Wages	\$85k - \$90k																																							
Estimated annual wages (\$M)	\$	43.8	\$	47.9	\$	50.2	\$	53.6	\$	58.3	\$	64.0	\$	69.9	\$	71.2	\$	72.8	\$	83.3	\$	85.0	\$	86.2	\$	87.4	\$	92.4	\$	93.5	\$	98.5	\$	106.0	\$	106.9	\$	113.6	\$	114.5

Total Michigan Investment (Excluding Tooling of \$51M)
Total Incentives Offered
Net Investment Cost

2017-2022
\$ 1,528.4
\$ (46.0)
\$ 1,482.4

Year	Williams TIFA Payment	Williams Development Fee	Williams Training & Education Investment	Estimated City Employment Tax	Total Williams Annual Return	Discount Rate
2018	\$50,000.00	\$20,000.00	\$150,000.00	\$251,000.00	\$471,000.00	4.000%
2019	\$50,000.00	\$20,000.00	\$150,000.00	\$268,000.00	\$488,000.00	
2020	\$50,000.00	\$20,000.00	\$150,000.00	\$291,500.00	\$511,500.00	
2021	\$50,000.00	\$20,000.00	\$150,000.00	\$320,000.00	\$540,000.00	
2022	\$50,000.00	\$20,000.00	\$150,000.00	\$349,500.00	\$569,500.00	
2023	\$50,000.00	\$20,000.00	\$150,000.00	\$356,000.00	\$576,000.00	
2024	\$50,000.00	\$20,000.00	\$150,000.00	\$364,000.00	\$584,000.00	
2025	\$50,000.00	\$20,000.00	\$150,000.00	\$416,500.00	\$636,500.00	
2026	\$50,000.00	\$20,000.00	\$150,000.00	\$425,000.00	\$645,000.00	
2027	\$50,000.00	\$20,000.00	\$150,000.00	\$431,000.00	\$651,000.00	
2028	\$50,000.00	\$20,000.00	\$150,000.00	\$437,000.00	\$657,000.00	
2029	\$50,000.00	\$20,000.00	\$150,000.00	\$462,000.00	\$682,000.00	
2030	\$50,000.00	\$20,000.00	\$150,000.00	\$467,500.00	\$687,500.00	
2031	\$50,000.00	\$20,000.00	\$150,000.00	\$492,500.00	\$712,500.00	
2032	\$50,000.00	\$20,000.00	\$150,000.00	\$530,000.00	\$750,000.00	
Present Value of 15 Year Return	\$555,919.37	\$222,367.75	\$1,667,758.11	\$4,193,028.32	\$6,639,073.56	

**Resolution Establishing a Plant Rehabilitation District for Parcel 64-19-03-201-002
4GW Real Estate Investments LLC and Williams International Co., LLC**

WHEREAS, pursuant to PA 198 of 1974, as amended, this Pontiac City Council has the authority to establish a “Plant Rehabilitation District” within the City of Pontiac; and

WHEREAS, 4GW Real Estate Investments LLC, a Michigan limited liability company, and Williams International Co., LLC, a Michigan limited liability company, have petitioned this Pontiac City Council to establish a Plant Rehabilitation District on the property located in the City of Pontiac hereinafter described; and

WHEREAS, construction, acquisition, alteration, or installation of a proposed facility has not commenced at the time of filing the request to establish this district; and

WHEREAS, written notice has been given by certified mail to all owners of real property located within the district, and to the public by newspaper advertisement in the Oakland Press and/or public posting of the hearing on the establishment of the proposed district; and

WHEREAS, on June 22, 2017 a public hearing was held at which all owners of real property within the proposed Plant Rehabilitation District and all residents and taxpayers of the City of Pontiac were afforded an opportunity to be heard thereon; and

WHEREAS, the Pontiac City Council deems it to be in the public interest of the City of Pontiac to establish the Plant Rehabilitation District as proposed; and

WHEREAS, pursuant to Section 23 of the Local Financial Stability and Choice Act, Public Act 436 of 2012, the Pontiac Receivership Transition Advisory Board (“TAB”) has the authority to approve of the actions approved by this Resolution; and

IT IS HEREBY DETERMINED that the property comprising not less than 50 percent of the state equalized valuation of the property within the proposed Plant Rehabilitation District is obsolete; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pontiac that subject to the approval by the TAB of the actions approved by this Resolution, the following described parcel of land situated in the City of Pontiac, County of Oakland, and State of Michigan, is established as a Plant Rehabilitation District pursuant to the provisions of PA 198 of 1974, as amended:

Land Situated in the City of Pontiac County of Oakland, State of Michigan:

Part of Section 3, Town 2 North, Range 10 East, City of Pontiac, Oakland County, Michigan, also being part of Lots 5, 6 and 7 and part of Beltline Railroad excepted, as platted a part of ASSESSOR’S PLAT NO. 110, as recorded in the Liber 52, Page 26 of Plats, Oakland County Records, being more particularly described as follows: Beginning at a point distant South 89

degrees 46 minutes 13 seconds East along the North line of Section 3, 71.08 feet and South 02 degrees 36 minutes 47 seconds West along the extension of the Easterly line of Centerpoint Parkway (120 feet wide), 67.78 feet, from the North 1/4 corner of said Section 3, Township 2 North, Range 10 East, said Point of Beginning being on the South line of South Boulevard (120 feet wide) and Easterly line of said Centerpoint Parkway; thence due East along Southerly line of said South Boulevard, 1227.63 feet; thence Due South, 185.48 feet; thence South 44 degrees 50 minutes 04 seconds East 20.48 feet; thence Due East 453.06 feet; thence North 74 degrees 26 minutes 44 seconds East, 16.09 feet to a point on the West line of North Connector Road (66 feet wide); thence due South along the West line of said North Connector Road 336.65 feet to a point on the North line of Campus Drive (width varies); thence the following five (5) courses along the Northerly line of said Campus Drive: (1) North 89 degrees 22 minutes 30 seconds West, 856.31 feet; and (2) 356.03 feet along a curve to the left (radius 443.00 feet, central angle 46 degrees 02 minutes 49 seconds, chord bearing and distance South 67 degrees 36 minutes 06 seconds West, 346.52 feet); and (3) South 44 degrees 34 minutes 41 seconds West, 56.60 feet; and (4) 296.63 feet along a curve to the right (radius 350.00 feet, central angle 48 degrees 33 minutes 32 seconds, chord bearing and distance South 69 degrees 52 minutes 06 seconds West, 287.83 feet); and (5) North 87 degrees 23 minutes 13 seconds West, 260.00 feet to a point on the Easterly line of Centerpoint Parkway (120 feet wide); thence Northerly along Easterly line of said Centerpoint Parkway North 02 degrees 36 minutes 47 seconds East, 783.39 feet to the Point of Beginning.

Commonly known as: 1999 Centerpoint Pkwy, Pontiac, Michigan

Parcel Number: 64-19-03-201-002.

PONTIAC CITY COUNCIL

Resolution approving application to the Michigan Strategic fund for designation of renaissance zone in City of Pontiac Tax Increment Finance Authority development area and related matters

WHEREAS, pursuant to separate written sales agreements between 4GW Real Estate Investments LLC, a Michigan limited liability company (“4GW”), and Williams International Co., LLC, a Michigan limited liability company (“Williams” and together with 4GW, the “Developer”), and Michigan Motion Picture Studios, LLC, a Michigan limited liability company (“MMS”), and MMP-Group Assembly, LLC, a Michigan limited liability company (“MMP”), and Freedom Equities LLC, a Nevada limited liability company (“Freedom”), the Developer has the legal right to acquire from MMS, MMP, and Freedom approximately 150.47 acres of certain property (parcel numbers: 64-19-03-201-002; 64-19-03-202-001; 64-19-03-200-022 and 64-19-03-200-023) located in the City of Pontiac (the “City”), in Development Area No. 2 of the City of Pontiac Tax Increment Finance Authority (the “TIFA”), including improved property commonly known as 1999 Centerpoint Parkway, Pontiac, Michigan and legally described as Parcel 1 on Exhibit A to this Resolution (the “1999 Centerpoint Property”), improved property commonly known as 2001 Centerpoint Parkway, Pontiac, Michigan and legally described as Parcel 3 on Exhibit A to this Resolution (the “2001 Centerpoint Property”), and vacant land adjacent to the 1999 Centerpoint Property and the 2001 Centerpoint Property, and legally described as Parcel 2 on Exhibit A to this Resolution (the “Vacant Property,” and together with the 1999 Centerpoint Property and the 2001 Centerpoint Property, the “Property”); and

WHEREAS, under Section 8a(2) of the Michigan Renaissance Zone Act, Act 376, Public Acts of Michigan 1996, as amended (the “Act”), the Board of the Michigan Strategic Fund (“MSF Board”) may designate a limited number of renaissance zones if, among other things, the affected city, township or village consents to the creation of a renaissance zone within its jurisdiction; and

