

PONTIAC CITY COUNCIL

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



Patrice Waterman, District 1
Megan Shramski, 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."

47450 Woodward Pontiac, MI 48342 Phone: (248) 758-3200

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

FORMAL MEETING

266th Session of the 10th Council

December 7, 2021 at 6:00 P.M.

Meeting Location: City Council Chambers 47450 Woodward Pontiac, MI 48342

Call to Order

Invocation

Pledge of Allegiance

Roll Call

Authorization to Excuse Councilmembers

Amendments to and Approval of the Agenda

Approval of the Minutes

1. November 30, 2021

Recognition Elected Officials

Agenda Address

Agenda Items

Ordinances

2. An Ordinance to Provide for a Limited Increase in Pension Payments for Certain Members of the General Employee Retirement System ("GERS"). (This ordinance must be approved as to form by the City Attorney prior to City Council taking action on the ordinance.)
3. An Ordinance to Amend the City of Pontiac Reestablished General Employees' Retirement System (This ordinance must be approved as to form by the City Attorney prior to City Council taking action on the ordinance.)
4. An Ordinance to Amend the City of Pontiac General Employees' Retirement System and Provide a Date of Termination (This ordinance must be approved as to form by the City Attorney prior to City Council taking action on the ordinance.)

Resolutions

City Council

5. Resolution to authorize the City Clerk to post notice of a proposed budget amendment for fiscal year 2021/2022 in the Oakland Press to transfer \$55,000.00 out of General Fund Balance GL account 101-101-804.000- Legal

Services and transfer \$55,000.00 into the Capital Improvement Fund GL account 445-265-976.001- Building Additions and Improvements **(This item relates to the Pontiac Skate Park Project which was items 12 and 13 on the November 30, 2021 agenda.)**.

Community and Economic Development

6. Resolution to Schedule Public Hearing to Reprogram Senior Housekeeping Services to Safety and Repair Services for Seniors and Disabled Persons for Community Development Block Grant (CDBG) Program Years 2019 and 2020

Law

7. Resolution authorizing entry of State Local Government Intrastate Agreement concerning allocation of Settlement Proceeds in the National Opioids Litigation

Mayor's Office

8. Resolution to adopt the Final Version of the Merger Agreement between the City of Pontiac, Police and Fire VEBA and Super VEBA

Mayoral Monthly Reports

9. Personnel Monthly Staff Report
10. Monthly Check Register **(Per the Administration, the check registers are posted on the city's website http://pontiac.mi.us/departments/finance/financial_reports.php#revize_document_center_rz3702**
11. City Credit Card Statement **(Per the Administration, the credit card statement was given directly to Council Members by the Finance Director.)**

Public Comment

Mayor, Clerk and Council Closing Comments

Adjournment

#1

MINUTES

**Official Proceedings
Pontiac City Council
265th Session of the Tenth Council**

Call to order

A Study Session of the City Council of Pontiac, Michigan was called to order at the City Hall Council Chambers, 47450 Woodward Ave Pontiac, MI 48342 on Tuesday, November 30, 2021 at 6:00 p.m. by Council President Kermit Williams.

Roll Call

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

Mayor Waterman was present.
A quorum was announced.

Excuse Councilmember

21-363 **Motion to excuse Councilperson Megan Shramski for personal reasons.** Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.

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

No: None

Motion Carried

Moment of Silence for the Oxford School Community

Amendments to and Approval of the Agenda

21-364 **Motion to add-on two Retirement Ordinances as items 5a and 5b to the agenda.**
Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

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

No: Pietila

Motion Carried

21-365 **Motion to add-on Pontiac Youth Recreation Enhancement Center (PYREC) discussion as item #19 to the agenda.** Moved by Councilperson Miller and second by Councilperson Waterman.

