



**PONTIAC CITY COUNCIL
FORMAL MEETING**

April 17, 2018

6:00 p.m.

17th Session of the 10th 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

Invocation

Pledge of Allegiance

Roll Call

Authorization to excuse councilmembers

Amendments to and approve the agenda

Approval of Minutes

1. Meeting of April 10, 2018.

Closed Session

2. Resolution to go into Closed Session regarding CPREA/OPEB litigation,

Deputy Mayor Report or Departmental Head Report

Recognition of Elected Officials

Agenda Address

Agenda Items for Council Consideration

3. Resolution to approve members to the GERS Board.
4. Resolution to create an Advisory Committee to submit a location for a Youth Recreational Center.
5. Resolution to schedule public hearing for sale of vacant land; Parcel #14-30-354-013.
6. Resolution to schedule public hearing for sale of vacant land; Parcel #14-33-257-002.
7. Resolution to change job title of the approved Customer Service Representation for the Planning Division, to Planning Technician; and to increase the hourly rate from \$16.00 to \$17.00.
8. Resolution to approve the creation of one Code Enforcement Manager and four Code Enforcement officers at an estimated cost of \$366,353.30. (includes salary and benefits)
9. Resolution to approve Waiver Application and Plan as presented, for submission to the State of Michigan Treasury Department.

Public Comment

Mayor, Clerk, City Attorney and Council Closing Comments

Adjournment

April 10, 2018

**Official Proceedings
Pontiac City Council
16th Session of the Tenth Council**

A Study Session of the City Council of Pontiac, Michigan was called to order in City Hall, Tuesday, April 10, 2018 at 6:00 p.m. by President Kermit Williams.

Call to Order at 6:00 p.m.

Roll Call

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

Members Absent: Woodward

Mayor Waterman was present.

Clerk announced a quorum.

18-108 **Excuse Councilperson Woodward for personal reasons.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Miller, Pietila, Taylor-Burks, Waterman, Williams and Carter

No: None

Motion Carried.

18-109 **Approval of the agenda with a motion by President Williams to limit discussions on agenda items to three minutes.** Moved by Councilperson Taylor-Burks and second by Councilperson Waterman.

Ayes: Pietila, Taylor-Burks, Waterman, Williams, Carter and Miller

No: None

Motion Carried.

18-110 **Journal of March 27, 2018.** Mover by Councilperson Taylor-Burks and second by Councilperson Waterman.

Ayer: Taylor-Burks, Waterman, Williams, Carter, Miller and Pietila

No: None

Motion Carried.

18-111 **Journal of April 3, 2018.** Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.

Ayes: Taylor-Burks, Waterman, Williams, Carter, Miller and Pietila

No: None

Motion Carried

There were 19 individuals who addressed the body during public comment.

18-112 **Motion to suspend rules.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

April 10, 2018

Ayes: Williams, Carter, Miller, Pietila, Taylor-Burks and Waterman

No: None

Motion Carried.

18-113 **Move item #6 (Resolution to approve the creation of one Code Enforcement Manager and four Code Enforcement officers at an estimated cost of \$366,353.30 which includes salaries and benefits) to the Community Development Sub-Committee. Moved by Councilperson Taylor-Burks and second by Councilperson Waterman.**

Ayes: Miller, Pietila, Taylor-Burks, Waterman and Williams

No: Carter

Motion Carried.

President Kermit Williams adjourned the meeting at 7:43.

SHEILA R. GRANDISON
ACTING CITY CLERK

FINANCE SUBCOMMITTEE NOTES

April 10, 2018

In attendance:

Council members: Chair Patrice Waterman and Council President Kermit Williams

Mayor: Deirdre Waterman

Finance Director: Nevrus Nazarko

Deputy Mayor: Jane Bais-DiSessa

Start time: 4:10 pm

AGENDA

1. Financial Report

- The total investments in all funds for the City as of 2-28-2018 was \$53,253,706. The general fund portion is \$21,957,416. The additional funds are attributed to the Oakland County Sheriff's Office payment not being made until March 1, 2018, State Revenue Sharing, in the amount of 1.6 million dollars coming in during February and the PFRS (fire department and police and fire) contribution of 2.41 million dollars not being made until the end of March. There was a spike in the payment to the Sheriff's Office, due to overtime in February as compared to the last two years.
- Based on the latest report on the general fund balance as of 6-30-2017, the accumulated amount is \$17.073 million dollars, 3 million has been assigned to be transferred to other funds this fiscal year for various other capital projects; therefore, the un-assigned fund balance is approximately 14 million dollars.
- Income tax reports reflect that for FY 2017 from July 1, 2017 to February 28, 2018, the City has collected \$8,422,517 in income tax revenue vs \$8,722,585 in 2016-2017, \$300,066 less than the previous fiscal year, which can be attributed to HP moving out of the City.
- Property tax collections for the first 8 months of the fiscal year ending February 28, 2018 were 87.5 percent of total amount to be collected for the year. At the same time last year, 87.4 percent of the total billed amount had been collected.
- Unadjusted expenditures for the first 8 months of fiscal year ending 2-28-2018 are tracking within the budget, with the exception of the Cemetery Fund; however, there are no expected budget overruns on any major funds for the fiscal year.
- There is a possibility of paying off early the outstanding bonds for TIFA 2, that can possibly save the City \$306,000 and by paying off the principal of \$1,830,000, the savings can be significant.

2. Budget Timeline

- The new fiscal year 2017-2018 begins July 1, 2018.
- The Finance Director will submit all departmental reports to the Mayor by April 15, 2018.
- The Mayor will return a copy of the balanced budget to the Finance Director on May 1, 2018.
- On May 15, 2018 the Mayor will submit to the City Council the balanced budget and appropriations ordinance.
- Council will have a public hearing to discuss the budget on June 2, 2018.
- On June 9, 2018, the Council will adopt the appropriations ordinance and tax rate for the new year.

3. Credit Card Policy

- There are state law requirements in addition to other requirements that are in place.
- The GERS Board has a different credit card policy
- PNC is no longer an option as the bank issues 10 cards and the City does not want 10 cards.

4. Fund Balances Question-Budget Amendment for VEBA

- The amount of \$1,250,000 was transferred to the VEBA
- \$4,250,000 will have to be put into an account for the VEBA once the IRS gives an approval

5. Contract Compliance Officer

- Looking into the possibility of creating the position, but not ready to give a job description.
- Currently, there is a lot of paperwork that needs to be reviewed as it relates to REDICO and Williams International. Therefore, there is a physical component.