WHEREAS, the Developer has requested the City to approve the establishment of a renaissance zone for the Property and this Council desires to submit to the Michigan Economic Development Corporation (“MEDC”) for review and approval, an application (the “Application”) requesting the designation of the Property by the MSF Board as a renaissance zone pursuant to the Act (the “Zone”); and

WHEREAS, if the Property is designated as the Zone, the Developer intends to complete its purchase of the Property and undertake a project (the “Project”) generally consisting of the redevelopment of the approximately (a) 400,000 square foot office building and (b) 200,000 square foot individual building, which the Developer intends to redevelop into a state-of-the-art manufacturing facility; and (c) the planning and development of the rest of the Property, including the construction of a 800,000 to 1,000,000 square foot manufacturing facility on the Vacant Property; and

WHEREAS, the Developer and the City desire to set forth their respective undertakings and obligations with respect to submitting the Application and set forth the terms and conditions governing the development of the Project; and

WHEREAS, to protect the financial interests of the City and the TIFA in connection with the Zone and the development of the Project and to provide for a return to the City of a portion of the moneys constituting the City taxes to be foregone by the establishment of the Zone, the Mayor has directed the preparation of a development Agreement (the “Development Agreement”) between the City and the Developer; and

WHEREAS, the Development Agreement will require the Developer to pay annually to the City a \$50,000 portion of the captured tax increment revenues from the Property and the Project otherwise payable to the TIFA, but foregone due to the designation of the Zone (the “Pontiac TIFA Service Fee,” as will be more particularly defined in the Development Agreement), and the City is required by the Development Agreement to pay such amount to the TIFA to be applied to debt service payments owing on TIFA bonds and other obligations payable from pledges of tax increment revenues and the City’s limited tax full faith and credit; and

WHEREAS, the Development Agreement will require the Developer to pay annually to the City a \$200,000 service fee subject to credit or set off to the extent of City income taxes collected from the Developer as withholding taxes on behalf of employees in connection with the Project; and

WHEREAS, the Development Agreement will require the Developer to pay annually to the City a \$200,000 capital investment fee if the Developer does not make \$75,000,000 in capital investment within two years of the execution of the Development Agreement, or if Developer does not make a cumulative \$125,000,000 capital investment within four years of the execution of the Development Agreement, as such annual fee is reduced proportionately to reflect the capital investment actually made by the Developer; and

WHEREAS, the Development Agreement will require that the City cause the permit fees for the contemplated 800,000 to 1,000,000 square foot manufacturing facility on the Vacant Property to not exceed \$250,000; and

WHEREAS, the Development Agreement will require the Developer to annually contribute not less than \$150,000 to programs developed to educate and train a skilled Pontiac workforce in support of high tech manufacturing; and

WHEREAS, the Development Agreement will require the Developer to pay annually to the City a \$20,000 delayed development fee until the Developer provides the construction drawings and other documentation required for a building permit to commence construction of the contemplated 800,000 to 1,000,000 square foot manufacturing facility on the Vacant Property, and such fee will increase to \$40,000 beginning in 2026 if the Developer has not yet provided such documentation; and

WHEREAS, pursuant to Section 23 of the Local Financial Stability and Choice Act, Public Act 436 of 2012, the Pontiac Receivership Transition Advisory Board (“TAB”) has the authority to approve of the actions approved by this Resolution; and

WHEREAS, the MEDC has recommended that to establish the Zone in accordance with the Act, this Council should by resolution approve the designation of the Property as a renaissance zone and authorize and direct the Mayor of the City to sign the Application.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PONTIAC, PURSUANT TO THE HOME RULE CITY ACT, ACT 279, PUBLIC ACTS OF MICHIGAN, 1909 AND THE ACT, THAT:

1. The foregoing Recitals are hereby incorporated and made part of this Resolution as if fully restated in this paragraph.

2. Subject to the approval by the TAB of the actions approved by this Resolution, the Council approves the designation of a renaissance zone on the Property described Exhibit A to this Resolution, and confirms and states in accordance with Section 7(2) of the Act, the following: “if the renaissance zone designation is granted persons and property within the renaissance zone are exempt from taxes levied by the City as provided in the Act.”

3. Subject to the approval by the TAB of the actions approved by this Resolution, the Application for the establishment of a renaissance zone for the Property in the form presented to this Council and on file with the City Clerk is hereby approved, with non-material changes, additions or modifications as are approved by the legal counsel for the City, such subsequent approval to be conclusively evidenced by the execution of the Application by the Mayor. Subject to the approval by the TAB of the actions approved by this Resolution, the Mayor is hereby on behalf of the City authorized and directed to sign and file the Application with the MSF Board for and on behalf of the City.

4. Subject to the approval by the TAB of the actions approved by this Resolution, the Mayor is hereby authorized and directed to cause to be prepared consistent with the provisions of this Resolution the Development Agreement with the Developer. Further subject to the approval by the TAB of the actions approved by this Resolution, the Mayor is hereby authorized and directed to execute and deliver, for and on behalf of the City, the Development Agreement, such approval to be conclusively evidenced by the execution and delivery of the Development Agreement by the Mayor.

5. The City has previously pledged its limited tax full faith and credit to secure payment of the debt service on the following outstanding bonds and other obligations, payable in the first instance from tax increment revenues captured in the TIFA’s Development Area No. 2: (i) City of Pontiac General Building Authority Building Authority Bonds (Limited Tax General Obligation), Series 2002; (ii) Oakland County Building Authority Refunding Bonds (Limited Tax General Obligation), Series 2006; (iii) Oakland County Building Authority Building Authority Bonds (Limited Tax General Obligation), Series 2006 (Taxable); and (iv) Tax Increment Revenue Refunding Bonds (General Obligation Limited Tax Development Area 2), Series 2007 (collectively, the “Prior TIFA 2 LTGO Obligations”). Pursuant to the Development Agreement and subject to the approval by the TAB of the actions approved by this Resolution, the City hereby irrevocably pledges and agrees to pay to the TIFA the full amount of the Pontiac TIFA Service Fee paid by Developer, as additional security for and to be applied by the TIFA to the payment of the aggregate annual debt service on the Prior TIFA 2 LTGO Obligations, through the maturity of the Prior TIFA 2 LTGO Obligations.

6. The Mayor, the Finance Director, the Treasurer and the City Clerk are hereby authorized and directed on behalf of the City to take necessary actions, perform necessary and execute approved documents that shall be necessary or desirable to implement this Resolution and accomplish the purposes of the Development Agreement.

7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

8. This Resolution shall take effect immediately upon its adoption by the City Council.

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

Land Situated in the City of Pontiac in the County of Oakland in the State of Michigan:

Part of Section 3, Town 2 North, Range 10 East, City of Pontiac, Oakland County, Michigan, also being part of Lots 5, 6 and 7 and part of Beltline Railroad excepted, as platted a part of ASSESSOR'S PLAT NO. 110, as recorded in the Liber 52, Page 26 of Plats, Oakland County Records, being more particularly described as follows: Beginning at a point distant South 89 degrees 46 minutes 13 seconds East along the North line of Section 3, 71.08 feet and South 02 degrees 36 minutes 47 seconds West along the extension of the Easterly line of Centerpoint Parkway (120 feet wide), 67.78 feet, from the North 1/4 corner of said Section 3, Township 2 North, Range 10 East, said Point of Beginning being on the South line of South Boulevard (120 feet wide) and Easterly line of said Centerpoint Parkway; thence due East along Southerly line of said South Boulevard, 1227.63 feet; thence Due South, 185.48 feet; thence South 44 degrees 50 minutes 04 seconds East 20.48 feet; thence Due East 453.06 feet; thence North 74 degrees 26 minutes 44 seconds East, 16.09 feet to a point on the West line of North Connector Road (66 feet wide); thence due South along the West line of said North Connector Road 336.65 feet to a point on the North line of Campus Drive (width varies); thence the following five (5) courses along the Northerly line of said Campus Drive: (1) North 89 degrees 22 minutes 30 seconds West, 856.31 feet; and (2) 356.03 feet along a curve to the left (radius 443.00 feet, central angle 46 degrees 02 minutes 49 seconds, chord bearing and distance South 67 degrees 36 minutes 06 seconds West, 346.52 feet); and (3) South 44 degrees 34 minutes 41 seconds West, 56.60 feet; and (4) 296.63 feet along a curve to the right (radius 350.00 feet, central angle 48 degrees 33 minutes 32 seconds, chord bearing and distance South 69 degrees 52 minutes 06 seconds West, 287.83 feet); and (5) North 87 degrees 23 minutes 13 seconds West, 260.00 feet to a point on the Easterly line of Centerpoint Parkway (120 feet wide); thence Northerly along Easterly line of said Centerpoint Parkway North 02 degrees 36 minutes 47 seconds East, 783.39 feet to the Point of Beginning.