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

No: Pietila

Motion Carried

21-366 **Motion to move item #6 (resolution to approve City Council 2022 meeting schedule); item #7 (resolution to approve an amended contract with Clean Net of Greater Michigan to include an extension of services for a period of two years 12-1-2021 to 11-30-2023 with an hourly living wage increase); item #8 (resolution to schedule public hearing for community development block grant CDBG program year 2022); item #10 (resolution to authorize City Clerk to post notice of a proposed budget amendment for Fiscal year 2021-2022 in the Oakland Press to allocate a total of \$8,000,000 to the VEBA retiree healthcare Opt Out Fund to receive funding from GERS and to allocate funds for the City to make the Opt Out Payments to Retirees); item #11 (resolution to authorize the City Clerk to post notice of a proposed budget amendment for Fiscal Year 2021-2022**

in the Oakland Press to move funding of the Grant Writer position from Finance to Economic and Community Development by re-allocating a total of \$34,800 from GL account 101-206-702-000 to GL account 101-690-702-000); item #14 (resolution to approve a budget amendment for fiscal year 2021-2022 to allocate a total of \$81,213.00 to account 101-266-959-003 settlement payments); and item #15 (resolution to accept a \$90,000 Grant from Nextfifty Initiative to Support Infrastructure Improvements at Pontiac Senior Centers) after public comment. Moved by Councilperson Miller and second by Councilperson Taylor-Burks.

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

No: None

Motion Carried

21-367 Motion to approve the agenda as amended. Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

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

No: None

Motion Carried

Approval of Minutes

21-368 Motion to approve meeting minutes for November 30, 2021. Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.

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

No: None

Motion Carried

Public Comment

Seven (7) individuals addressed the body during public comment

Suspend the Rules

21-369 Suspend the rules to vote on items #6 (resolution to approve City Council 2022 meeting schedule); item #7 (resolution to approve an amended contract with Clean Net of Greater Michigan to include an extension of services for a period of two years 12-1-2021 to 11-30-2023 with an hourly living wage increase); item #8 (resolution to schedule public hearing for community development block grant CDBG program year 2022); item #10 (resolution to authorize City Clerk to post notice of a proposed budget amendment for Fiscal year 2021-2022 in the Oakland Press to allocate a total of \$8,000,000 to the VEBA retiree healthcare Opt Out Fund to receive funding from GERS and to allocate funds for the City to make the Opt Out Payments to Retirees); item #11 (resolution to authorize the City Clerk to post notice of a proposed budget amendment for Fiscal Year 2021-2022 in the Oakland Press to move funding of the Grant Writer position from Finance to Economic and Community Development by re-allocating a total of \$34,800 from GL account 101-206-702-000 to GL account 101-690-702-000); item #14 (resolution to approve a budget amendment for fiscal year 2021-2022 to allocate a total of \$81,213.00 to account 101-266-959-003 settlement payments) and item #15 (resolution to accept a \$90,000 Grant from Nextfifty Initiative to Support Infrastructure Improvements at Pontiac Senior Centers). Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.

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

No: None

Motion Carried

Resolutions

City Clerk

21-370 **Resolution to approve the City Council 2022 Meeting Schedule.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Whereas, the Pontiac City Council announces its 2022 schedule of meetings.

Now, Therefore Be It Resolved, that the Pontiac City Council approves the attached 2022 Schedule of Meetings.

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

No: Miller

Resolution Passed

****2022 meeting schedule attached as exhibit A****

Department of Public Works (DPW)

21-371 **Resolution to approve an amended contract with CleanNet of Greater Michigan.** Moved by Councilperson Waterman and second by Councilperson Pietila.

Whereas, the Pontiac City Council believes that the CleanNet employees working at the City facilities should be paid at the minimum rate of \$15 an hour; and,

Whereas, the City and the Contractor have amended the Agreement by changing the "compensation" and the "contract period" provision; and,

Whereas, the Contractor has demonstrated its ability to faithfully execute the terms of the Agreement for the last two years; and,

Whereas, the City recognizes the importance of maintaining uninterrupted Janitorial services at the City facilities; and,

Whereas, the City currently does not have staff to perform these services; and,

Whereas, it is in the best interest of the City and the Contractor to extend the current agreement for one more year excluding 825 Golf Dr. Pontiac, Michigan 48341 from the agreement not to exceed \$135,623.

