



**PONTIAC CITY COUNCIL  
FORMAL MEETING  
June 29, 2017  
6:00 P.M.  
195<sup>th</sup> Session of the 9<sup>th</sup> 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

Amendments to and Approve the Agenda

Approval of the minutes

1. June 22, 2017

Special Presentation – Darryl Seagers

Deputy Mayor Report or Departmental Head Report

Recognition of Elected Officials

Agenda Address

**Agenda Items for Consideration.**

2. WHRC Memorandum of Understanding.
3. Request for approval of Settlement Agreement CPREA vs. City of Pontiac.
4. Resolution for Campbell Baptist Church.

Public Comment

Mayor, City Clerk, City Attorney, and Council Closing Comment

Adjournment

June 22, 2017

**Official Proceedings  
Pontiac City Council  
194<sup>th</sup> Session of the Ninth Council**

A Study Session Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Thursday, June 22, 2017 at 6:00 P.M. by President Patrice Waterman.

Call to Order at 6:00 P.M.

Roll Call

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

Members Absent: Carter and Holland.

Mayor Waterman was present.

Clerk announced a quorum.

17-210        **Excuse Councilperson Randy Carter and Mark Holland for personal reasons.**  
Moved By Councilperson Pietila and supported by Councilperson Woodward.

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

No: None

**Motion Carried.**

17-211        **Approval of the agenda.** Moved by Councilperson Taylor-Burks and supported by Councilperson Pietila.

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

No: None

**Motion Carried.**

17-212        **Journal of June 10, 2017.** Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.

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

No: None

**Motion Carried.**

17-213        **Closed Session Minutes of June 10, 2017.** Moved by Councilperson Woodward and supported by Councilperson Pietila.

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

No: None

**Motion Carried.**

17-214        **Journal of June 15, 2017.** Moved by Councilperson Pietila and supported by Councilperson Woodward.

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

No: None

**Motion Carried.**

June 22, 2017

There were 6 individuals who addressed the body during public comment.

Councilman Mark Holland arrived at 6:09 p.m.

**President Patrice Waterman opened up public hearing regarding Michigan Motion Picture Studios, LLC request to establish a plant rehabilitation district at 6:30 p.m.**

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

1. Billie Swazer 1619 Marshbank. She said she is glad they are coming to Pontiac and have training for the residents of Pontiac. But at the same time; the city will have no personal or property taxes coming in for 15 years. That's not fair because no one is trying to give back to the schools. This company needs to get us money for the things we have to pay for.
2. Yvette Carson 491 Franklin Rd. She gave a little bio of herself growing up in Pontiac. She wants to know will the citizens of Pontiac be able to participate and be involved in some of these movies. She wants to be a star too.
3. Ester Stevens 774 Stirling. She wants to know what type of operations will be going on during this project. What kind of sounds will be coming from these building's. What kind of skill-set is being offered and how many jobs will the citizens qualify for.
4. Linda Hasson 1075 Williamson Circle. She stated that we are committing to use the tools in the little tool box. She wants to know more about the project. Negotiate options and be careful to make sure the right decisions are being made.

**President Patrice Waterman closed public hearing at 6:35 p.m.**

17-215      **Request to establish a plant rehabilitation district for parcel 64-19-03-201-002 4GW Real Estate Investment LLC and Williams International Co. LLC. Moved by Councilperson Woodward and supported by Councilperson Taylor-Burks.**

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.

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

No: None

**Resolution Passed.**

17-216      **Request for Resolution approving application to the Michigan Strategic Fund for designation of renaissance zone in the City of Pontiac Tax Increment Finance Authority development area and related matters.** Moved by Councilperson Taylor-Burks and supported by Councilperson Pietila.

