

PONTIAC CITY COUNCIL

Kermit Williams, District 7
President
Randy Carter, District 4
President Pro Tem



Patrice Waterman, District 1
Don Woodward, District 2
Mary Pietila, District 3
Gloria Miller, District 5
Dr. Doris Taylor Burks, District 6

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."

Garland S. Doyle, M.P.A.
Interim City Clerk

STUDY SESSION

January 29, 2019

6:00 P.M.

68th Session of the 10th Council

Call to order

Roll Call

Authorization to Excuse Councilmembers

Amendments to and Approval of the Agenda

Approval of the Minutes

1. Meeting of January 22, 2019

Special Presentations on Medical Marihuana

2. Vernon Gustafsson, Planning Manager (15 minutes)
3. Mayor Deirdre Waterman (10 minutes)

Public Comment

Open Discussion (City Council)

Additional Recommendations to Planning Commission from City Council (if needed)

Resolutions Related to Medical Marihuana

Office of the City Clerk

4. Resolution Approving a Budget Amendment for Fiscal Year 2018-2019- City Clerk and Elections for Purposes of Obtaining a Professional Expert to Assist the City Clerk in performing his Duties and Responsibilities under the Medical Marihuana Facilities Ordinance
5. Resolution Approving Engagement Letter between City Clerk of the City of Pontiac and Miller, Canfield, Paddock and Stone, P.L.C. to Provide Professional Expert Assistance to the Interim City Clerk in Performing his Duties and Responsibilities Required under the Medical Marihuana Facilities Ordinance

Adjournment

MINUTES

January 22, 2019

**Official Proceedings
Pontiac City Council
67th Session of the Tenth Council**

A Formal Meeting of the City Council of Pontiac, Michigan was called to order in City Hall, Tuesday, January 22, 2019 at 12:00 p.m. by Council President Kermit Williams.

Call to Order

Invocation – Pastor Kathy Dessureau

Pledge of Allegiance

Roll Call

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

Members Absent: Woodward.

Mayor Waterman was present.

Clerk announced a quorum.

19-17 **Excuse Councilperson Don Woodward for personal reasons.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

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

No: None

Motion Carried.

19-18 **Amend the agenda to remove items #5 & #6 (resolution requesting & concurring with Oakland County Brownfield Authority & Plan for 140 S Saginaw Street) and bring back on the Agenda for February 5, 2019.** Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.

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

No: None

Motion Carried.

January 22, 2019

19-19 **Approve the Agenda as amended.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

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

No: None

Motion Carried.

19-20 **Approve minutes of January 15, 2019.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Ayes: Waterman, Williams, Carter, Miller and Pietila

No: None

Abstain: Taylor-Burks

Motion Carried.

Subcommittee Reports Received from Community Development, Finance, and Public Safety Subcommittees.

19-21 **Resolution to approve Budget Amendment in the amount of \$3,550,000.00 for the Fiscal Year 2018-2019 for the Phoenix Center Litigation Payment as requested by the Mayor and detailed in the attachment labeled Exhibit A.** Moved by Councilperson Waterman and second by Councilperson Pietila.

Whereas, the City of Pontiac timely approved the 2018-2019 budget on June 8, 2018, and;

Whereas, payments due in regards to the Phoenix Center settlement in the amount of \$3,550,000 were not known at the time the 2018-2019 budget was approved, and;

Whereas, there is a need to increase appropriations in the amount of \$3,550,000 in general government appropriations in relation to this payment, and;

Whereas, the Mayor is proposing to the City Council to increase general government appropriations for the current fiscal year 2018-2019 for the General Fund in the amount of \$3,550,000 for the Phoenix Center as necessary to fully account for this fiscal year expenditure in this fund, and;

Whereas, the increased appropriations will not cause the fund balance in the general fund to go below the policy mandated thresholds.

January 22, 2019

Now Therefore, Be It Resolved that the City Council of the City of Pontiac approves the budget amendment in the amount of \$3,550,000.00 for the fiscal year 2018-2019 for the Phoenix Center Litigation payment as requested by the Mayor and detailed in the attachment labeled exhibit A.

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

No: None

Resolution Passed.