Commonly known as: 1999 Centerpoint Pkwy, Pontiac, Michigan

Parcel Number: 64-19-03-201-002

PARCEL 2:

Land Situated in the City of Pontiac in the County of Oakland in the State of Michigan:

Land in the City of Pontiac, Oakland County, Michigan, being all that part of Lots 5-9, all of Lot 10, part of Lot 11 and part of Belt Line Rail Road, as platted, a part of "Assessor's Plat No. 110", a part of Section 3, T.2N, R.10E., as recorded in Liber 52 of Plats, Page 26 of Oakland County Records, lying within the following described parcel: Commencing at the Northeast property controlling corner of Section 3 (as previously surveyed), T.2N., R.10E., City of Pontiac, Oakland County, Michigan; thence S. 00°36'21" W. along the East line of said Section 3, 1215.50 feet; thence N. 89°23'39" W., 60.00 feet to a point, said point being the intersection of the South line of Campus Drive (width varies) with the West line of Opdyke Road (120 feet wide) and being

the Point of Beginning; thence S. 00°36'21" W. along the West line of Opdyke Road, 2060.01 feet to a point of deflection; thence S. 00°24'47" E. along the West line of Opdyke Road, 901.82 feet to the Northeast corner of Unit 5 of CENTERPOINT BUSINESS CAMPUS CONDOMINIUM, a Condominium according to the Master Deed thereof recorded in Liber 16667, Page 11, Oakland County Records, and designated as Oakland County Condominium Plan No. 1004, and any amendments thereto, as last amended by Eighth Amendment to Master Deed recorded in Liber 35596, page 855, Oakland County Records; thence the following five (5) courses along the North line of said Unit 5 and Units 21, 22, 40, and 24 of said CENTERPOINT BUSINESS CAMPUS CONDOMINIUM: (1) S. 89° 35'13" W., 35.00 feet, and (2) N. 00°24'47" W., 20.00 feet, and (3) 210.91 feet along a curve to the left (radius 215.00 feet, central angle 56°12'23", long chord bears S. 61°29'01" W., 202.56 feet) to a point of reverse curvature, and (4) 226.24 feet along a curve to the right (radius 225.00 feet, central angle 57°36'46", long chord bears S. 62°11'13" W., 216.83 feet), and (5) N. 89°00'24" W., 1422.62 feet to a point on the Easterly line of Centerpoint Parkway (width varies); thence the following seven (7) courses along said Easterly line of Centerpoint Parkway: (1) N. 45°10'30" W., 432.89 feet, and (2) 519.48 feet along a curve to the right (radius 400.00 feet, central angle 74°24'38", long chord bears N. 07°58'11" W., 483.74 feet), and (3) N. 29°14'08" E., 299.59 feet, and (4) 364.33 feet along a curve to the left (radius 750.00 feet, central angle 27°49'59", chord bears N. 15°19'08" E., 360.76 feet), and (5) N. 01°24'09" E., 632.31 feet, and (6) 410.89 feet along a curve the left (radius 750.00 feet, central angle 31°23'22", long chord bears N. 14°17'32" W., 405.77 feet), and (7) N. 29°59'13" W., 24.18 feet to the most Southerly corner of Unit 10 of said CENTERPOINT BUSINESS CAMPUS CONDOMINIUM; thence the following three (3) courses along the Easterly and Northerly line of said Unit 10: (1) N. 01°32'01" E., 299.48 feet, and (2) N. 87°51'44" W., 61.57 feet, and (3) N. 02°32'55" E., 124.59 feet to a point, said point being an interior lot corner on the South line of Unit 11 of said CENTERPOINT BUSINESS CAMPUS CONDOMINIUM; thence S. 87°25'59" E., 287.26 feet to the Southeast corner of said Unit 11; thence N. 00°11'13" E. along the East line of said Unit 11, 616.94 feet; to a point on the Southerly line of Campus Drive (width varies), said point being the Northeast corner of said Unit 11; thence the following nine (9) courses along said Southerly line of Campus Drive: (1) 66.00 feet along a curve to the left (radius 450.00 feet, central angle 08°24'14", long chord bears N. 47°58'00" E., 65.95 feet), and (2) N. 44°34'41" E., 56.60 feet, and (3) 286.91 feet along a curve to the right (radius 357.00 feet, central angle 46°02'49", chord bears N. 67°36'06" E., 279.25 feet), and (4) S. 89°22'30" E., 723.10 feet, and (5) S. 85°22'15" E., 200.49 feet, and (6) 253.43 feet along a curve to the right (radius 190.00 feet, central angle 76°25'20", long chord bears S. 51°09'50" E., 235.05 feet), and (7) S. 12°57'10" E., 184.05 feet, and (8) 333.54 feet along a curve to the left (Radius 250.00 feet, central angle 76°26'28", long chord bears S. 51°10'24" E., 309.35 feet), and (9) S. 89°23'39" E., 95.72 feet to the point of beginning.

EXCEPT:

Being all that part of Lots 8-11 and part of Belt Line Rail Road, as platted, a part of "Assessor's Plat No. 110", a part of Section 3, Town 2 North, Range 10 East, as recorded in Liber 52 of Plats, Page 26 of Oakland County Records, lying within the following described parcel: Commencing at the Northeast property controlling corner of Section 3 (as previously surveyed by Nowak & Fraus 04-05-07), Town 2 North, Range 10 East, City of Pontiac, Oakland County, Michigan: Thence South 00 degrees 36 minutes 21 seconds West along the East line of said Section 3, 1215.50 feet; thence North 89 degrees 23 minutes 39 seconds West 60.00 feet to a

point, said point being the intersection of the South line of Campus Drive (width varies) with the West line of Opdyke Road (120 feet wide); thence South 00 degrees 36 minutes 21 seconds West along the West line of Opdyke Road, 2060.01 feet to a point of Deflection; thence South 00 degrees 24 minutes 47 seconds East along the West line of Opdyke Road, 901.82 feet to the Northeast corner of Unit 5 of Centerpoint Business Campus Condominium, a condominium according to the Master Deed thereof recorded in Liber 16667, Page 11, Oakland County Records, and designated as Oakland County Condominium Plan No. 1004, and any amendments thereto, as last amended by Eighth Amendment to Master Deed recorded in Liber 35596, Page 855, Oakland County Records; thence the following five (5) courses along the North line of said Unit 5 and Units 21, 22, and 40 of said Centerpoint Business Campus Condominium: (1) South 89 degrees 35 minutes 13 seconds West 35.00 feet, and (2) North 00 degrees 24 minutes 47 seconds West, 20.00 feet, and (3) 210.91 feet along a curve to the left (radius 215.00 feet, central angle 56 degrees 12 minutes 23 seconds, long chord bears South 61 degrees 29 minutes 01 seconds West, 202.56 feet) to a point of reverse curvature, and (4) 226.24 feet along a curve to the right (radius 225.00 feet, central angle 57 degrees 36 minutes 46 seconds, long chord bears South 62 degrees 11 minutes 13 seconds West 216.83 feet), and (5) North 89 degrees 00 minutes 24 seconds West, 706.20 feet to the point of beginning; thence continuing along the North line of Unit 40 and 24 of said Centerpoint Business Campus Condominium, North 89 degrees 00 minutes 24 seconds West, 716.42 feet to a point on the Easterly line of Centerpoint Parkway (width varies); thence the following five (5) courses along said Easterly line of Centerpoint Parkway: (1) North 45 degrees 10 minutes 30 seconds West, 432.89 feet, and (2) 519.48 feet along a curve to the right (radius 400.00 feet, central angle 74 degrees 24 minutes 38 seconds, long chord bears North 07 degrees 58 minutes 11 seconds West, 483.74 feet), and (3) North 29 degrees 14 minutes 08 seconds East, 299.59 feet, and (4) 364.33 feet along a curve to the left (radius 750.00 feet, central angle 27 degrees 49 minutes 59 seconds, chord bears North 15 degrees 19 minutes 08 seconds East, 360.76 feet), and (5) North 01 degrees 24 minutes 09 seconds East, 423.92 feet; thence leaving the Easterly line of Centerpoint Parkway, South 89 degrees 00 minutes 24 seconds East, 870.00 feet; thence South 00 degrees 59 minutes 36 seconds West, 1815.00 feet back to the point of beginning.