Now, Therefore, Be It Resolved, that the City Council for the City of Pontiac approves the Janitorial Service Agreement with the CleanNet of Greater Michigan for a period of one year (from December 1, 2021 to November 30, 2022.) excluding 825 Golf Dr Pontiac, Michigan 48341 from the agreement not to exceed \$135,623.

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

No: None

Resolution Passed

Community Development

21-372 **Resolution to schedule Public Hearing for Community Development Block Grant (CDBG) Program Year 2022.** Moved by Councilperson Waterman and second by Councilperson Pietila.

Whereas, the City of Pontiac is submitting an application for the Community Development Block Grant; and,

Whereas, the grant application will be submitted on December 17, 2021 to Oakland County for Program Year 2022 projects; and

Whereas, A Public Hearing is required with a minimum 10 notice, published by December 3, 2021 to the public; and,

Whereas, we are requesting to hold the Public Hearing on December 14, 2021 at 6:00 pm; and,

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Whereas, the following project is proposed for consideration:

Sidewalks for \$798,883. Funds to repair sidewalks throughout the City of Pontiac.

Now, Therefore, Be It Resolved, that the Pontiac City Council schedule a public hearing on the Community Development Block Grant Application for Program Year 2022 on December 14, 2021 at 6:00 p.m. and instruct the Interim Clerk to have a public notice published in the newspaper 10 days on or before December 3, 2021.

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

No: None

Resolution Passed

Finance

21-373 **Resolution to authorize the City Clerk to post notice of a proposed budget amendment for Fiscal Year 2021-22 in the Oakland Press to Allocate a Total of \$ 8,000,000 to the VEBA Retiree Healthcare Opt Out Fund to receive funding from GERS and to allocate funds for the City to make the Opt Out Payments to Retirees.** Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.

Whereas, the City of Pontiac timely approved the FY 2021-22 budget on June 24, 2021 and;
Whereas, the City entered into a Settlement Agreement in connection with the long standing matter of retiree healthcare; and

Whereas, the Settlement Agreement provided for eligible retirees to permanently Opt Out of the healthcare benefits in exchange for a one-time payment of Twenty-Thousand Dollars (\$20,000); and

Whereas, the Opt Out payments to the individual retirees are to be made by the City; and

Whereas, the City Council has approved a First Amendment to the VEBA Declaratory Trust Agreement; and

Whereas, this First Amendment provides for the City to receive Eight Million Dollars (\$8,000,000) from the General Employment Retirement System (GERS) for the purpose of making the Opt Out payments; and CITY OF PONTIAC OFFICIAL MEMORANDUM,

Whereas, the Administration is proposing a budget amendment to receive the \$8,000,000 from GERS and to provide the appropriation for making the Opt Out payments to the retirees choosing to exercise the Opt Out option; and

NOW THEREFORE be resolved that the City Council hereby approves the amendment for the Fiscal Year 2021-22 Budget as requested by the Administration providing for an increase of \$8,000,000 to the VEBA Retiree Healthcare Opt Out Fund (Fund-232).

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

No: None

Resolution Passed

21-374 **Resolution to authorize the City Clerk to post notice of a proposed budget amendment for Fiscal Year 2021-22 in the Oakland Press to move funding of the Grant Writer Position from Finance to Economic and Community Development by re-allocating a total of \$34,800 from GL Account 101-206-702.00 to GL Account 101-690-702.00.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Whereas, the City of Pontiac timely approved the FY 2021-2022 budget on June 29, 2021; and
Whereas, the adopted FY 2021-2022 General Fund budget includes appropriations in the Finance Department for salaries for personnel using account number 101-206-702.000; and

Whereas, the Administration desires to re-allocate \$34,800 in funds for the Grant Writer position from Finance Administration (Department 207) to Community & Economic Development (Department 690);

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and

NOW THEREFORE be resolved that the City Council hereby approves the amendment for the fiscal year 2021-2022 as requested by the Administration transferring \$34,800 from GL account 101-207-702.000 to GL account 101-690-702.000.