Five (5) individuals addressed the body during public comment.

Mayor Deirdre Waterman, Council Pro-Tem Randy Carter, Councilwoman Gloria Miller, Councilwoman Mary Pietila, Councilwoman Doris Taylor-Burks, Councilwoman Patrice Waterman and Council President Kermit Williams made closing comments. The Interim City Clerk did not make any closing comments.

Council President Kermit Williams stated that the study session on January 29, 2019 would be devoted to the Medical Marihuana Ordinance.

19-22 **Motion that all items on the Study Session Agenda (1-29-19) only relates to the Medical Marihuana Ordinance.** Moved by Councilperson Doris Taylor-Burks and second by Councilperson Mary Pietila.

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

No: None

Motion Carried.

Council President Kermit Williams adjourned the meeting at 12:41 p.m.

GARLAND S. DOYLE
INTERIM CITY CLERK

RESOLUTION

#4



OFFICE OF THE CITY CLERK

Garland S. Doyle, Interim City Clerk

47450 Woodward Avenue

Pontiac Michigan

248-758-3200 Office 248-758-3160 Fax

TO: Honorable City Council

FR: Garland S. Doyle, M.P.A., Interim City Clerk 

DA: January 24, 2019

RE: Budget Amendment FY 2018-2019- City Clerk and Elections

CC: Mayor Waterman and Controller's Office

As stated at the council meeting on January 15, 2019, in order to cover the cost of the professional expert permitted in the Marihuana Ordinance, some funds within the City Clerk and Elections budgets will need to be shifted. The shift in funds will not increase the combined budget appropriation of \$465,421.88.

I have attached a spreadsheet noting the proposed changes to both the City Clerk and Elections budgets that now includes a vacant position in the City Clerk's Office.

The budget amendment noted on the attached spreadsheet as Exhibit A will need to be approved and adopted by the City Council.

Whereas, the City of Pontiac timely approved the 2018-2019 budget on June 8, 2018, and;

Whereas, the Interim City Clerk is proposing amendments to both the City Clerk and Elections budgets as noted in Exhibit A for purposes of obtaining a professional expert to assist the City Clerk in performing his duties and responsibilities required under the Medical Marihuana Facilities Ordinance.

Now Therefore Be It Resolved, that the City Council of the City of Pontiac approves the budget amendment as requested by the Interim City and detailed in the attachment labeled exhibit A.