Commonly known as: Vacant Land & 2100 S. Opdyke Rd., Pontiac, Michigan

Parcel Numbers: 19-03-200-022 and 19-03-200-023

PARCEL 3:

Land situated in the City of Pontiac in the County of Oakland in the State of Michigan:

Unit 11, CENTERPOINT BUSINESS CAMPUS, a condominium according to the Master Deed recorded in Liber 16667, pages 11 through 47, inclusive, First Amendment to Master Deed recorded in Liber 17018, pages 808 through 818, inclusive, Second Amendment to Master Deed recorded in Liber 17615, pages 107 through 120, inclusive, Third Amendment to Master Deed recorded in Liber 18244, pages 160 through 171, inclusive, Fourth Amendment to Master Deed recorded in Liber 20069, pages 99 through 107, inclusive, Fifth Amendment to Master Deed recorded in Liber 21468, pages 838 through 854, inclusive, Sixth Amendment to Master Deed recorded in Liber 24909, pages 537 through 549, inclusive, Seventh Amendment to Master Deed recorded in Liber 28874, pages 149 through 157, inclusive, Eighth Amendment to Master Deed

recorded in Liber 35596, pages 855 through 874, inclusive, Ninth Amendment to Master Deed recorded in Liber 39555, pages 61 through 70, inclusive, Oakland County Records, and designated as Oakland County Condominium Subdivision Plan No. 1004, together with rights in the General Common Elements, as set forth in said Master Deed and as described in Act 59 of the Public Acts of Michigan of 1978, as amended.

Together with all right, title and interest in and to easements created, limited and defined in Master Deed for Centerpoint Business Campus filed for record in Liber 16667, page 11, Oakland County Records, as amended.

Commonly known as: 2001 Centerpoint Parkway, Pontiac, Michigan

Parcel Numbers: 19-03-202-001

Memo

To: Mayor Waterman; Deputy Mayor Bais-DiSessa, J. Travis Mihelick
From: Chip Smith
CC: Shawn Keough, Nick Lomako
Date: June 20, 2017
Re: Wade Trim Contract Extension – Second Revision

The attached contract amendment extends the contract through December 31, 2017. All other terms and conditions of the existing contract remain in effect.

A copy of the contract extension that has been reviewed by the City Attorney is attached.



EXECUTIVE OFFICE MEMORANDUM

47450 Woodward Avenue
Pontiac, Michigan 48342

To: Mayor, Deirdre Waterman, Council President Patrice Waterman and City Council

From: Jane Bais-DiSessa, Deputy Mayor

CC: Nevrus Nazarko

Date: June 13, 2017

Re: City Council Agenda Request: Professional Services Agreement, Addendum F, Amendments to a Professional Services Agreement between the City of Pontiac and Wade Trim Associates, Inc.

As you are aware, Administration has been reviewing the existing contractual agreement between Wade Trim and the City of Pontiac. As a result of our discussions, Wade Trim has been made significant strides to improve contractual services by: restructuring departmental functions, implementing new internal operational policies, and hiring new staff capable of addressing departmental needs.

You may recall, at a recent City Council meeting, Nick Lamako, Sr. Vice President for Wade Trim provided an the City Council with an update on the these contractual improvements and introduced their new staff. Please note that there have been on-going discussions between Administration and Wade Trim in excess of six months. Additionally, Administration has conducted an internal cost analysis to examine the feasibility of bringing services in-house.

As a result of our on-going analysis and discussions, it is recommended that the City Council approve a six-month extension for all three services (Code Enforcement, Building and Planning). This extension will permit Administration to further evaluate these improvements and complete the feasibility analysis to bring these services back to the City. Also, please note that the present constructional rates will remain in effect during the six (6)-month extension. It is crucial that these services remain uninterrupted, especially during this time, when we are experiencing significant new development requests.

For your consideration, attached is a copy of Professional Services Agreement, Addendum F, Amendments to a Professional Services Agreement between the City of Pontiac and Wade Trim Associates, Inc.

As such, the following resolution is recommended:

Whereas, the current agreement with Wade Trim will expire on June 30, 2017; and

Whereas, Wade Trim has made significant operational improvements to their operations; and

Whereas, the recommended extension will permit the Mayor's Office to further evaluate these improvements to ensure that all service benefits are received; and

Whereas, the FY 2017/18 budget has included appropriations to support this extension.

Now Therefore, it is recommended that the City Council approve the Professional Services Agreement, Addendum F, Amendments to a Professional Services Agreement between the City of Pontiac and Wade Trim Associates, Inc.

**City of Pontiac
Professional Services Agreement
Addendum F
Amendments to a Professional Services Agreement between
the City of Pontiac and Wade Trim Associates, Inc.**

June 22, 2017

The following recitals and representations are entered into this ____ day of June, 2017, by and between the City of Pontiac, a municipal corporation, whose address is 47450 Woodward Avenue, Pontiac, Michigan 48342, (City), and Wade Trim Associates, Inc., a Michigan corporation, licensed to do business in the State of Michigan, whose address is 500 Griswold Avenue, Suite 2500, Detroit, Michigan 48226, (Contractor), and are intended to amend an Agreement for Professional Services (Agreement) originally executed by the City and Contractor on February 16, 2011.

Recitals and Representations

WHEREAS, the City and Contractor entered into an Agreement on the 16th day of February, 2011; and,

WHEREAS, the City and Contractor have amended the Agreement via Amendments A through E, most recently in October 2015 (to add Code Enforcement Services); and,

WHEREAS, the Contractor has demonstrated its ability to faithfully execute the terms of the Agreement; and,

WHEREAS, the City recognizes the importance of maintaining uninterrupted Building Safety, Code Enforcement and Planning services for residents and businesses; and,

WHEREAS, the current contract between the City and Contractor expires at 11:59 pm on June 30, 2017; and,

WHEREAS, the City currently does not have staff to perform these services without significant interruption and disruption for the citizens of Pontiac; and,

WHEREAS, it is in the best interest of the City and the Contractor to extend the current agreement to insure uninterrupted services to the Citizens of Pontiac;

NOW, THEREFORE, the City and Contractor agree to amend the original Agreement, as follows to extend the termination date from 11:59 p.m. on June 30, 2017 until 11:59 p.m. on Dec 31, 2017. All other terms and conditions of the contract as amended will remain in full effect.

ADDENDUM F is executed and made effective as provided above.

Contractor:
Wade Trim Associates, Inc.

By: _____

Printed Name: _____

Title/Position: _____

City of Pontiac:

By: _____

Printed Name: _____

Title/Position: _____



MEMORANDUM

City of Pontiac
Finance Director
Nevrus P. Nazarko, CPA
47450 Woodward Avenue
Pontiac, Michigan 48342
Phone: 248.758.3118
Fax: 248.758.3197

DATE: June 21, 2017

TO: Jane Bals DiSessa,
Deputy Mayor

FROM: Nevrus P. Nazarko, CPA
Finance Director

CC:

SUBJECT: MOU with Pontiac Public Schools

Mrs. DiSessa,

The Youth recreation Program that the City Council appropriated money from the GF is slated to start on July 1, 2017.

In order for the program to start there is a need for a facility where the kids will assemble and have various activities.

Attached to this memo is a draft MOU with Pontiac Public Schools that covers the terms and conditions of the City's use of various facilities at WHRS school for two months, July and August 2017. (See attached exhibit)

If the council agrees with the MOU here is a resolution needed to pass:

Whereas, the City Council has appropriated \$400,000 for youth and recreation activities for the FY 2017-2018; and,

Whereas, in order for these programs and activities to function, there is a need for a facility to be used; and,

Whereas, the administration and the Pontiac Public Schools have tentatively agreed to use the WHRC facility for the next two months (July, August 2017) to aid the running of the youth and recreation programs and,

Now Therefore, Be It Resolved, that the City Council authorizes the Mayor to sign the MOU with Pontiac Public Schools as attached herein.



MEMORANDUM OF UNDERSTANDING FOR THE USE OF DISTRICT OWNED FACILITIES

APPLICANT/USER INFORMATION:

Organization: City of Pontiac
Contact name: Deirdre Waterman, Mayor
Address: 47450 Woodward Ave., Pontiac, MI 48342
Day-Time Phone: (248) 758-3000
Evening Phone:
Cellular Phone:
Fax: E-mail address: dwaterman@pontiac.mi.us

Memorandum of Understanding (MOU) between the School District of the City of Pontiac (hereafter PSD or PONTIAC SCHOOL DISTRICT), and the City of Pontiac (CITY) for use of Pontiac School District facilities.

1. Term

This Agreement will begin on July 3, 2017 and end September 1, 2017.

2. Facilities Covered

a. Facilities

Pontiac School District will allow access to the area(s) depicted in the photograph(s) attached as Exhibit A hereto (hereinafter the "SCHOOL FACILITIES"). CITY will use the SCHOOL FACILITIES as temporary recreational facilities.

3. Permitted Uses

CITY will only have access to the SCHOOL FACILITIES referenced in paragraph 2 above on weekdays between 9:00 AM and 8:00 PM based on PONTIAC SCHOOL DISTRICT availability. See Paragraph 1 for specific dates. Additional days and times may be negotiated by CITY and PONTIAC SCHOOL DISTRICT based on availability. The City of Pontiac shall have all of the rights created under the law, if any, which are afforded to a renter of temporary facility space.