6. OPEB Waiver letter State of Michigan

- The City has to explain funding
- There are possibly 2 requirements, a waiver and or a correction plan.
- The waiver must be approved by the Council and the correction plan would indicate that the matter is currently in litigation.

7. Youth Recreation Plan and Draft Budget

- The Mayor presented a mock budget as it relates to Youth Recreation.

Adjourned: 5:04 p.m.

City of Pontiac

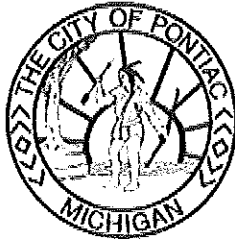
Pontiac City Council

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 litigation case for CPREA/OPEB.

Pontiac City Council Resolution

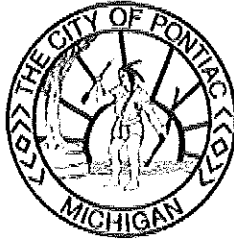


Whereas, the Retirement System Ordinance vests with the Pontiac City Council the authority to appoint Citizen Trustees to the Retirement Board; and,

Whereas, the terms of two appointees, Kone Bowman and Kevin Williams expired on March 31, 2018; and,

Now, Therefore, Be It Resolved, that the Pontiac City Council selected James Walker and Kevin Williams that will be the two individuals to serve as Citizen Trustees to the GERS Board.

Pontiac City Council Resolution



WHEREAS, Pontiac residents approved a Youth Recreation millage on November 8, 2016; and,

WHEREAS, the purpose of the Youth Recreation millage is to restore youth recreation activities for the children of Pontiac; and,

WHEREAS, on June 8, 2017, the Pontiac City Council did not pass a resolution to levy the tax rate for the Youth Recreation millage as the City did not have a site in which to designate as the Youth Recreation Center; and,

WHEREAS, in an effort to provide recreational activities for the children, the Pontiac City Council allocated \$400,000 to be used for youth recreation activities; and,

WHEREAS, there was a need for a facility to be used; so the administration and the Pontiac Public Schools tentatively agreed to use WHRC for two months (July and August 2017) in order to assist in running the youth and recreation programs; and,

WHEREAS, the community, the Executive and the Pontiac City Council are all desirous of securing an ideal location that will accommodate and administer the youth and recreation programs; and,

WHEREAS, it is imperative that collaborative efforts continue until a site is established and secured; however, time is of the essence and mandates that an all-inclusive and detailed plan be presented.

NOW, THEREFORE BE IT RESOLVED, the Pontiac City Council hereby creates an Advisory Committee consisting of a total of nine members; three members will be selected by the Council, three members will be selected by the Mayor, 2 clergy members, one including Minister Kathalee James, and the other clergy member to be selected by the Mayor and the final member, the Youth Recreation Manager; the Advisory Committee is to be formed no later than Friday April 20, 2018 and shall meet at least weekly in the Council's Conference room, commencing the week of April 23, 2018, (meeting dates and times to be determined by the Advisory Committee) for the purpose of reviewing all site plans, detailed programming, staffing, actual and real costs (all documents to be provided by the Executive), and all documentation is to be thoroughly compiled, reviewed, analyzed and detailed, in a comprehensive recommendation to be submitted to the Council by Monday, May 21, 2018.



DEPARTMENT OF COMMUNITY DEVELOPMENT

Memorandum

To: Honorable City Council

From: Garland S. Doyle, M.P.A., CNP, Deputy Director, Community Development Department

Thru: Jane Bais-DiSessa, Deputy Mayor

Date: April 5, 2018

Re: Sale of Vacant Land Parcel 14-30-354-013

RECEIVED
2018 APR -6 PM 12:08
PONTIAC CITY CLERK

The City has received an offer from Rushmore Loan Management Services, LLC to purchase a vacant lot for \$300.00. Parcel #14-30-354-013 is 0.05 acres of land located on Oriole Rd. The company owns the house on the lot in front of the property. They want to purchase the lot so they can sell the home and lot to the new homeowner.

In accordance with Chapter 3.1113 of the City Charter, we are requesting that your Honorable Body schedule a public hearing on the offer to purchase vacant land.

Subsequently, City Council may consider Rushmore Loan Management Loan Services, LLC offer to purchase parcel #14-30-354-013.