Exhibit A

01/17/2019 EXPENDITURE REPORT FOR CITY OF PONTIAC
PERIOD ENDING 01/31/2019

GL NUMBER	DESCRIPTION	Spent as of 1/17/19		Projected Activity 1/17/2019-6/30/2019	6/30/2019		Clerk's Amendment	Variance	Notes
		2018-19 AMENDED BUDGET	PERIOD BALANCE DR (CR)		Projected Balance	Projected Available			
Fund 101 - General Fund									
Dept 191 - Elections									
101-191-702.000	Salaries & Wages	61,955.04	50,907.10	13,920.00	64,827.10	(2,872.06)	2,873.00	0.94	\$13 per hour through 2/23/19 3 PP; \$15 per hour afterwards 9PP
101-191-702.004	Overtime Wages	21,792.36	21,988.06	-	21,988.06	(195.70)	196.00	0.30	Assume no election activity for rest of fiscal year
101-191-702.020	SALARIES & WAGES (NON FICA)	48,303.17	45,577.50	-	45,577.50	2,725.67	(2,725.00)	0.67	Assume no election activity for rest of fiscal year
101-191-702.100	MAINTENANCE WAGES	530.75	857.57	-	857.57	(326.82)	327.00	0.18	Assume no election activity for rest of fiscal year
101-191-702.104	MAINTENANCE - OVERTIME	2,650.83	2,320.55	-	2,320.55	330.28	(330.00)	0.28	Assume no election activity for rest of fiscal year
101-191-705.002	Temporary/Part-time Clerical/Tech	0.00	325.00	-	325.00	(325.00)	325.00	-	Assume no election activity for rest of fiscal year
101-191-715.000	F.I.C.A. - City Contribution	6,623.35	6,122.91	1,064.88	7,187.79	(564.44)	565.00	0.56	Assume no election activity for rest of fiscal year
101-191-716.000	MEDICAL INSURANCE	216.18	287.27	5,022.20	5,309.47	(5,093.29)	7,605.00	2,511.71	Benefits beginning March 1
101-191-717.000	Life Insurance	418.66	68.56	23.39	91.95	326.71		326.71	Benefits beginning March 1
101-191-718.500	MERS EMPLOYER CONTRIBUTIONS	1,140.63	990.34	974.40	1,964.74	(824.11)	825.00	0.89	Benefits beginning March 1
101-191-719.000	Workers Compensation Insurance	378.84	443.68	40.37	484.05	(105.21)	144.00	38.79	W/C based on Mendy's rate
101-191-719.001	Dental Insurance	287.74	149.89	579.56	729.45	(441.71)	732.00	290.29	Benefits beginning March 1
101-191-721.010	Health Care Waiver	7,514.79	3,853.78	-	3,853.78	3,661.01	(3,661.00)	0.01	Assume no election activity for rest of fiscal year
101-191-727.000	Office Supplies	5,000.00	42.79	-	42.79	4,957.21	(3,000.00)	1,957.21	Assume no election activity for rest of fiscal year
101-191-728.000	Postage	6,000.00	4,225.29	-	4,225.29	1,774.71		1,774.71	Assume no election activity for rest of fiscal year
101-191-729.001	Printed Forms	13,500.00	685.67	-	685.67	12,814.33	(10,798.00)	2,016.33	Assume no election activity for rest of fiscal year
101-191-740.000	Operating Supplies	5,000.00	6,380.35	-	6,380.35	(1,380.35)	1,381.00	0.65	Assume no election activity for rest of fiscal year
101-191-809.000	Services-Elections	21,000.00	16,000.00	-	16,000.00	5,000.00	(5,000.00)	-	Assume no election activity for rest of fiscal year
101-191-851.000	SERVICES - COMMUNICATIONS-TELEPHONE	274.00	490.01	-	490.01	(216.01)		(216.01)	Will correct itself when issue with AT&T is solved
101-191-852.010	SERVICES - CABLE TV/INTERNET	1,161.00	222.45	-	222.45	938.55		938.55	Will correct itself when issue with AT&T is solved
101-191-861.000	Travel Expenses	1,000.00	0.00	-	-	1,000.00	(1,000.00)	-	Assume no election activity for rest of fiscal year
101-191-902.005	Public Notices	5,000.00	1,787.95	-	1,787.95	3,212.05		3,212.05	Assume no election activity for rest of fiscal year
101-191-932.010	Services - Maintenance-All Other Eq	2,800.00	0.00	-	-	2,800.00		2,800.00	Assume no election activity for rest of fiscal year
101-191-942.000	Services - Equipment Rentl Non-City	1,505.00	1,112.48	-	1,112.48	392.52		392.52	Assume no election activity for rest of fiscal year
101-191-957.002	Training Expense	5,000.00	1,677.44	-	1,677.44	3,322.56	(2,375.00)	947.56	Assume no election activity for rest of fiscal year
101-191-957.003	Employee Meals - Commission Food	800.00	450.13	-	450.13	349.87		349.87	Assume no election activity for rest of fiscal year
Total Dept 191 - Elections		219,852.34	166,966.77	21,624.79	188,591.56	31,260.78	(13,916.00)		Department under budget
								17,344.78	