School District of the City of Pontiac

4. Responsibilities of PONTIAC SCHOOL DISTRICT

a. Designation of Employees

PONTIAC SCHOOL DISTRICT facilities staff members will supervise CITY's use of the SCHOOL FACILITIES, referenced in paragraph 2 of this agreement. Such supervision is included as part of the facility rental cost.

b. Supervision

PONTIAC SCHOOL DISTRICT facilities staff will provide assistance with access to the SCHOOL FACILITIES referenced in paragraph 2 of this agreement. Such assistance is included as part of the facility rental cost.

c. Access and Security

PSD will secure the area referenced in paragraph 2 of this agreement, during the times specified in paragraph 1 and paragraph 3. Costs for security and custodial shall be in accordance with the rates as set forth below.

5. Responsibilities of CITY

a. Supervision

CITY will provide supervision and direction for all activities taking place at the SCHOOL FACILITIES referenced in paragraph 2 of this agreement.

b. Payment/Usage Fees

For any security or custodial services provided to the City, the City will be billed on an hourly basis, as described below. The Pontiac School District employees and/or contractors shall keep a timecard with any hours spent providing services to the City of Pontiac. The City of Pontiac reserves the right to provide their own custodial and security services for their youth programs.

CITY'S USAGE RATES

DATE	DESCRIPTION	NEGOTIATED RENTAL	SECURITY	CUSTODIAL	TOTAL
See paragraphs 1 & 3	See paragraph 2, WHRC	\$15,000	Up to \$27/hour	\$20/hour	TBD



School District of the City of Pontiac

- c. CITY shall pay the \$15,000 rental fee upon the execution of this agreement. CITY shall pay for the custodial services within five (5) business days of being presented with an invoice by PSD. If PSD does not receive timely payment it reserves the right to immediately cancel this agreement, paragraph 11 notwithstanding.
- d. It is agreed that CITY will acquire any required temporary use permits, and any required development or access permits. In addition, CITY will pay all necessary fees, including any inspection fees, for any such permits.

6. Restitution and Repair

CITY staff will notify PONTIAC SCHOOL DISTRICT staff immediately if damages are made to the PONTIAC SCHOOL DISTRICT property and/or equipment, and shall be solely responsible for the cost to repair any such damage, normal wear and tear excluded. CITY will repair any such damage within a reasonable time, but no later than September 1, 2017, of such a request by PSD.

It is further agreed that to the extent any changes need to be made to PSD's premises by the CITY, same will be performed in a mutually agreed (in writing) manner and all such changes will remain at the conclusion of this agreement and become the property of PSD. However, upon PSD's request, CITY agrees to return the SCHOOL FACILITY to the same condition it was in at the time of the execution of this MOU, normal wear and tear excepted.

7. Operational Costs

Any unforeseen costs associated with utilizing PONTIAC SCHOOL DISTRICT for the purpose of this agreement will be documented and discussed between the parties. If it is agreed between the parties any that the City of Pontiac is responsible for such costs, the PONTIAC SCHOOL DISTRICT will invoice CITY for any money owed for any additional costs and CITY agrees to reimburse the District for these costs by September 1, 2017, or within one (1) week of presentment, whichever is later.

8. Insurance

CITY agrees to provide PONTIAC SCHOOL DISTRICT the following insurance in connection with this Agreement, by naming the PONTIAC SCHOOL DISTRICT as an additional insured, to the extent permitted by law.

- a. Commercial General for bodily injury and property damage, including Personal Injury and Blanket Contractual, with limits of \$1,000,000 per occurrence, \$2,000,000 aggregate.
- b. Workers' Compensation. Workers' compensation coverage, with limits of \$500,000.
- c. \$1,000,000 Umbrella Liability Coverage



School District of the City of Pontiac

d. Documentation of Insurance.

e. Indemnification. CITY shall indemnify, defend and hold harmless the PONTIAC SCHOOL DISTRICT, its Board of Education, its Trustees, in their official and individual capacities; its administrators, employees, agents, contractors, successors and assignees, from and against any and all claims, counter-claims, suits, debts, demands, actions, judgments, liens, costs, expenses, damages, and liabilities, including actual attorney's fees and actual expert witness fees, arising out of or in connection with CITY's use of its premises pursuant to this Contract and/or from CITY's violation of any of the terms of this MOU, including, but not limited to: (i) the negligent acts or willful misconduct of CITY, its officers, directors, employees, successors, assignees, contractors and agents; (ii) any breach of the terms of this MOU by CITY, its officers, directors, employees, successors, assignees, contractors and agents; (iii) any violation or breach by CITY, its officers, directors or employees, successors and assignees of any applicable Federal, State or local law, rule, regulation, ordinance, policy and/or licensing and permitting requirements applicable to providing the Services; or (iv) any breach of any representation or warranty by CITY, its officers, directors, employees, successors, and assignees, under this MOU. The City shall not be required to defend, indemnify, or hold harmless the PONTIAC SCHOOL DISTRICT, or its Board of Education, its Trustees, in their official and individual capacities, its administrators, employees, agents, contractors, successors and assignees for any negligent acts, willful misconduct, breach of the terms of this agreement, violation of any local, State or Federal law or any breach of any representation by any of the above listed individuals. Moreover, the City shall not be responsible for any existing defects or deficiencies in any building, grounds, equipment, or property of the PONTIAC SCHOOL DISTRICT and shall not be required to defend, indemnify, or hold harmless the PONTIAC SCHOOL DISTRICT for any and all claims, counter-claims, suits, debts, demands, actions, judgments, liens, costs, expenses, damages, and liabilities, including actual attorney's fees and actual expert witness fees, arising out of or in connection with any existing defects or deficiencies in any building, grounds, equipment, or property of the PONTIAC SCHOOL DISTRICT. CITY shall notify the PONTIAC SCHOOL DISTRICT by certified mail, return receipt requested, immediately upon actual knowledge of any claim, suit, action, or proceeding for which the School District may be entitled to indemnification under this MOU. This paragraph shall survive the expiration or earlier termination of this MOU.

9. Evaluation/Conflict Resolution

In the event of a conflict or problem, PONTIAC SCHOOL DISTRICT and CITY representatives will meet to review CITY's performance and review the terms of this MOU. In the event that the conflict cannot be resolved, either party can propose an amendment MOU in order to reach a solution. In the event that the parties are unable to reach a solution, this MOU shall be governed by the laws of the State of Michigan.

10. Non-Assignability.

Neither party may assign this MOU without the other party's prior written consent.



School District of the City of Pontiac

11. Termination.

This agreement may be terminated at any time prior to its expiration by either party, upon 30 days written notice. Nothing in this paragraph shall be construed as limiting PSD's ability to cancel this agreement pursuant to paragraph 5c.

12. Contingent Status of MOU

This memorandum of understanding and all rights and responsibilities herein, is contingent upon City Council approving the disbursement of funds as articulated above.