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.  $01^{\circ}32'01''$  E., 299.48 feet, and (2) N.  $87^{\circ}51'44''$  W., 61.57 feet, and (3) N.  $02^{\circ}32'55''$  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.  $87^{\circ}25'59''$  E., 287.26 feet to the Southeast corner of said Unit 11; thence N.  $00^{\circ}11'13''$  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  $08^{\circ}24'14''$ , long chord bears N.  $47^{\circ}58'00''$  E., 65.95 feet), and (2) N.  $44^{\circ}34'41''$  E., 56.60 feet, and (3) 286.91 feet along a curve to the right (radius 357.00 feet, central angle  $46^{\circ}02'49''$ , chord bears N.  $67^{\circ}36'06''$  E., 279.25 feet), and (4) S.  $89^{\circ}22'30''$  E., 723.10 feet, and (5) S.  $85^{\circ}22'15''$  E., 200.49 feet, and (6) 253.43 feet along a curve to the right (radius 190.00 feet, central angle  $76^{\circ}25'20''$ , long chord bears S.  $51^{\circ}09'50''$  E., 235.05 feet), and (7) S.  $12^{\circ}57'10''$  E., 184.05 feet, and (8) 333.54 feet along a curve to the left (Radius 250.00 feet, central angle  $76^{\circ}26'28''$ , long chord bears S.  $51^{\circ}10'24''$  E., 309.35 feet), and (9) S.  $89^{\circ}23'39''$  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

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

No: None

**Resolution Passed.**

17-217      **Resolution to approve Wade Trim Contract Extension-Second Revision.** Moved by Councilperson Woodward and supported by Councilperson Pietila.

June 22, 2017

Whereas, the City and Contractor entered into an Agreement on the 16<sup>th</sup> 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 on December 31, 2017. All other terms and conditions of the contract as amended will remain in full effect.

Ayes: Pietila, Taylor-Burks, Waterman, Williams and Woodward  
No: Holland  
**Resolution Passed.**

**President Patrice Waterman adjourned at 7:50 p.m.**

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SHEILA R.GRANDISON  
DEPUTY 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

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DATE: June 21, 2017

TO: Jane Bals DiSessa,  
Deputy Mayor

FROM: Nevrus P. Nazarko, CPA  
Finance Director

CC:

SUBJECT: MOU with Pontiac Public Schools

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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.

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## 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*

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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 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.