01/17/2019

EXPENDITURE REPORT FOR CITY OF PONTIAC
PERIOD ENDING 01/31/2019

Spent as of 1/17/19

GL NUMBER	DESCRIPTION	2018-19 AMENDED BUDGET	PERIOD BALANCE DR (CR)	Projected Activity 1/17/2019-6/30/2019	6/30/2019 Projected Balance	Projected Available	Clerk's Amendment	Variance	Notes
Dept 215 - City Clerk									
101-215-702.000	Salaries & Wages	147,000.00	58,638.95	67,846.20	126,485.15	20,514.85	(20,514.00)	0.85	12 pay periods remain
101-215-702.004	Overtime Wages	195.00	195.00	-	195.00	-	-	-	Assume no OT for rest of fiscal year
101-215-707.003	CELL PHONE STIPEND	1,200.00	300.00	-	300.00	900.00	(900.00)	-	Assume no more activity for rest of fiscal year
101-215-715.000	F.I.C.A. - City Contribution	11,291.40	4,501.86	5,190.23	9,692.09	1,599.31	-	1,599.31	12 pay periods remain
101-215-716.000	MEDICAL INSURANCE	12,980.53	7,039.86	11,134.80	18,174.66	(5,194.13)	5,195.00	0.87	12 pay periods remain
101-215-717.000	Life Insurance	987.84	200.67	424.80	625.47	362.37	-	362.37	12 pay periods remain
101-215-718.500	MERS EMPLOYER CONTRIBUTIONS	2,940.00	1,033.25	1,356.84	2,390.09	549.91	-	549.91	12 pay periods remain
101-215-719.000	Workers Compensation Insurance	426.30	171.40	198.60	370.00	56.30	-	56.30	12 pay periods remain
101-215-719.001	Dental Insurance	1,290.47	346.09	514.08	860.17	430.30	-	430.30	12 pay periods remain
101-215-727.000	Office Supplies	3,750.00	1,655.66	2,094.34	3,750.00	-	-	-	Spend up to budget
101-215-728.000	Postage	1,000.00	456.85	543.15	1,000.00	-	-	-	Spend up to budget
101-215-731.003	COMPUTER EQUIPMENT	400.00	0.00	400.00	400.00	-	-	-	Spend up to budget
101-215-818.000	Other Professional Services	1,000.00	635.50	24,999.50	25,635.00	(24,635.00)	24,635.00	-	Spend up to budget
101-215-851.000	SERVICES - COMMUNICATIONS-TELEPHONE	274.00	475.86	-	475.86	(201.86)	-	(201.86)	Will correct itself when issue with AT&T is solved
101-215-852.010	SERVICES - CABLE TV/INTERNET	1,161.00	222.45	-	222.45	938.55	-	938.55	Will correct itself when issue with AT&T is solved
101-215-902.004	Ordinances	16,000.00	13,408.19	2,591.81	16,000.00	-	-	-	Spend up to budget
101-215-902.005	Public Notices	5,000.00	6,777.85	1,722.15	8,500.00	(3,500.00)	3,500.00	-	Spend up to budget
New Account	Printing	0.00	0.00	1,000.00	1,000.00	(1,000.00)	1,000.00	-	Clerk's Request
New Account	Professional Services - Public Relations	0.00	0.00	1,000.00	1,000.00	(1,000.00)	1,000.00	-	Clerk's Request
101-215-914.000	Insurance Property Coverage	33,673.00	16,836.48	16,836.48	33,672.96	0.04	-	0.04	6 months remain in allocation
101-215-942.000	Services - Equipment Rentl Non-City	100.00	34.44	65.56	100.00	-	-	-	Spend up to budget
101-215-942.002	COPIER SUPPLES	900.00	662.57	237.43	900.00	-	-	-	Spend up to budget
101-215-957.002	Training Expense	4,000.00	1,512.45	2,487.55	4,000.00	-	-	-	Spend up to budget
Total Dept 215 - City Clerk		245,569.54	115,105.38	140,643.52	255,748.90	(10,179.36)	13,916.00	3,736.64	Department under budget

Fund 101 - General Fund:

TOTAL EXPENDITURES 465,421.88 282,072.15

Pay Period Ending

- 1/12/2019 Paid 1/17/2019
- 1/26/2019 1
- 2/9/2019 2
- 2/23/2019 3
- 3/9/2019 4
- 3/23/2019 5
- 4/6/2019 6
- 4/20/2019 7
- 5/4/2019 8
- 5/18/2019 9
- 6/1/2019 10
- 6/15/2019 11
- 6/29/2019 12

RESOLUTION

#5



OFFICE OF THE CITY CLERK

Garland S. Doyle, Interim City Clerk

47450 Woodward Avenue

Pontiac Michigan

248-758-3200 Office 248-758-3160 Fax

TO: Honorable City Council

FR: Garland S. Doyle, M.P.A., Interim City Clerk 

DA: January 24, 2019

RE: Engagement Letter between City Clerk of the City of Pontiac and Miller, Canfield, Paddock and Stone, P.L.C. to Provide Professional Expert Assistance to the Interim City Clerk in Performing his Duties and Responsibilities Required under the Medical Marihuana Facilities Ordinance