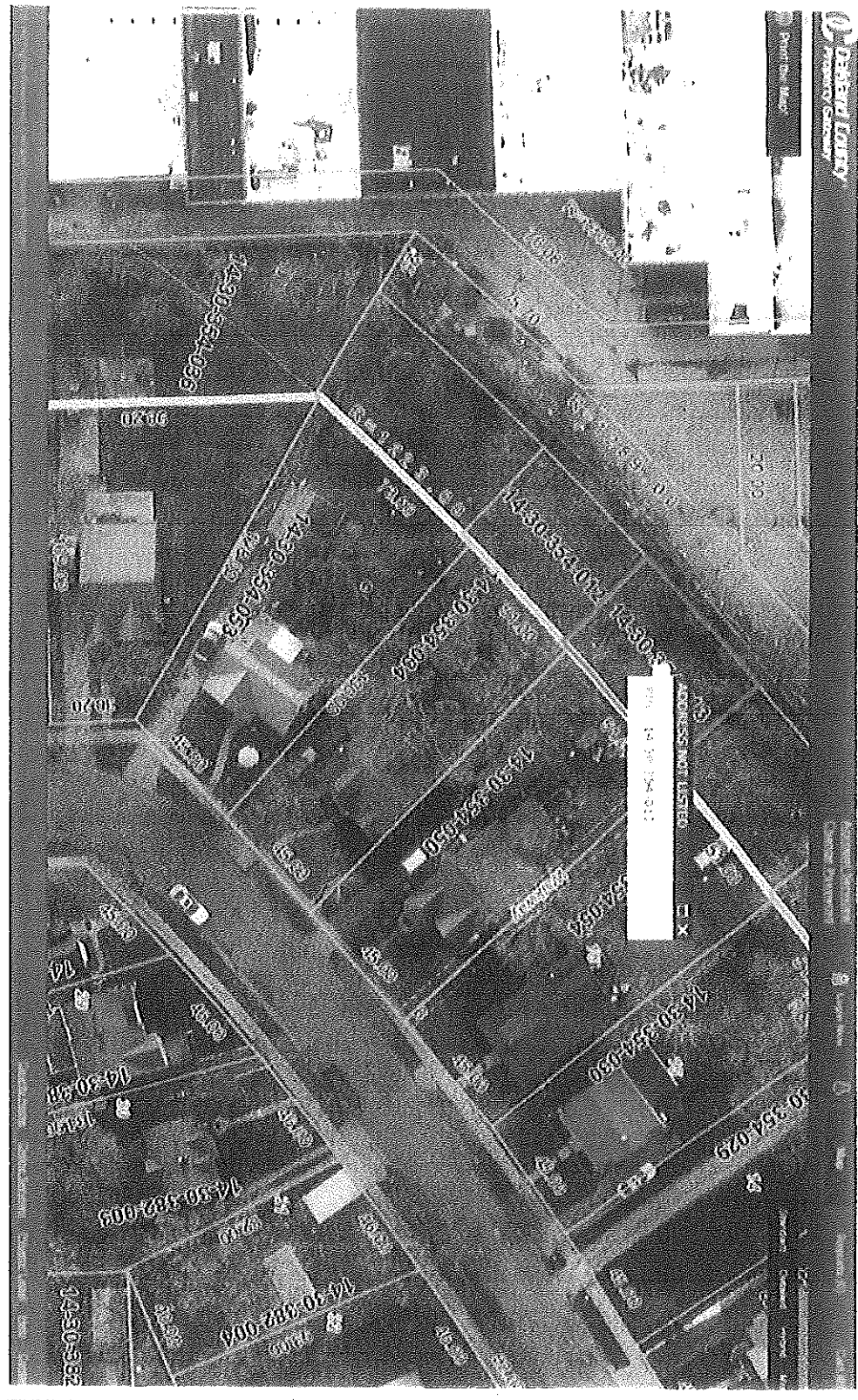
Since this Agreement will have a benefit to the City, I am recommending that the City Council pass the following two resolutions:

Resolved, that the Pontiac City Council schedules a public hearing on the offer to purchase vacant lot for April 24, 2018

After the City Council public hearing:

City Council accepts the offer from Rushmore Loan Management Services, LLC for \$300.00 to purchase parcel #14-30-354-013.

Be it further resolved that the Pontiac City Council authorizes the Mayor and Clerk to execute the sell.





DEPARTMENT OF COMMUNITY DEVELOPMENT

Memorandum

To: Honorable City Council

From: Garland S. Doyle, M.P.A., CNP, Deputy Director, Community Development Department

Thru: Jane Bais-DiSessa, Deputy Mayor

Date: April 5, 2018

Re: Sale of Vacant Land Parcel 14-33-257-002

RECEIVED
2018 APR -6 PM 12:08
PONTIAC CITY CLERK

The City has received an offer from Horace Woodson to purchase a vacant lot for \$150.00. Parcel #14-33-257-002 is 0.14 acres of land located on Elm Street. Mr. Woodson is an adjacent property owner.

In accordance with Chapter 3.1113 of the City Charter, we are requesting that your Honorable Body schedule a public hearing on the offer to purchase vacant land.

Subsequently, City Council may consider Horace Woodson offer to purchase parcel #14-33-257-002.

Since this Agreement will have a benefit to the City, I am recommending that the City Council pass the following two resolutions:

Resolved, that the Pontiac City Council schedules a public hearing on the offer to purchase vacant lot for April 24, 2018

After the City Council public hearing:

City Council accepts the offer from Horace Woodson for \$150.00 to purchase parcel #14-33-257-002.

Be it further resolved that the Pontiac City Council authorizes the Mayor and Clerk to execute the sell.



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

RECEIVED
2018 APR 13 PM 12:59
PONTIAC CITY CLERK

TO: Honorable Mayor, Council President and City Council Members

FROM: Jane Bais-DiSessa, Deputy Mayor

DATE: April 6, 2018

Cc: Nevrus Nazarko, Finance Director, Anthony Chubb, City Attorney, and Sheila Grandison, City Clerk

RE: **Agenda Item Request: Resolution to change the job title of the approved Customer Service Representative for the Planning Division to Planning Technician; and to increase the hourly rate from \$16.00 to \$17.00.**

After much review, it is recommended that the job title for the Customer Service Representative position for the newly reinstated Planning Division, be reclassified as a Planning Technician. This new job title best reflects the responsibilities needed for this position.

A copy of the proposed job description is attached. In addition, in an effort to offer competitive wages, it is recommended that the hourly rate be increased from \$16.00 to \$17.00.

The following resolution is recommended for your consideration:

Whereas, to better reflect the duties and responsibilities of the newly created Customer Service Representative position, it should be reclassified to a Planning Technician; and

Whereas, in order to compete with salary market wage rates, the hourly wage be increased from \$16 to \$17;

Now therefore, it is hereby approved that the job title for the newly created Customer Service Representative position be reclassified to a Planning Technician position, and that its hourly pay rate be increased from \$16 to \$17.

I will be attending the City Council meeting to address any questions.

JBD

Attachment

Planning Technician

FLSA: Non-exempt.

Summary: The Planning Technician is responsible assisting with Planning Department with customer service, review of site plans and various projects.

Supervision

Supervision Received: Works under the supervision of the Planning Manager

Supervision Given: No supervisory responsibilities.

Job Environment

- The environment in City Hall is one of a typical business office environment, with electro-mechanical computer- and telecommunications-related equipment; exposure to noise from shredders, printers, copiers, telephones, and other computer-related equipment.
- Operates PC-based computer system and other office equipment.
- Errors could result in the damage to or loss of information or money resulting in financial or legal consequences to the City.
- The noise level is usually medium.

Essential Functions

The essential functions or duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment of the position:

- Answers customer inquiries.
- Prepares and maintains a variety of statistical, bookkeeping, or relatively complex reports.
- Gathers information, records and summarizes data, and inform supervisor of any unusual findings.
- Assists in the preparation of special records and reports.
- Organizes, files, and records information.
- Receives and screens incoming calls and visitors, determining which priority matters are, and alerting the Director accordingly.
- Composes letters and memoranda in response to incoming mail or calls.
- Researches, compiles, assimilates, and prepares documents.
- Reads and screens incoming correspondence and reports, making preliminary assessment of the importance of materials, and organizes documents, handling some matters personally, and forwarding appropriate materials to other personnel.
- Prepares agendas and collects materials for meetings and conferences.
- Provide support to Planning Department staff.
- Other duties as assigned.