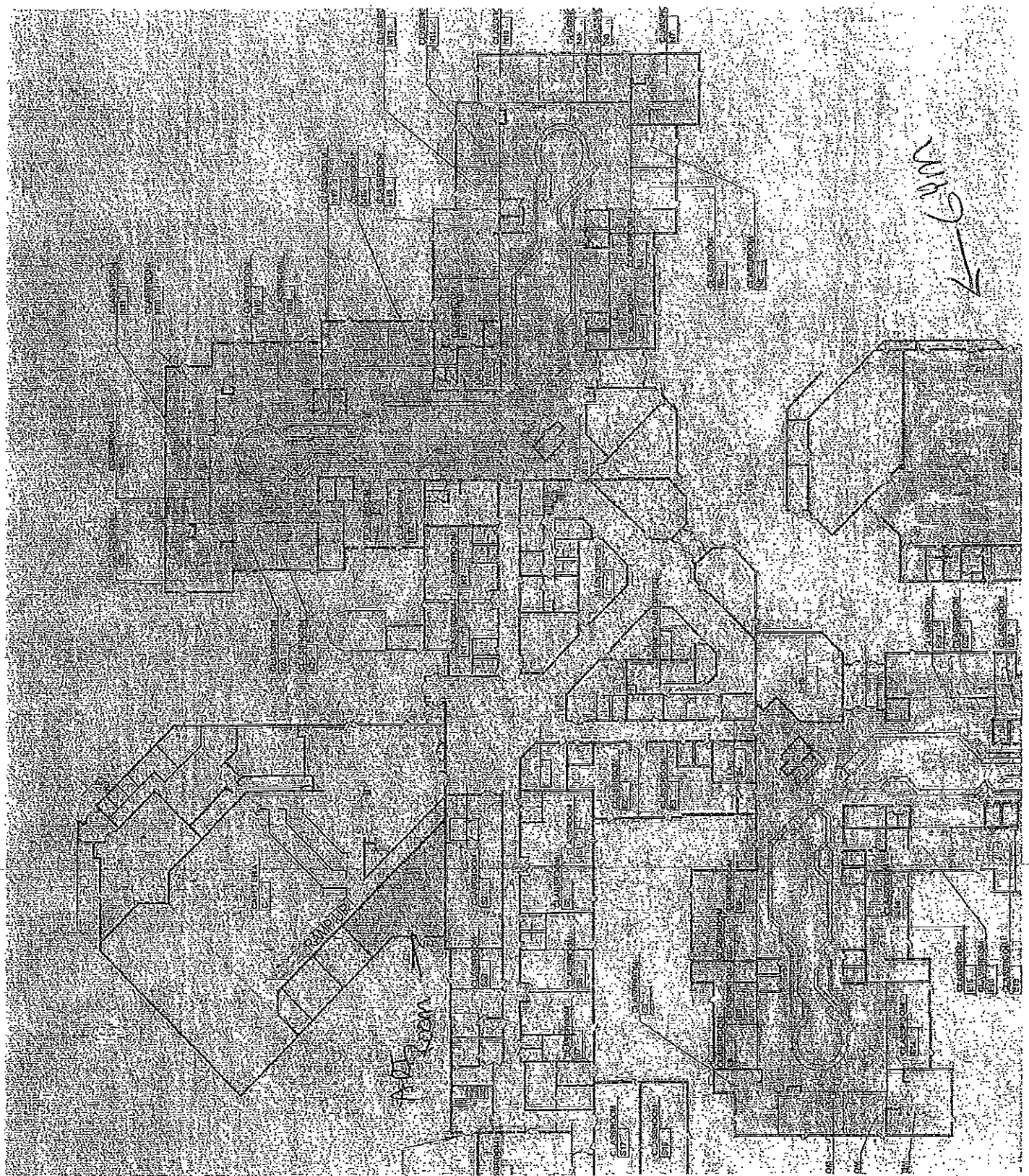
### Signatures

Kelley Williams, Superintendent, Pontiac School District

Date

Deirdre Waterman, Mayor, City of Pontiac

Date





# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

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**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)  
LAW OFFICE OF GREGORY T. GIBBS

Attorneys for Plaintiffs  
717 S. Grand Traverse Street  
Flint, MI 48502  
(810) 239-9470

John C. Clark (P51356) .  
Stephen J. Hitchcock (P15005)  
GIARMARCO MULLINS & HORTON PC

Attorneys for Defendants  
101 W. Big Beaver Road, 10<sup>th</sup> Floor  
Troy, MI 48084  
(248) 457-7000

Richard W. Warren (P63123)  
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 30<sup>th</sup> 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 on 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.
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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.
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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.

*{PAGE BREAK INTENTIONAL}*

*{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: \_\_\_\_\_

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**City of Pontiac Resolution for Campbell Baptist Church and  
Associate Youth Pastor Will Burgess**

**WHEREAS**, it is with warm and sincere gratitude that we recognize Campbell Baptist Church and Associate Youth Pastor, Will Burgess for their extraordinary commitment, support and distinguished service to the City of Pontiac; and,

**WHEREAS**, Campbell Baptist Church and Associate Youth Pastor Will Burgess, graciously, transported forty (40) volunteers from Campbellsville, Kentucky to the City of Pontiac for the primary purpose of assisting Pontiac residents with clean-up efforts around the City; and

**WHEREAS**, Campbell Baptist Church and Associate Youth Pastor Will Burgess, exemplify outstanding leadership by inspiring and encouraging people to give unselfishly to others for the betterment of society; and,

**NOW, THEREFORE, BE IT RESOLVED**, that we the members of the Pontiac City Council, honor Campbell Baptist Church and Associate Youth Pastor Will Burgess and give a gracious thank you for a job well done.

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*Patrice Waterman, President*

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*Mary Pietila, Pro-Tem*

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*Don Woodward, Councilman*

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*Randolph Carter, Councilman*

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*Mark E. Holland, Sr., Councilman*

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*Doris Taylor-Burks, Councilwoman*

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*Kermit Williams, Councilman*