CC: Mayor Waterman

At the council meeting on January 15, 2019, I informed your honorable body that Matthew Neale Esq., of Miller, Canfield, Paddock and Stone, P.L.C. was selected to provide Professional Expert Assistance to the Interim City Clerk in assisting with performing my duties and responsibilities as required under the Medical Marihuana Facilities Ordinance.

I have attached the engagement letter between the City Clerk of the City of Pontiac and Miller, Canfield, Paddock and Stone, P.L.C. which allows professional expert assistance to the Interim City Clerk. I am requesting that your honorable body approve the following resolution.

Whereas, voters in the August 7, 2018 Primary Election in the City of Pontiac approved the City of Pontiac Medical Marihuana Facilities Ordinance, and;

Whereas, the ordinance was adopted following a recount on September 12, 2018 as the City of Pontiac Ordinance No. 2357 (B), and;

Whereas, Ordinance 2357 (B) City of Pontiac Medical Marihuana Facilities Ordinance Section 9 (j) permits the Clerk to "engage professional expert assistance in performing the clerk's duties and responsibilities under this ordinance", and;

Whereas, the Interim City Clerk selected Matthew Neale, Esq., Miller, Canfield, Paddock and Stone, P.L.C. on January 11, 2019 to serve as a professional expert, and;

Whereas, the City Council approved resolution 18-420 on November 8, 2018 a resolution regarding moratorium on acceptance of applications for medical marihuana facilities that

adopted a three month moratorium on the acceptance, review or action by the City Clerk or any other City employee on an application for any medical marihuana facility, and;

Whereas, the moratorium will end on February 8, 2019 and the City of Pontiac will have to begin to accept applications for various medical marihuana facilities with the exception of provisioning centers. It is imperative that the engagement letter between the City Clerk and Miller, Canfield, Paddock and Stone, P.L.C. be approved immediately.

Now Therefore Be It Resolved as follows:

- 1. That the City Council of the City of Pontiac approves the engagement letter between the City Clerk of the City of Pontiac and Miller, Canfield, Paddock and Stone, P.L.C. and authorizes the Interim City Clerk to sign the engagement letter.*
- 2. Authorizes the City to pay Miller, Canfield, Paddock and Stone, P.L.C. for their services as the Professional Expert to the Interim City Clerk that is permitted by Ordinance 2357 (B) section 9 (j).*
- 3. In accordance with section 2-521 Professional Service Contracts of the Pontiac Municipal Code give the Mayor the authority to pay Miller, Canfield, Paddock and Stone, P.L.C. if the total amount of their services exceed \$10,000.00.*

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy

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January 11, 2019

City Clerk, City of Pontiac
ATTN: Garland Doyle, Interim City Clerk
47450 Woodward Avenue
Pontiac, Michigan 48342

Re: Engagement as Counsel

Dear Garland:

We are taking this opportunity to confirm the terms of our engagement, including the services we will perform, our responsibilities and our compensation. I request that you review this engagement letter and the enclosed *Standard Terms of Engagement* and return a signed copy of this engagement letter to me.

Client. Our client in this matter will be the City Clerk of the City of Pontiac (the "Client"). This engagement does not give rise to a lawyer-client relationship between the firm and any other person or entity. If you wish us to represent any other person or entity, please let me know so that I can revise this engagement letter.

Scope of Engagement. We have been engaged to provide professional expert assistance to the Client in connection with the Client's duties and responsibilities under the City of Pontiac Medical Marihuana Facilities Ordinance (Proposal 1, approved by the electors on the August 7, 2018 ballot) ("Ordinance"), and related matters (the "Project"). BECAUSE WE ARE NOT THE CLIENT'S GENERAL COUNSEL, OUR ACCEPTANCE OF THIS ENGAGEMENT IS NOT AN UNDERTAKING TO REPRESENT THE CLIENT OR ITS INTERESTS IN ANY OTHER MATTER. BECAUSE WE ARE NOT YOUR SECURITIES LAWYERS, WE WILL NOT BE ADVISING YOU ABOUT ANY DISCLOSURE OBLIGATIONS YOU MAY HAVE UNDER FEDERAL, STATE OR OTHER SECURITIES LAWS WITH RESPECT TO ANY OF THE MATTERS ON WHICH YOU HAVE ENGAGED US.