Typical Assignments

Administration

- Organizes, files, and records documents / items as assigned.
- Assists in the review of site plans.
- Assists in preparing agenda items.

Communication

- Facilitates constituent inquiries and casework.

Recommended Minimal Qualifications

Education, Training, and Experience: High school diploma; and three years of planning/ code enforcement experience.

An employee in this classification must possess and maintain a valid Michigan Driver's license.

Knowledge, Ability, and Skill:

Knowledge:

- Familiarity with building codes, zoning and ordinances.
- Familiarity with the organizational structure and operations of the City.
- Some knowledge of employee policies and procedures.
- Some knowledge of the City's Master Plan.

Ability:

- Ability to understand, speak, and write in the English language.
- Ability to read and interpret documents and write routine reports and correspondence.
- Ability to speak effectively before a group of persons.
- Ability to deal with customers who may become verbally combative in a telephone or personal situation.
- Ability to perform multiple tasks accurately and efficiently under time constraints.
- Ability to work both independently and cooperatively.
- Ability to exercise professional judgment and maintain confidentiality when necessary.
- Ability to apply the overall mission of a department to make executive support decisions.
- Ability to review several diverse reference sources and select and synthesize data for reports and other forms of correspondence.
- Ability to apply instructions and guidelines in the disposition of problems.
- Ability to follow complex instructions.
- Ability to type to meet standards in giving out information and referring callers.
- Ability to use diplomacy, discretion, and judgment in giving out information and referring callers.
- Ability to make decisions and take necessary actions.
- Ability to maintain composure during stressful situations.
- Ability to efficiently handle multiple tasks requiring a high degree of attention to detail.
- Ability to type 25 words per minute.

Skills:

- Computer skills that encompass effective use of word processing, spreadsheet, email, and Internet browser software.

Physical Requirements

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Minimal physical effort required to perform work under typical office conditions. While performing the duties of this job, the employee is regularly required to sit and stand; must regularly lift and or move items up to ten pounds,

frequently lift items up to 25 pounds, and occasionally lift or move items up to 50 pounds; be able to clearly hear constituents when speaking in person or on the telephone. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

This job description does not constitute an employment agreement between the employer and the employee and is subject to change by the employer as the needs of the employer and requirements of the job change.



CITY OF PONTIAC
OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable Mayor, Council President and City Council Members
FROM: Jane Bals-DiSessa, Deputy Mayor *Jane Bals DiSessa*
DATE: April 6, 2018
Cc: Nevrus Nazarko, Finance Director, Anthony Chubb, City Attorney, and Sheila Grandison, City Clerk
RE: **Agenda Item Request: Resolution to approve the creation of One Code Enforcement Manager and four Code Enforcement Officers at an estimated cost of \$366,353.30 (includes salary and benefits).**

In an effort to reinstate the City's Code Enforcement function, it is recommended that the following positions be created: One (1) Code Enforcement Manager and Four (4) Code Enforcement Officers. The total cost for these positions is estimated at \$366,353.30, however, this amount may change based on City Council's approved budget. Please note that this figure includes salary and benefits. Copies of the job descriptions and total personnel costs for these positions are attached for your information.

This request is based on the report presented by the Finance Director Nevrus Nazarko (See attached Memo dated October 2, 2017), and the Wade Trim for Code Enforcement services contract as approved by the City Council on December 7, 2017.

I will be attending the City Council meeting to address any questions.

JBD

Attachments

RECEIVED
2018 APR -6 PM 12:09
PONTIAC CITY CLERK

DATE: October 2, 2017
TO: Mayor Deirdre Waterman,
FROM: Nevrus P. Nazarko, CPA, Finance Director
Cc: Jane Bals-DiSessa, Deputy Mayor
SUBJECT: Planning & code enforcement insourcing fiscal analysis

Mayor Waterman,

Per your direction, finance department has been looking at the fiscal impact and feasibility of insourcing the Planning Department and Code enforcement functions away from Wade Trim back under the City of Pontiac administration.

Background:

City of Pontiac, until the arrival of emergency manager, had suspended the code enforcement and later on outsourced to Wade Trim, both planning and code enforcement functions.

Here is a quick summary of planning function and its respective personnel expenditures for the fiscal year ending 06/30/2005: I could not find the corresponding data for code enforcement as it may have been blended in with the building department.

	Wages	FICA	Fringes	Total Cost
Planning	255,202.07	20,413.59	118,998.69	394,614.35

Current situation:

Currently, planning services and code enforcement are handled by Wade Trim, on contractual basis. The contract extension that expires on December 31, 2017 provides that Wade Trim employs a planner for 24 hours a week at an annual cost of \$114,000. Code enforcement services that started back in 2015, provide for 5 code enforcement officers at an annual cost of \$375,000. These are the charges based on the contract that expired on June 30, 2017. However, Wade Trim has requested that a contract extension for the above services will cost as follows:

- 1- Planning at \$310,000 per year, providing a full time planner and an assistant planner.
- 2- Code Enforcement at \$423,000 per year providing 5 code enforcement officers at 35.7 hours per week on average.

Estimated cost of insourcing these services:

To bring these services back in house, I have run the numbers for both departments. The estimated costs are based on the following assumptions:

- 1- Planning Department: 1 full time planning director, 1 full time assistant planner, and 1 full time administrative assistant.

- 2- Code Enforcement: 1 full time code enforcement, officer serving as supervisor as well, 4 full time Code enforcement officers, plus 3 pick-up trucks to be used for the code enforcement activities.
- 3- Supplies, computer equipment, and utilities are not included in this calculation, as they are already included in the building fund budget.