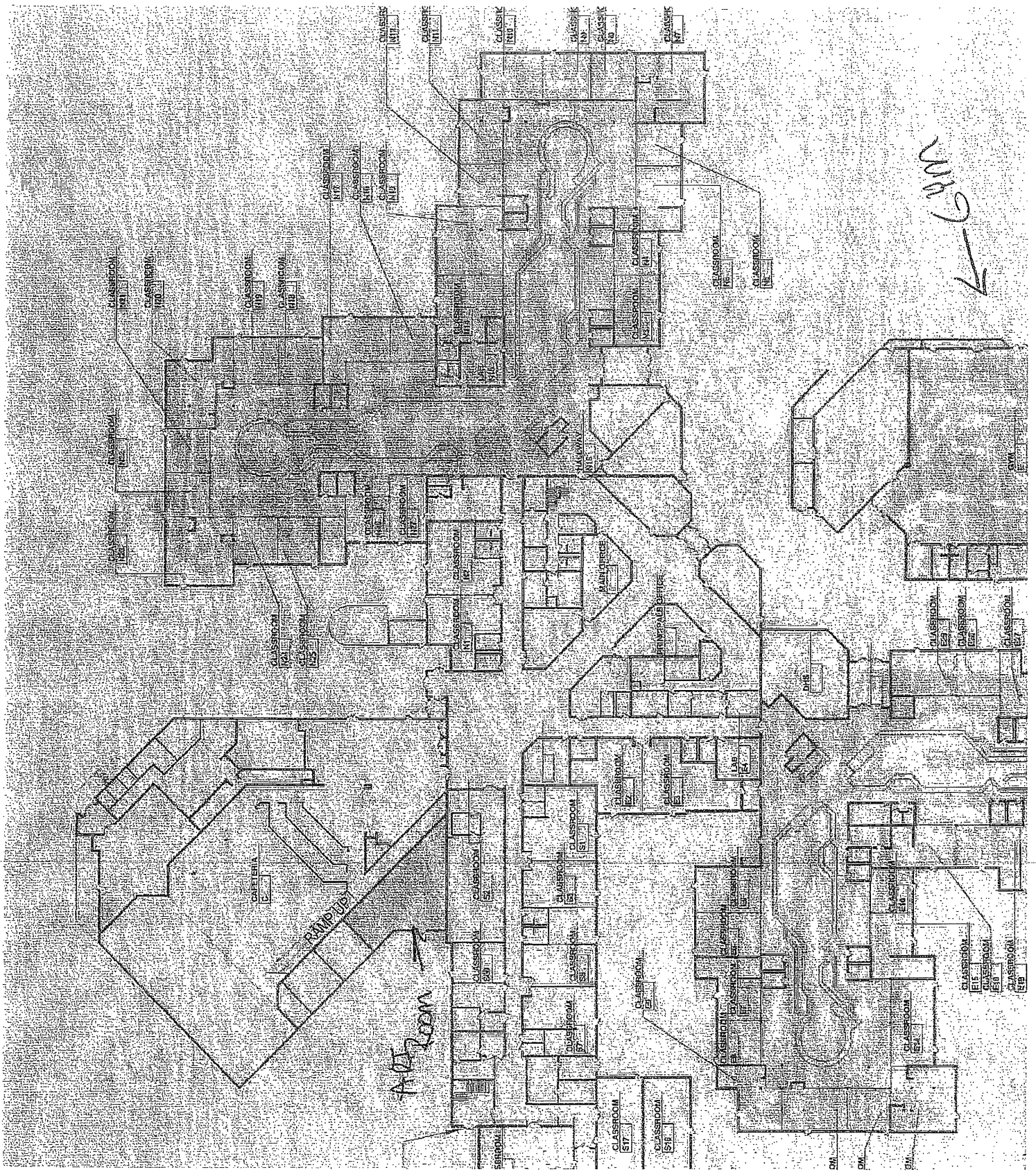
Signatures

Kelley Williams, Superintendent, Pontiac School District

Date

Deirdre Waterman, Mayor, City of Pontiac

Date



W9-7



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable Mayor, Council President and City Council Members

FROM: Jane Bais-DiSessa, Deputy Mayor

DATE: June 21, 2017

RE: **City Council Agenda Item: Request for Approval of Settlement Agreement Regarding CPREA vs. City of Pontiac**

In regards to the above referenced lawsuit, the following resolution is recommended for your consideration:

- Whereas, the City of Pontiac has been litigating since 2013 with certain class of retirees covered under CPREA lawsuit;
- Whereas, through continuous mediation between the City of Pontiac and CPREA the parties have come to a tentative agreement as shown on attached Exhibit A; and
- Whereas, the tentative agreement as presented, has to go through various levels of approval, the first of which is the approval granted by the Pontiac City Council; and
- Whereas, through the settlement, the City avoids further litigation and a potential liability of tens of millions of dollars which could result in the City seeking relief under the U.S. Bankruptcy Code;

Now therefore be it resolved, that the Pontiac City Council approves the settlement agreement between the City of Pontiac and CPREA as presented in the proposed settlement agreement dated March 31, 2017.

JBD

Attachment

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

THE CITY OF PONTIAC RETIRED
EMPLOYEES ASSOCIATION, DELMER
ANDERSON, JOHN CLAYA, THOMAS
HUNTER, HENRY C. SHOEMAKER,
YVETTE TALLEY and DEBRA WOODS,

Plaintiffs,

Case No. 2:12-cv-12830

v.

Hon. Avern Cohn

LOUIS SCHIMMEL, INDIVIDUALLY
AND IN HIS CAPACITY AS EMERGENCY
MANAGER OF THE CITY OF PONTIAC,
CATHY SQUARE, INDIVIDUALLY AND
IN HER OFFICIAL CAPACITY AS
DIRECTOR OF THE HUMAN RESOURCES
AND LABOR RELATIONS DEPARTMENT
OF THE CITY OF PONTIAC AND
THE CITY OF PONTIAC,

Defendants.

GREGORY T. GIBBS (P26440)
ALEC SCOTT GIBBS (P73593)
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Michael A. Alaimo (P29610)
Brian M. Schwartz (P69018)
MILLER CANFIELD PADDOCK & STONE PLC
Attorneys for Defendant Pontiac
150 W. Jefferson, Suite 250
Detroit, MI 48226
(313) 963-6420

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SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is between all parties to the lawsuit titled *The City of Pontiac Retired Employees Association, Delmer Anderson, John Claya, Thomas Hunter, Henry C. Shoemaker, Yvette Talley, and Debra Woods v. Louis Schimmel, individually and in his capacity as Emergency Manager of the City of Pontiac, Cathy Square, individually and in her capacity as Director of the Human Resources and Labor Relations Department of the City of Pontiac, and the City of Pontiac*, pending in the U.S. District Court for the Eastern District of Michigan ("Court"), Docket No. 2:12-cv-12830. This Agreement is intended to fully and finally resolve the lawsuit, subject to Court approval obtained in the process prescribed by Fed. R. Civ. P. 23 and on the terms specified in this Agreement.

1. **The Parties.** The parties to the lawsuit and to this Agreement are as follows. The Plaintiffs are Plaintiffs and class representatives: The City of Pontiac Retired Employees Association, Delmer Anderson, John Claya, Thomas Hunter, Henry C. Shoemaker, Yvette Talley, and Debra Woods (the "Class Representatives"), on behalf of themselves and on behalf of the class certified by the Court on [DATE]. The Defendants are Louis Schimmel, individually and in his official capacity as Emergency Manager of the City of Pontiac, Cathy Square, individually and in her official capacity as Human Resource Director and Director of Labor Relations, and the City of Pontiac. These parties are jointly referred to as "Defendants." Collectively, the Plaintiffs, Class Representatives, Class they seek to represent and the Defendants are referred to below as the "Parties."
2. **The Class.** The class certified by the Court pursuant to Rule 23(a)(1)-(4), (b)(1) and (2), and (g) "consists of approximately 810 retirees (including Housing Commission retirees who are eligible of retiree health benefits [at least 10 years of service credits at time of separation] and vested but deferred retirees as of the date of the commencement of this lawsuit) who retired from the City of Pontiac who were members of the General Employee Retirement System (excluding hospital employees), police and fire retirees, and certain executive employees who have received retiree health benefits from or through the City of Pontiac (the "retirees") and, in addition, the retirees' spouses, other eligible dependents, and surviving spouses who receive or have received health benefits from the City of Pontiac. This class shall only include those retirees and vested deferred retirees, and their eligible spouses and dependents, who were eligible for health insurance coverage at the time the Emergency Manager orders attached as Exhibit 1 were issued, and will not include any retiree who retired or vested after the date of those orders.
3. **The Claims and the Dispute.** In the lawsuit, Plaintiffs claim that Defendants wrongfully and unilaterally reduced and cancelled vested health benefits contrary to collectively-bargained promises of lifetime health benefits for retirees and others in the class. Plaintiffs sued under impairment of contract rights, the Bankruptcy clause and Supremacy clause, and deprivation of property interests without due process. Defendants deny any and all liability and wrongdoing, dispute that there were promises of lifetime health benefits, dispute that any health benefits are vested, and assert the legal right to reduce and cancel health benefits for all class members.

4. **Settlement.** In the course of the lawsuit, the parties investigated and evaluated the disputed issues, assessed one another's positions and viewpoints, recognized that each side has advanced substantial arguments in support of that side's position, and recognized that the resolution of the disputed issues through continued litigation would entail prolonged hardship for class members and substantial expense, accompanied by a risk that one side or the other could suffer an adverse result. Accordingly, the parties engaged in negotiations, reached a mutually-acceptable compromise, and agreed to settle the lawsuit to end the uncertainties and risks of continued litigation and to achieve a final resolution of the lawsuit which provides for continued health benefits for class members, as detailed in this Agreement.
5. **Approval Process.** The parties will seek approval by the Court pursuant to Rule 23(e) of the settlement on the terms specified in this Agreement. They will seek the Court's preliminary approval of the Settlement Agreement, and a notice for distribution to all class members. They will provide the Court with the attached proposed notice. They will distribute the Court-approved notice along with a copy of this Agreement to all class members by first-class mail to each class member's last known address, with the City of Pontiac undertaking the expense of printing, mailing, and the administration of the notice process and compliance with any other Court-directed notice and distribution requirements. The parties will participate in the Court hearing specified in the approved notice and will ask that the Court: (1) find that the settlement is fair, reasonable, and adequate and in compliance with Rule 23 and other legal requirements and (2) enter judgment reflecting these findings and approving the settlement.
6. **New Plans.** The City of Pontiac will terminate the General Employees Retirement System Pension Plan ("GERS Plan") and establish a new GERS Plan, which will receive assets equal to 130% of the pension liabilities of the old GERS Plan. Prior to the transfer of assets to the new GERS Plan, the City and CPREA shall be given the pension plan assumptions and shall have an opportunity to approve those assumptions. If the City and/or CPREA do not approve those assumptions, the Parties shall immediately submit the dispute to Judge Cohn for resolution. The Board of the new GERS Plan shall have the same proportionate identical membership and proportional representation as exists on the old GERS Plan Board at the time of its termination. However, on the new GERS Plan Board, a super majority of seven (7) members of the Pension Board shall be required: (a) whenever the board votes to invest in any alternative investment, including but not limited to real estate, private equity, hedge funds, etc.; and (b) whenever the board votes on any investment decision if the new GERS Plan is under 90% funded. In exchange for this supermajority requirement, the City of Pontiac agrees to indemnify the Plaintiff CPREA and its Board for any and all claims, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and causes of action arising out of Plaintiffs' agreement to this super majority requirement, and which arise out of the New GERS Board members' compliance with the super majority requirement set forth in this Paragraph. The Parties agree that in any and all proceedings which Plaintiffs claim triggers a right to indemnification, the City of Pontiac has sole and complete discretion to propose, for CPREA's review, three options for defense counsel, and CPREA shall be permitted to choose one of those three options. CPREA shall not be permitted to select counsel outside of these three options.