Conflicts. Given our representation of the City Clerk of the City of Pontiac pursuant to this engagement, we would not assist any persons in applying for a medical marihuana facilities license with the City of Pontiac under the Ordinance; provided, however, we may assist persons in any other respects, including assisting persons with marihuana facilities licenses with the State of Michigan. For the avoidance of doubt, if we assist persons in applying for marihuana facilities licenses with the State of Michigan that are also applying for a medical marihuana facilities license with the City of Pontiac under the Ordinance, our representation of such persons would exclude any assistance with such City of Pontiac license.

Risks under Federal Criminal Laws; Exclusion of Federal Law Advice. Although the laws of the State of Michigan decriminalize certain marihuana related activities conducted under and in accordance

with such laws and related rules and regulations (collectively, "Michigan Marihuana Law(s)"), such decriminalization is effective only for purposes of Michigan law and the Michigan Marihuana Law has no effect whatsoever on applicable federal law. Consequently, you should be cognizant of the risks under federal criminal laws of proceeding with the Project and any other matters relating to marihuana.

We draw to your attention that possession, cultivation, transportation, purchase, sale or distribution of marihuana or marihuana related products or rendering of services in connection with or in furtherance of any such activities is and remains, notwithstanding the Michigan Marihuana Law, a crime under United States Federal Law. If violated, potential risks include actions by the federal government to seize, and seek civil forfeiture of, real and personal property used to facilitate sale of marihuana as well as money or other proceeds from such sales. In addition, there is potential risk of criminal investigations or prosecution for aiding and abetting violation of federal law or for conspiring to violate federal law. A conviction on a conspiracy charge carries a mandatory minimum prison term of five years for the first offense and, depending on the quantity of marihuana involved, a fine for such a conviction could be in the millions. The U.S. Department of Justice's authority to prosecute violations of federal law is in no way diminished by the Michigan Marihuana Laws. Further, due to the federal government's jurisdiction over interstate commerce, any possession, cultivation, transportation, purchase, sale or distribution of marihuana or marihuana related products or rendering of services in connection with or in furtherance of any such activities involving states other than the State of Michigan face a higher level of scrutiny and an increased risk of investigation and prosecution by federal authorities than would be expected in connection with the conduct of such activities exclusively within the State of Michigan.

While the U.S. Department of Justice, under the Obama administration, previously indicated in a series of memos that an effective state regulatory system and a marihuana operation's compliance with such a system should be considered in the exercise of investigative and prosecutorial discretion, on January 4, 2018, under the Trump administration, the U.S. Department of Justice rescinded such memos and announced a return to the rule of law regarding the federal marihuana enforcement policy. In a January 4, 2018 memo, U.S. Attorney General Jeff Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to marihuana activities. As stated by Attorney General Sessions in relation to such memo: "It is the mission of the Department of Justice to enforce the laws of the United States, and the previous issuance of guidance undermines the rule of law and the ability of our local, state, tribal, and federal law enforcement partners to carry out this mission Therefore, today's memo on federal marihuana enforcement simply directs all U.S. Attorneys to use previously established prosecutorial principles that provide them all the necessary tools to disrupt criminal organizations, tackle the growing drug crisis, and thwart violent crime across our country."

We are not and will not be advising you, and no communications from or advice provided by us should be construed as advising you, with respect to compliance with or how to circumvent United States Federal Law (including for purposes hereof the Controlled Substances Act, 21 U.S.C. Section 811 et seq., and the rules and regulations promulgated by any department or agency of the United States Government including, without limitation, the US Drug Enforcement Agency) or with respect to the United States Federal Law implications of conducting a business under the Michigan Marihuana Laws involving the possession, cultivation, transportation, purchase, sale or distribution of marihuana or marihuana related products or rendering of services in connection with or in furtherance of any such activities and specifically advise you that we are not, and will not be, advising you with respect to federal law criminal aspects of any

of the foregoing activities, or any other activities otherwise permitted under the Michigan Marihuana Laws, all of which remain illegal under applicable federal statutes, rules and regulations.