Here is a short summary of these calculations:

Planning Department staffing:

Position	Salary	Total Benefits	Total Per Position
Senior Planner	\$ 85,000.00	\$ 32,293.04	\$ 117,293.04
Junior Planner FT	\$ 68,000.00	\$ 29,586.64	\$ 97,586.64
Customer Service Rep. FT	\$ 33,280.00	\$ 24,059.22	\$ 57,339.22
Totals:	\$186,280.00	\$ 85,938.90	\$ 272,218.90

Code Enforcement staffing:

Position	Salary	Total Benefits	Total Per Position
Code Enforcement supervisor	\$ 65,000.00	\$ 32,811.06	\$ 97,811.06
Code Enforcement Officer	\$ 40,000.00	\$ 24,381.06	\$ 64,381.06
Code Enforcement Officer	\$ 40,000.00	\$ 24,381.06	\$ 64,381.06
Code Enforcement Officer	\$ 40,000.00	\$ 27,181.06	\$ 67,181.06
Code Enforcement Officer	\$ 37,000.00	\$ 26,505.46	\$ 63,505.46
Totals:	\$222,000.00	\$ 135,259.70	\$ 357,259.70

Trucks:

3 Pickup Trucks needed for Inspectors (To be replaced every 7 years)	Title	Trucks		Total Vehicle Cost	Fuel and Malint	Damage Insurance	Grand Total Cost
		needed	Cost				
	Pick Up	3.00	29,000.00	87,000.00	6,500.00	7,500.00	101,000.00
				87,000.00	6,500.00	7,500.00	101,000.00

Fiscal Impact:

A quick look at the above costs shows that the planning personnel will cost the City less than the proposed contract.

The cost of code enforcement, including personnel and equipment, will be \$458,260, which is \$35,000 higher in the first year than the proposed Wade Trim proposed contract. However, when we factor in the fact that the purchase of trucks is a start-up cost, the annual cost to the City is actually slightly lower compared to Wade Trim.

Additional cost factors that can't be easily determinable will play a factor into the decision of insourcing the services aforementioned here: Such costs are:

- 1- Additional Insurance deductible costs for the liability and property.
- 2- Amortization of cars and other equipment and the need to replace within 5-7 years with new equipment.
- 3- Increased workload on the existing managerial structure and administration.
- 4- Ability to hire and retain qualified employees.

On the other hand, the increased efficiency and quality of work to be provided by the above services, can bring in additional revenues that not only will offset the costs, but can support other city related services.

Recommendation:

Given the fact that we have a balanced budget for the 17-18 fiscal year and the Insourcing will not require additional funds to be appropriated, I believe that the process to insource the planning and code enforcement functions makes financial sense and it is fully supported with the current budget allocation.

If you (The Mayor) decide that this is the best course of action for the City and the City Council agrees with your recommendation, the following steps are in order:

- 1- Creating the positions via council resolution and establishing the pay ranges.
- 2- Posting and recruiting activity.
- 3- Setting up the office space for the new personnel.
- 4- Setting up the infrastructure to support the above Insourcing

The time required for these steps can be 4 to 6 months, however, with the assistance of Wade Trim and looking into the possibility of utilizing some of their current staffing, the actual implementation time can be much shorter.

The above analysis and recommendation, although solid, may have not cover all the costs and considerations involved in the Insourcing of these services. However, the history of these services for the last 5 years, and the new realities such as increased development etc., support the concept of bringing them back.

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



CITY OF PONTIAC

Updated
y. 17.18

Code Enforcement Manager

FLSA: Executive exemption

Summary: The Code Enforcement Manager will be responsible for planning, managing, and overseeing Zoning and Code Enforcement projects; overseeing enforcement of commercial and residential inspections and determining and enforcing compliance with city ordinances.

Supervision

Supervision Received: Works under broad supervision of the Community Development Director.

Supervision Given: Will supervise Code Enforcement Officer and support staff.

Job Environment

- The environment in City Hall is one of a typical business office environment, with electro-mechanical computer- and telecommunications-related equipment, exposure to noise from shredders, printers, copiers, telephones, and other computer-related equipment.
- While performing duties of this position, the Code Enforcement Manager is regularly exposed to outside weather conditions, which can vary from extreme heat to extreme cold. The noise level is usually moderate but may be elevated.
- Operates PC-based computer system and other office equipment.
- When representing the City at events outside of the office or conducting monitoring visits, the environment may include indoor or outdoor venues, which are subject to environmental conditions beyond the control of management. Noise levels may be elevated at some events.
- Daily interaction with diverse population.

Essential Functions

The essential functions or duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment of the position:

- Recommends and implements policies and procedures to ensure efficient and effective code enforcement activities in compliance with City guidelines, standards, goals, and objectives.
- Prepares recommendations for amendments and additions to codes or regulations.
- Plans, prioritizes, assigns, reviews work progress and quality, and participates in the work of staff who provide code compliance services.
- Recommends and assists in the implementation of departmental goals and objectives.
- Participates in preparing and administering the code enforcement division budget.
- Monitors expenditures and recommend budgetary adjustments as necessary.
- Reviews site plans for residential and commercial buildings along with all permit applications.
- Conducts field investigations, gathers and analyses information, makes findings and takes appropriate action.

- Coordinates the City's response or directly responds to and investigate citizen complaints concerning alleged or potential code violations.
- Enforces city codes and zoning ordinances.
- Oversees blight court administration

Typical Assignments

Administration

- Develops, maintains and update records, inspections and plan reviews.
- Provides technical assistance to developers, staff and the public.
- Prepares forms, statistics, letters, citations and reports.

Communication

- Explains code and ordinance standards to residents, answer questions, assist in correcting problems and aid residents' efforts to comply with standards.
- Oversees enforcement activities with other agencies.

Research

- Gathers and prepares evidence related to dangerous buildings attend and testify at hearings and meetings.
- Researches, investigates and resolves complaints.

Public Relations

- Appears in court or other judicial or quasi-judicial proceedings.
- May serve as an advisor to the Zoning Board of Appeals.

Recommended Minimal Qualifications

Education, Training, and Experience: Bachelor's degree in a related field; five years' progressive experience in relevant code and/or enforcement activities, sufficient to produce knowledge of governmental operations, court procedures, and inspections.

A desired ability to speak a second language, preferably Spanish or Arabic.

An employee in this classification must possess upon hire and maintain a valid Michigan operator's license.

Knowledge, Ability, and Skill:

Knowledge:

- Working knowledge of budgeting and cost estimating procedures.
- Thorough knowledge of methods, materials, tools and equipment involved in building design.
- Considerable knowledge of laws, codes and ordinances and regulations relating to building construction, safety, workmanship standards, zoning and general public nuisances, electrical and heating installations and maintenance.
- Familiarity with the organizational structure and operations of the City.