The eligible retirees to receive benefits under the new GERS Plan will be identical to those receiving benefits under the old GERS Plan and all deferred vested or active vested employees of the City who are eligible to receive pension, at some point, under the old GERS Plan will be entitled to the same benefits under the new GERS Plan. The City will also establish a New VEBA Plan Trust Agreement, which will receive the excess assets from the old GERS Plan that exceed 130% of the pension liabilities of the old GERS Plan. The City of Pontiac will obtain a determination letter ruling from the U.S. Internal Revenue Service that the termination of the old GERS Plan will not present any adverse effect upon the City or retirees. The City will also seek a determination ruling from the U.S. Internal Revenue Service that the new GERS Plan qualifies as a tax exempt Plan, and that the New VEBA Plan qualifies as a Voluntary Employee Beneficiary Association Plan in the meaning of Section 501(c)(9) of the Internal Revenue Code. The parties agree that this Agreement is contingent upon the City receiving favorable ruling from the U.S. Internal Revenue Service with regard to the above captioned requests. In the event that the U.S. Internal Revenue Service determines that any of the provisions of this Agreement and/or the new GERS and VEBA Plans are insufficient to grant the requested determination letters, the parties agree that they will make good faith, reasonable efforts to modify the terms of this Agreement and the Trust Agreements and ordinances consistent with the material purposes of this settlement to eliminate the barriers to obtaining the determination letters from the U.S. Internal Revenue Service.

7. **Merger.** The Board of Trustees of the Pontiac Police and Fire Retiree Pre-Funding Group Health Insurance Trust will merge into the New VEBA Plan with the New VEBA Plan being the surviving entity. After the merger, the Police and Fire Retirees and deferred vested Police and Fire Retirees will receive health insurance benefits in retirement under the terms and provisions of the New VEBA Plan. The Board of Trustees of the City of Pontiac Police and Fire Retiree Pre-Funded Group Health Insurance Trust and the City of Pontiac agree to seek a determination letter from the U.S. Internal Revenue Service that the mergers of the two VEBA Plans do not in any way effect the past or future qualification of the Plans as qualified voluntary employee benefits cessation Plans under Section 501(c)(9) of the U.S. Internal Revenue Code.
8. **The City of Pontiac's Contribution to the New VEBA Plan.** The City of Pontiac agrees that:
 - a. It shall make an initial contribution to the New VEBA Plan of \$4,250,000. This initial contribution shall be due within ninety (90) days of either the date the New VEBA Plan is approved by the Internal Revenue Service, or the date the New VEBA Plan is created, whichever comes later in time. The Parties to this Agreement understand that the City of Pontiac is involved as a party to *Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Trust Board of Trustees v. City of Pontiac No. 2*, Docket No. _____, that this case is currently pending before the Michigan Supreme Court (the "Police and Fire Retiree Lawsuit") and that Appellants claim the City owes them, and the class they represent, certain contributions toward their retiree health benefits in the amount of approximately \$3.6 million. The Parties to this Agreement, including

the Pontiac Police and Fire Retirees, agree that no matter what the decision on the merits is in the Police and Fire Retiree Lawsuit, the City of Pontiac will owe an initial contribution to the New VEBA Plan of no more than \$4.25 million and shall not be required to pay anything additional in settlement of, or after an adverse determination in, the Police and Fire Retiree Lawsuit. For example, if the Police and Fire Lawsuit results in an award of \$2.5 million against the City of Pontiac, the Initial Contribution to the New VEBA Plan shall be \$2.0 million, i.e., the Police and Fire Lawsuit award, if any, shall become part of the initial contribution.

- b. in any fiscal year in which actuaries hired by the Trustees of the New VEBA Plan determine that a required contribution exists to the New VEBA Plan for unfunded liability of the New VEBA Plan, the City will make a contribution to the New VEBA Plan on or before June 30th of the fiscal year in the amount of the lesser of the actuarial required contribution, or \$1,500,000. Under no circumstances shall the City's contribution to the New VEBA Plan exceed \$1,500,000 in any fiscal year. The New VEBA Plan Board shall consist of seven (7) members, three (3) of whom will be chosen by the Mayor of the City of Pontiac and approved by the City Council, and three (3) of whom will be chosen by Plaintiffs Retirees by election and ballot as follows: One member shall be chosen by and from the members of the Police and Fire Retirement System, one member shall be chosen by and from the members of the new General Employees Retirement System, and one member shall be chosen by and from the membership of the New VEBA as a whole. These six (6) members shall confer and select the seventh Board Member within thirty (30) days of any vacancy. If the six members cannot agree on a seventh member within thirty (30) days, they will, within fourteen (14) days of the thirty (30) day deadline, select an arbitrator and submit proposals to the arbitrator, who shall decide the seventh and final board member. The Parties to this Agreement agree that the arbitrator's decision is final and may not be appealed. If the six Board Members cannot agree on the selection of an arbitrator within thirty (30) days, the Board Members selected by the Mayor, on the one hand, and Board Members selected by the Plaintiffs, on the other hand, shall each select one (1) person per side, with the only selection prohibition being that these two individuals must not be participants in the New VEBA Plan, or be employed by, or represent, the City of Pontiac. These two individuals shall then select the arbitrator within fourteen (14) days of the thirty (30) day deadline referenced above. The New VEBA Plan shall retain a professional management company experienced in managing public and private sector VEBA Plans. The fee for the services of such management shall be paid out of the assets of the New VEBA Plan. A Request for Proposal ("RFP") will be issued for qualified applicants. A successful bidder will be chosen by the New VEBA Plan Board.

9. **Level of Coverage for Retiree Health Care.** The New VEBA Plan shall provide eligible pre-65 retirees with Blue Cross/Blue Shield Simply Blue 500 plan, or an equivalent plan with equivalent coverage levels at equivalent cost. It contains 20% co-insurance with \$500 deductible for individual/\$1,000 deductible for family for in-network services for pre-65 age retirees. The post-65 age retirees will receive a Plan

which is supplemental to Medicare and/or Medicare Advantage Plan with a \$500 deductible. Both the pre- and post-65 age retirees will receive prescription drug coverage with a \$10 co-pay for generic, \$40 for preferred brand names, and \$80 for all other brand name drugs. Under the New VEBA Plan the Trustees will have the flexibility to review comparable coverage and make decisions on better, comparable, equivalent and lower cost coverages. (*Exhibit 2, BC/BS Simply Blue 500 Plan benefits-at-a-glance*).—If and when the New VEBA Plan has insufficient funds to provide the level of benefits and coverage specified above in a given fiscal year, the Board of the New VEBA Plan shall have the discretion to make reasonable plan design changes, and change benefit, and coverage and retiree contribution levels. Notwithstanding the foregoing, the City of Pontiac's annual contribution is limited to a maximum of \$1.5 million, and shall not exceed that amount under any circumstances, as set forth in Paragraph 8.