Staffing. I will be principally responsible for managing this engagement and I will be assisted by one or more other attorneys, as appropriate. The rates for this file will be as follows: \$310 for principals; \$255 for senior associates; and \$175 for junior associates and paralegals. Our services will be charged based on the time we spend working on this engagement. We may be assisted by one or more other members of our professional staff as appropriate. The staffing on this matter is subject to change, based on cost considerations, the workloads of our professional staff members, and the specific tasks to be performed. The firm periodically adjusts the rates of its professional personnel as described in the attached *Standard Terms of Engagement*.

Billing and Payment. We customarily send invoices for fees and expenses each month. We require payment of our invoices within 30 days.

Completion of Engagement. This engagement will terminate when we perform our last services for you in this matter, whether or not the charges for those services have been invoiced or paid. Unless we are then representing the Client in another matter, the lawyer-client relationship between us will terminate at the same time.

Standard Terms of Engagement. Attached to this letter is a copy of a document that contains the *Standard Terms of Engagement* that apply to all engagements undertaken by the firm. I encourage you to read this document carefully, as it is an integral part of our agreement with you regarding this engagement and contains important provisions governing our relationship. By accepting our services, you agree that the terms of this letter and the enclosed Standard Term of Engagement will apply to our engagement unless we agree in writing to a modification.

Also provided with this letter are copies of each of the October 19, 2009, June 29, 2011, August 29, 2013, February 14, 2014 and January 4, 2018 (the "2018 Memo") U.S. Department of Justice memoranda concerning marihuana enforcement under the Controlled Substances Act (the "Marihuana Memos").

Please sign below and return this letter to me via e-mail, fax or mail. By such signature below, you:

(i) acknowledge your agreement to the terms of this letter and the attached *Standard Terms of Engagement*;

(ii) acknowledge your receipt of copies of each of the Marihuana Memos, and acknowledge and agree that you have carefully read and understand each of the Marihuana Memos, including specifically but without limitation the 2018 Memo and this letter, including in particular the Section titled "**Risks under Federal Criminal Laws; Exclusion of Federal Law Advice**" and had the opportunity to ask questions about the risks stated therein;

(iii) acknowledge your understanding that none of our advice or guidance, whether or not formally given or provided, is or should be construed by you to be or constitute, assistance to commit a crime under or avoid the application of any applicable United States Federal Law;

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(iv) acknowledge your understanding that the scope of this engagement will in no case involve any advice or assistance relating to United States Federal Law, acknowledge that you have agreed to enter into this engagement based on such understanding, acknowledge and consent to such limited scope of engagement, and understand that we would not have entered into this engagement without such understanding and consent;

(v) acknowledge your understanding that we have no professional obligation to warn you of any matters other than in relation to the laws of the State of Michigan, and in no case do we have any obligation to warn you of any matters relating to United States Federal Law;

(vi) acknowledge your intention to at all times act in strict accordance with the requirements of and to in all other respects comply with the laws of the State of Michigan, including without limitation the Michigan Marihuana Law, as it pertains to the possession, cultivation, transportation, distribution or sale of marihuana or marihuana related products or rendering of services in connection with or in furtherance of any such activities as the laws of the State of Michigan, including without limitation the Michigan Marihuana Law, evolve in the future during the course of our representation of the Client;

(vii) acknowledge your intention to conduct all activities in connection with the Project exclusively within the State of Michigan; and

(viii) acknowledge your understanding that in the course of our representation of the Client we will be asking numerous and in-depth questions about the business model and operating procedures involved in the Project and your undertaking to answer all such questions fully and truthfully.

I look forward to our working together. If you have any questions about this engagement or any aspect of our work or charges, I encourage you to contact me promptly.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: Matthew Neale
Matthew J. Neale

AGREED AND ACCEPTED:

By: _____
Garland Doyle, Interim City Clerk