Ability:

- Ability to understand, speak, and write in the English language.
- Ability to read and interpret documents and write routine reports and correspondence.
- Ability to speak effectively before a group of persons.
- Ability to initiate and defend actions before Mayor and City Council.
- Ability to perform multiple tasks accurately and efficiently under time constraints.
- Ability to design technically complex visual aids such as maps, tables and charts.

- Ability to work both independently and cooperatively.
- Ability to exercise professional judgment and maintain confidentiality when necessary.
- Ability to apply the overall mission of a department to make executive support decisions.
- Ability to develop and maintain programs, strategies, and procedures to provide effective code compliance services.
- Ability to interpret City ordinances.
- Ability to follow complex instructions.
- Ability to prepare and document code violations.
- Ability to detect and locate defective workmanship and materials and other hazards and ascertain corrective measures
- Ability to read and interpret blueprints, working diagrams and specifications and compare them with construction in progress recognizing deviations in plans.
- Ability to apply instructions and guidelines in the disposition of problems.
- Ability to facilitate productive discussions, diffuse arguments, resolve conflict, to arbitrate and/or negotiate solutions.
- Ability to work with sensitivity with a diverse population.

Skills:

- Computer skills that encompass effective use of word processing, presentation, spreadsheet, email, and Internet browser software
- Skill in reviewing and interpreting site plans, specifications and complex construction drawings

Physical Requirements

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Minimal physical effort required to perform work under typical office conditions. While performing the duties of this job, the employee is regularly required to sit and stand; walk on uneven terrain, climb stairs, bend, stoop and kneel; must regularly lift and or move items up to 25 pounds, frequently lift items up to 50 pounds; be able to clearly hear constituents when speaking in person or on the telephone. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

This job description does not constitute an employment agreement between the employer and the employee and is subject to change by the employer as the needs of the employer and requirements of the job change.



CITY OF PONTIAC

Code Enforcement Officer

FLSA: Hourly

Summary: The Code Enforcement Officer will be responsible for performing commercial and residential inspections throughout the City of Pontiac to determine and enforce compliance with city ordinances.

Supervision

Supervision Received: Works under supervision of the Code Enforcement Manager

Supervision Given: None.

Job Environment

- The environment in City Hall is one of a typical business office environment, with electro-mechanical computer- and telecommunications-related equipment, exposure to noise from shredders, printers, copiers, telephones, and other computer-related equipment.
- While performing duties of this position, the Code Enforcement Officer is regularly exposed to outside weather conditions, which can vary from extreme heat to extreme cold. The noise level is usually moderate but may be elevated.
- Operates PC-based computer system and other office equipment.
- When representing the City at events outside of the office or conducting monitoring visits, the environment may include indoor or outdoor venues, which are subject to environmental conditions beyond the control of management. Noise levels may be elevated at some events.

Essential Functions

The essential functions or duties listed below are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment of the position:

- Reviews site plans for residential and commercial buildings along with all permit applications.
- Inspects demolition sites to ensure proper safety methods are being used for the protection of adjacent property and public.
- Receives complaints regarding violation of City ordinances; investigate and determine proper course of action.
- Reads and studies city codes and zoning ordinances to become familiar with requirements and standards.
- Attends to citizen complaints regarding rodents, with prevention techniques, extermination procedures and related safety measures.
- Assists with and enforces blight court ordinance.

Typical Assignments

Administration

- Develops, maintains and update records, inspections and plan reviews.

January 2018

Planner, Page 1 of 3

- Acts as project manager for review of development applications
- Provides technical assistance to developers, staff and the public.
- Prepares forms, statistics, letters, citations and reports.

Communication

- Explains code and ordinance standards to residents, answer questions, assist in correcting problems and aid residents' efforts to comply with standards.
- Coordinates enforcement activities with other agencies.

Research

- Gathers and prepares evidence related to dangerous buildings attend and testify at hearings and meetings.
- Researches, investigates and resolves complaints.

Public Relations

- Appears in court or other judicial or quasi-judicial proceedings.
- May serve as an advisor to the Zoning Board of Appeals.

Recommended Minimal Qualifications

Education, Training, and Experience: High School Diploma or equivalent; three years' experience in relevant code and/or enforcement activities, sufficient to produce knowledge of governmental operations, court procedures, and inspections.

An employee in this classification must possess upon hire and maintain a valid Michigan Operators license.

Knowledge, Ability, and Skill:

Knowledge:

- Thorough knowledge of modern methods, materials, tools and equipment involved in building design and construction.
- Considerable knowledge of laws, codes and ordinances and regulations relating to building construction, safety, workmanship standards, zoning and general public nuisances, electrical and heating installations and maintenance.
- Familiarity with the organizational structure and operations of the City.

Ability:

- Ability to understand, speak, and write in the English language.
- Ability to read and interpret documents and write routine reports and correspondence.
- Ability to speak effectively before a group of persons.
- Ability to initiate and defend actions before Mayor and City Council.
- Ability to perform multiple tasks accurately and efficiently under time constraints.
- Ability to design technically complex visual aids such as maps, tables and charts.
- Ability to work both independently and cooperatively.
- Ability to exercise professional judgment and maintain confidentiality when necessary.
- Ability to apply the overall mission of a department to make executive support decisions.
- Ability to interpret City ordinances.
- Ability to follow complex instructions.
- Ability to prepare and document code violations.
- Ability to detect and locate defective workmanship and materials and other hazards and ascertain corrective measures

- Ability to read and interpret blueprints, working diagrams and specifications and compare them with construction in progress recognizing deviations in plans.
- Ability to apply instructions and guidelines in the disposition of problems.
- Ability to deal tactfully with the public

Skills:

- Computer skills that encompass effective use of word processing, presentation, spreadsheet, email, and Internet browser software
- Skill in reviewing and interpreting site plans, specifications and complex construction drawings

Physical Requirements

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Minimal physical effort required to perform work under typical office conditions. While performing the duties of this job, the employee is regularly required to sit and stand; walk on uneven terrain, climb stairs, bend, stoop and kneel; must regularly lift and or move items up to 25 pounds, frequently lift items up to 50 pounds; be able to clearly hear constituents when speaking in person or on the telephone. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

This job description does not constitute an employment agreement between the employer and the employee and is subject to change by the employer as the needs of the employer and requirements of the job change.