10. **Retiree Vision and Dental Care.** The New VEBA Plan will provide vision and dental care described in *Exhibit 3*, for eligible retirees. The premium costs of this coverage is to be paid for by the VEBA Plan.
11. **Retiree Life Insurance.** Under no circumstances shall any class member be entitled to life insurance benefits without regard to any prior claim or entitlement under a collective bargaining agreement, City policy or City ordinance. Retirees eligible for health insurance coverage under the terms of this Agreement may elect to terminate their eligibility for any and all benefits provided by the new VEBA in exchange for a one-time payment of \$20,000. Any retiree who elects this opt out option at the time the New VEBA is formed will not be eligible to receive any benefits from the new VEBA, and by their election, forever waive their right – on behalf of themselves, their spouses and dependents – to receive any benefits under this Agreement, including health, vision, dental and life insurance benefits. Eligible deferred retirees will be afforded an opportunity to exercise this opt out option at the time they are eligible to receive pension benefits. At least 90 days prior to the time that the New VEBA begins providing benefits to the class members, eligible retirees shall have the option to select this one-time \$20,000 payment. Any retiree who receives benefits from the new VEBA will not be eligible to exercise this opt out payment option.
12. **Administrative Costs.** Administrative costs of the operation of the New VEBA Plan shall be paid for by the city out of the assets of the VEBA Plan.
13. **Transition Period.** The parties agree that the current stipend payment being paid to retirees under the GERS Plan will continue until, but not beyond, such time as the U.S. Internal Revenue Service has approved the new Plans identified in this Agreement, and they have begun operation and are providing the benefits identified in this Agreement.
14. **Attorneys' Fees and Costs.** Except as provided for in paragraph 12, no fees will be sought by or paid to any party or counsel in the lawsuit from the settlement amount. In particular, no fees or expenses will be sought by or paid to Defendants or defense counsel from the settlement amount and no fees will be sought by or paid to Class Representatives from the settlement amount. No Class Representative has received, or is entitled to receive, any fee for participating in the lawsuit or for serving as a Class

Representative. Plaintiffs will file a Motion for Attorneys' fees and costs for Judge Cohn's decision after this Settlement Agreement has been finalized, and Defendants shall have the option of opposing that Motion. For purposes of settlement, the City of Pontiac acknowledges that counsel for CPREA is entitled to fees for purposes of 42 U.S.C. §§ 1983 and 1988, but the amount of those fees will be at the discretion of the Court based on the pleadings and proofs submitted by the Parties.

15. **Cooperation.** Plaintiffs, Defendants, and Trustee of the existing Pension and VEBA Boards will cooperate with the City of Pontiac as necessary to facilitate the effective formation, tax qualification and other legal qualification, and initial operation and administration, of the new GERS Plan and VEBA Plan. The parties will also cooperate as directed in this Settlement Agreement, and as otherwise reasonably necessary to implement this Agreement.
16. **Conditions of Settlement and Termination.** This Agreement is subject to the fulfillment of the following conditions, and will not be final unless and until the following occur: (1) the Court enters judgment approving settlement in the form of a consent judgment that is materially consistent with the terms of this Agreement and the lawsuit is resolved as to all parties with finality; (2) U.S. Internal Revenue Service approves the termination and formation of a new GERS Pension Plan; (3) a new qualified VEBA is formed that is materially consistent with this Agreement and in compliance with applicable law; and (4) a merger is concluded between the Police and Fire VEBA and the New VEBA. If despite the best efforts of the parties, judgment approving a materially consistent settlement in the form of a consent judgment cannot be obtained or a qualified Plans materially consistent with this Agreement and in compliance with applicable law cannot be formed or operated, this Agreement shall terminate unless all parties agree in writing to proceed with the Agreement or some alternative to it. In the event that this Agreement is terminated, and no alternative settlement is agreed to, the positions of the parties shall return to pre-settlement status and the parties may continue the lawsuit. In the event that these conditions are satisfied and the settlement becomes final, at that time the release provided in paragraph 18 will be effective.
17. **Release of All Claims.**
 - a. **Release of Defendants.** In consideration of and upon Defendants' full compliance with their obligations under this Agreement, all Plaintiffs and class members, all individuals included in Paragraph 2 above and anyone else asserting any claim on behalf of or through any Plaintiff or class member, including but not limited to their heirs, executors, administrators, agents, attorneys, representatives, and assigns, fully, finally, and forever release Defendants, and Defendants' past and present parent corporations, affiliates, subsidiaries, predecessors, successors, assigns, distributors, related companies or entities, divisions, joint ventures, employee benefit plans, including the plans' past and present trustees, fiduciaries, administrators, and vendors, and Defendants' and the plans' past or present officers, directors, partners, insurers, agents, representatives, attorneys, consultants, advisors, investors, shareholders, and employees, from any and all claims, rights, demands, obligations, actions, causes of action, debts, liens, contracts, liabilities, agreements (other than this Agreement),

attorney fees, costs, restitution claims, and expenses of any nature, whether now known or unknown, for retiree health benefits having arisen before and up to the effective date of this Agreement, whether any such claim or other obligation is asserted or arises under federal, state or local statutes, regulations, ordinances, or under the common law, which any Plaintiff or class member has, had, or may in the future have, against any Defendant which relate to the facts, transactions, occurrences, conduct, representations, events, or circumstances alleged or which could have been alleged in the lawsuit relating to health benefits for class members. The parties intend that this release be construed to the fullest extent possible as a full and final release of all claims raised in the lawsuit and a complete and final resolution of Defendants' obligations, if any, to provide Plaintiffs and class members with health benefits.

- b. **Release of Plaintiffs.** In consideration of the release extended to Defendants in paragraph 18a, Defendants and others released in paragraph 18a release Plaintiffs, class members, class representatives and their representatives, including their attorneys, from all claims related to the lawsuit, including the litigation and settlement of the lawsuit, and any transaction or occurrence that is the subject of the lawsuit, including but not limited to all claims for litigation costs and expenses and attorney fees.
 - c. **Continued authority to enforce settlement.** The releases set out in paragraphs 18a and 18b shall not limit the parties' right to enforce this Settlement Agreement or any court order regarding the settlement and resolution of the lawsuit.
18. **Authority of Class Counsel.** All parties, including the Class Representatives on their own behalf and on behalf of the class, authorize class counsel, Gregory Gibbs and Alec Gibbs and the law firm of the Law Offices of Gregory T. Gibbs, to take all appropriate action to implement this Agreement and the Court orders related to settlement.
-
19. **No Admission of Liability.** Neither this Agreement nor any statement in this Agreement nor any action taken to implement this Agreement is an admission of liability for any act or omission claimed in the lawsuit on the part of Defendants or on the part of anyone associated with Defendants within the scope of paragraph 18a, all of whom deny liability. Nor is this Agreement or any statement in this Agreement or action to implement this Agreement an admission of any kind on the part of Plaintiffs. The parties enter into this Agreement solely to resolve disputed issues of fact and law for the purpose of achieving finality and ending the lawsuit with a mutually-acceptable compromise that will provide class members with health benefits into the future.
20. **Voluntary Signatures.** The parties have had a reasonable time to read and consider this Agreement, and to consult counsel regarding this Agreement, and represent by their signatures that they enter into this Agreement knowingly, voluntarily, and of their own free will, intending to be bound by its terms.
21. **Signatures in Counterparts; Photocopies.** This Agreement may be signed by the parties in any number of counterparts, which together will constitute a comprehensive

Agreement. Accurate photocopies of the comprehensive agreement may be used as originals.

22. **Negotiation and Preparation.** The parties participated equally in the negotiation and preparation of this Agreement. This Agreement shall not be construed against any party as drafter.
 23. **Best Efforts.** The parties intend to implement this Agreement and will use their best efforts to do so and will diligently undertake such action as may be necessary to implement this Agreement or such other settlement as may be necessary to conform to legal requirements consistent with the material terms and purposes expressed in this Agreement. The best efforts will include cooperation as provided by paragraph 16 and participation in mediation as provided by Paragraph 20.
 24. **Mediation.** If a condition addressed in Paragraph 16 or a legal requirement precludes implementation of this Agreement without modification and if the parties are not able to eliminate barriers to the implementation of this Agreement promptly, before terminating this Agreement, the parties will ask the Court to convene facilitative mediation, appoint a mediator mutually-acceptable to the parties, on terms directed by the Court in consultation with the parties, for the purpose of aiding the parties' best efforts to achieve settlement that is consistent with the purposes of this Agreement and that will achieve legal compliance and obtain final Court approval.
 25. **Disputes.** The parties will agree to enter into a consent judgment for the purpose of vesting the Court with continuing jurisdiction. The Court may, upon the stipulation and application of the parties, enter a Consent Judgment in the form attached hereto as Exhibit 4. The Court will retain exclusive jurisdiction to resolve any disputes relating to or arising out of this Agreement or the enforcement, interpretation, or implementation of the terms of this Agreement, and each party submits to the jurisdiction of the Court for this purpose and waives any objection it might have to jurisdiction or venue.
-
26. **Governing law.** This Agreement shall be construed in accordance with federal law to the extent applicable, and otherwise by Michigan law.
 27. **Modification.** This Agreement may not be modified except in writing signed by or on behalf of all parties and, as necessary, with Court approval.
 28. **Complete agreement.** This Agreement is the complete agreement between the parties. It supersedes any prior agreements and understandings, oral or written, addressing the subject matter of this Agreement.

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{ACKNOWLEDGMENTS TO FOLLOW}

**FOR THE CLASS, THE CLASS
REPRESENTATIVES, AND THE
DEFENDANT, RETIRED EMPLOYEES
ASSOCIATION**

LAW OFFICES OF _____

Date: _____

**FOR THE PONTIAC POLICE AND FIRE
RETIREE CLASS MEMBERS**

Date: _____

As to Merger described in Paragraph 7:

By: _____

FOR THE DEFENDANT

_____, P.C.

Date: _____

Date: _____

28884953.1\071371-00075