City of Pontiac
Code Enforcement Personnel Costs 2018

CODE ENFORCEMENT

<u>Position</u>	<u>Salary</u>	<u>FICA</u>	<u>WC</u>	<u>Health Insur</u>	<u>Dental</u>	<u>Pension</u>	<u>Life</u>	<u>AD&D</u>	<u>STD</u>	<u>LTD</u>	<u>Total Per Position</u>
Code Enforcement supervisor	\$ 65,000.00	\$ 4,972.50	\$ 4,478.50	17304.02	869.04	\$ 4,550.00	\$ 129.35	\$ 17.55	\$ 259.35	\$ 230.75	\$ 97,811.06
Code Enforcement Officer	\$ 40,000.00	\$ 3,060.00	\$ 2,756.00	17304.02	869.04	\$ 2,800.00	\$ 79.60	\$ 10.80	\$ 159.60	\$ 142.00	\$ 67,181.06
Code Enforcement Officer	\$ 40,000.00	\$ 3,060.00	\$ 2,756.00	17304.02	869.04	\$ 2,800.00	\$ 79.60	\$ 10.80	\$ 159.60	\$ 142.00	\$ 67,181.06
Code Enforcement Officer	\$ 40,000.00	\$ 3,060.00	\$ 2,756.00	17304.02	869.04	\$ 2,800.00	\$ 79.60	\$ 10.80	\$ 159.60	\$ 142.00	\$ 67,181.06
Code Enforcement Officer	\$ 40,000.00	\$ 3,060.00	\$ 2,756.00	17304.02	869.04	\$ 2,800.00	\$ 79.60	\$ 10.80	\$ 159.60	\$ 142.00	\$ 67,181.06
Totals	\$ 225,000.00	\$ 17,212.50	\$ 15,502.50	\$ 86,520.10	\$ 4,345.20	\$ 15,750.00	\$ 447.75	\$ 60.75	\$ 897.75	\$ 798.75	\$ 366,535.30



MEMORANDUM

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

RECEIVED
2018 APR 13 PM 1:24
PONTIAC CITY CLERK

DATE: April 13, 2018
TO: Honorable Mayor and City Council
FROM: Nevrus P. Nazarko, CPA, Finance Director
Through: Jane Bals DiSessa, Deputy Mayor
SUBJECT: Waiver Application with State of MI on OPEB funding

Honorable Mayor and City Council,

Under Public Act 202 of 2017 if a municipality is determined to have an underfunded status on any of the retirement benefit systems, the Department of Treasury may require a corrective action plan to be filed with the Treasury. In lieu of this, Treasury is allowing such municipalities to submit a Waiver application to present actions already taken by the local governments with underfunded status. If the Waiver is submitted to Treasury and approved, the City does not have to do a corrective action plan to deal with the underfunded status of the OPEB funding.

The point of the Waiver is to show that the local unit, the City of Pontiac in this case, has already taken steps to rectify the underfunding of the OPEB situation.

As you already know, our GERS VEBA currently does not have any assets, therefore the entire liability of approximately 90 million dollars is not funded.

We have completed the enclosed waiver application along with the plan of action that follows the guidelines of the Council approved tentative agreement with CPREA (see attached memo and application).

I have submitted the application to the State of Michigan and in order for them to accept it, they will need this honorable body's approval.

If the council agrees with our waiver application and plan of action, here is a resolution needed to pass:

Whereas, the State of Michigan Department of Treasury has determined that our GERS VEBA obligation has an underfunded status; and,

Whereas, the PA 202 of 2017 allows any local governmental unit that has such status to approve a Waiver Application with an action plan to adequately address the underfunded status; and,

Whereas, the Mayor and Finance Director have completed the Waiver Application and plan as outlined by PA 202 of 2017; and,

Now Therefore, Be It Resolved, that the City Council approves the Waiver Application and plan as presented to them.

Protecting Local Government Retirement and Benefits Act Application for Waiver and Plan: Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017.

1. MUNICIPALITY INFORMATION

Local Unit Name: City of Pontiac Six-Digit Muni Code: 632170
Retirement Health Benefit System Name: City of Pontiac Retiree Health Care Plan
Contact Name (Administrative Officer): Nevrus Nazarko
Title if not Administrative Officer: Finance Director
Email: nnazarko@pontiac.mi.us Telephone: (248) 758-3118

2. GENERAL INFORMATION

Application for Waiver and Plan: This Application for Waiver and Plan may be filed by any local unit of government with at least one retirement health benefit system that has triggered a preliminary review of underfunded status. In accordance with Public Act 202 of 2017 (the Act), if the state treasurer determines that the underfunded status is adequately being addressed by the local unit of government, the state treasurer shall issue a waiver of the determination of underfunded status. If requesting a waiver, you must submit a separate and unique application for each underfunded retirement system as determined by the 2017 Retirement System Annual Report (Form 5572).

Due Date: The local unit of government has **45 days from the date of notification** to complete and file the Application for Waiver and Plan. Failure to file within 45 days will result in a determination of underfunded status for your local unit of government as defined by the Act, and your local unit of government will be required to submit a corrective action plan to the Municipal Stability Board for approval.

Filing: This Application for Waiver and Plan must be approved by the local government's administrative officer and its governing body. ***You must provide proof of your governing body approving this Application for Waiver and Plan and attach the documentation as a separate PDF document.*** Failure to provide documentation that demonstrates approval from your governing body will automatically result in a denial of the waiver application.

The completed application must be submitted via email to LocalRetirementReporting@michigan.gov. **If you have multiple underfunded retirement systems, you are required to complete separate applications and send a separate email for each underfunded system.** Please attach each application as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Waiver-2017, Local Unit Name, Retirement System Name** (e.g. Waiver-2017, City of Lansing, Employees' Retirement System OPEB Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Considerations for Waiver: A successful Application for Waiver and Plan will demonstrate what your local unit has **already done** to adequately address its underfunded status. Prospective solutions will not be granted merit in determining the outcome of the waiver application (e.g. future amendments to collective bargaining agreements, upcoming millage proposals, potential budget changes, etc.). However, Treasury may consider additional ongoing funding dedicated to your retirement system if those commitments have been formally enacted by the governing body and can be documented. Section three of this waiver application allows the local unit of government to enter a brief description

of prior actions that have already been implemented to adequately address its underfunded status. For purposes of Sec. 6.(1) of the Act, this application will also be considered the plan.

Underfunded status for a retirement health system is defined as being less than 40% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annual required contribution for all of the retirement health systems of the local unit of government is greater than 12% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

3. DESCRIPTION OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement system as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

- ☒ **System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: *Benefit levels of the retired membership mirrors the current collective bargaining agreement for each class of employee. On January 1, 2017, the local unit entered into new collective bargaining agreements with the **Command Officers Association** and **Internal Association of Firefighters** that increased employee co-payments and deductibles for healthcare. These coverage changes resulted in an improvement to the retirement system's funded ratio. Please see page 12 of the attached actuarial analysis that indicates the system is 40% funded as of June 30, 2017.*

Enter System Design Statement here:

Please see the attachment 6a for a memo describing the system design changes to address the underfunding in the City of Pontiac Retiree Health Care plan.

The plan explained in attachment 6a was presented to the City Council on April, 13, 2017.

This waiver is expected to be approved by Council on April 24, 2018 and will be sent thereafter.

- ☐ **Additional Funding** - Additional funding may include the following: voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit created a qualified trust to receive, invest, and accumulate assets for retirement healthcare on June 23, 2016. The local unit of government has adopted a policy to change its funding methodology from Pay-*

Go to full funding of the Annual Required Contribution (ARC). Additionally, the local unit has committed to contributing \$500,000 annually, in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to 40% by 2022. Please see page 10 of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional \$500,000 for the next five years.

Enter Additional Funding Statement here:

- ☐ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, enterprise fund revenue considerations, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: The information provided on the Form 5572 from the audit used actuarial data from 2015. Attached is an updated actuarial valuation for 2017 that shows our funded ratio has improved to 62% as indicated on page 13.

Sample Statement: 50% of our retirement liabilities are attributable to employees within our enterprise divisions as shown in the attached analysis, yet we could not include enterprise revenue as part of our governmental funds. The attached analysis shows that our revenue ratio (ARC / Total Governmental Funds) would only be 5% when including enterprise funds within the calculation.

Enter Other Considerations Statement here:

4. DOCUMENTATION ATTACHED TO THIS WAIVER APPLICATION AND PLAN

Documentation must be attached as a .pdf to this waiver application. The documentation must demonstrate the prior actions that have already been implemented to adequately address the local unit of government's underfunded status. Please ensure this documentation directly supports and highlights the systems funded ratio as entered in section three of the waiver application above. Please check all documents that are included as part of this application and attach in successive order as provided below:

Naming Convention: When attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Continued on page 4

Naming Convention

- ☒ Attachment – 1
☒ Attachment – 1a

☐ Attachment – 2a

☐ Attachment – 3a
☐ Attachment – 4a

☐ Attachment – 5a

☒ Attachment – 6a

☐ Attachment – 7a

Type of Document**This Waiver Application and Plan (Required)****Documentation from the governing body approving the Waiver Application and Plan (Required)**

Actuarial Analysis (annual valuation, supplemental valuation, projection)

Internally Developed Projection Study

Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).

Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)

A plan that the local unit has already approved to address its underfunded status, which includes documentation of prior actions and the positive impact on the system's funded ratio

Other documentation, not categorized above

5. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF WAIVER APPLICATION AND PLAN

I Nevrus Nazarko, as the government's administrative officer (*enter title*)
Finance Director (Ex: City/Township Manager, Executive director, Chief Executive Officer, etc.) approve this Application for Waiver and Plan. We are requesting a waiver of underfunded status, because we have already implemented substantial changes to our retirement system as described above.

I confirm to the best of my knowledge that because of the changes listed above the following statement will occur:

The **Retirement Health Benefit System** listed below will achieve a funded status of at least 40% by the Fiscal Year listed below.

Retirement Health Benefit System Name: City of Pontiac Retiree Health Care Plan Fiscal Year: 2019

Signature: _____

Date: _____



CITY OF PONTIAC

DEPARTMENT OF FINANCE

Nevrus P. Nazarko, CPA, Finance Director

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3118

Fax: (248) 758-3188

*System Design Statement-Response to Section 3 of the Waiver Application

The City currently has 3 retiree groups:

1. General Employee Retirement System (GERS)
2. Police and Fire employees with a retirement date prior to August 1996 (PF-Pre 96).
3. Police and Fire employees with a retirement date after August 1996 (PF-Post 96).

The OPEB benefits for GERS and PF-Pre 96 are currently underfunded, which are the subject of this waiver. PF-Post 96 has a VEBA for OPEB benefits, and is adequately funded at 104.9 % of the AAL as of 01/01/2017.

On April 4, 2017, a tentative agreement was reached between the City and the City of Pontiac Retired Employees Association (CPREA) regarding the lawsuit filed by CPREA against the City related to an EM order eliminating retiree health, dental, and optical benefits in 2012. The tentative agreement will make the following changes to the existing pension and VEBA systems:

1. Currently, the GERS pension system funded at 170%, with an estimated overfunding of \$140 million over the 130% threshold required by the tentative agreement. The tentative agreement calls for a new pension plan to be created at the 130% funding level and a new VEBA will be created with the \$140 million transfer of overfunding from the current pension plan.
2. The existing PF-Post 96 VEBA plan will be closed and the plan assets of an estimated \$40 million will be combined with the \$140 million excess funding into the new VEBA.
3. The new VEBA plan (\$140 million plus the \$40 million from existing VEBA) will cover everyone vested from the 3 retiree groups above with full coverage for health, dental, and vision benefits. Based on actuarial analysis, with this funding the newly created VEBA will be over 100% funded.
4. The City will be required to make a one-time down payment to the new VEBA not to exceed \$4.25 million. Thereafter, the City will be required to contribute \$1.5 million or the actuary determined ARC to the VEBA annually, whichever is less.

This tentative agreement has been/will need to be approved by the following:

1. CPREA membership – approved March 2017
2. Pontiac City Council – approved April 2017
3. Federal District Court – Fairness hearing scheduled June 2018.
4. IRS approval – pending Federal District Court approval before submission.

Based on this prior action, the City of Pontiac has addressed the issue of the underfunded status of the City of Pontiac Retiree Health Care Plan and expects the new plan to be adequately funded per Treasury's guidelines.

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

Sincerely,

Nevrus P. Nazarko

Notes:

- 1- The City of Pontiac-City Council is expected to approve the waiver application no later than April 24, 2018. Their resolution will be submitted to the Michigan Department of Treasury no later than April 26, 2018.