Ayes: None

No: Waterman, Williams, Carter, Miller, Pietila and Taylor-Burks

Resolution Failed

21-375 **Resolution to approve a budget amendment for fiscal year 2021-2022 to allocate a total of \$81,213.00 to account 101-266-959-003 settlement payments.** Moved by Councilperson Pietila and second by Councilperson Miller.

Whereas, the City of Pontiac timely approved the 2021-2022 budget on June 24, 2021, and;
Whereas, the Administration is proposing to the City Council to increase the appropriations for the current year 2021-2022 for payments in the amount of \$81,213 to account 101-266-959-003; and,
Whereas, the increased appropriations will not cause the fund balance in the General Fund to go below the policy mandated thresholds and;
Now, Therefore, Be Resolved that the City Council hereby approves the amendment for the fiscal year 2021-2022 as requested by the Administration for account 101-266-959-003 Settlement Payments in the amount of \$81,213.

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

No: None

Resolution Passed

21-376 **Resolution to accept a \$90,000 Grant from Nextfifty Initiative to Support Infrastructure Improvements at Pontiac Senior Centers.** Moved by Councilperson Waterman and second by Councilperson Pietila.

Whereas, the City of Pontiac was awarded a \$90,000 grant from the NextFifty Initiative; and;
Whereas, the grant is for the purpose of renovating and updating structurally deficient, unsafe and/or inaccessible facilities so that they can be used and enjoyed by the older adult and disabled communities in safe, inclusive, and innovative ways, and;
Whereas, the grant award from NextFifty Initiative does not have a matching requirement; and;
Whereas, the funds from the grant will increase the budgeted revenue for the current fiscal year 2021-2022 in the amount of \$90,000 for grant income, and increase the appropriations in the amount of \$90,000, representing grant expenditures.
Whereas, the increased appropriations will not cause the fund balance in the General Fund to go below the policy mandated thresholds and;
NOW THEREFORE be resolved that the City Council hereby authorizes the Interim City Clerk to publish a notice in a newspaper of general circulation at least one week before consideration of the proposed budget amendment to increase budgeted revenues in the amount of \$90,000 to the General Fund in account 101-000-532.000 –Grant Income, and appropriations in the amount of \$90,000 in a General Fund account.

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

No: None

Resolution Passed

Suspend the Rules

21-377 **Suspend the rules to move items 5, 5a and 5b Ordinances before Special**

November 30, 2021 Study Draft

Presentations on the agenda. Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

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

No: None

Motion Carried

Special Presentations

Special Election to Elect Charter Commissioners on May 3, 2022

Presentation Presenters: Garland Doyle, Interim City Clerk and Jo Lynn Williams, Election Administrator

Medical Marihuana Application Review Process Update

Presentation Presenters: Garland Doyle, Interim City Clerk and Jonathan Starks, Regulatory Analyst

Snow Removal Consortium

Presentation Presenter: Mayor Waterman

Communication from the Mayor

Received ARP Recap (Summary Report of ARP Town Halls and Next Steps)

Discussion (Add-On)

Pontiac Youth Recreation and Enrichment Center (PYREC)

Adjournment

Council President Kermit Williams adjourned the meeting at 8:31 p.m.

Garland Doyle
Interim City Clerk



The Pontiac City Council

Announces

THE 2022 SCHEDULE OF MEETINGS OF THE PONTIAC CITY COUNCIL

To comply with the Michigan Open Meeting Act (MCL 15.265)

The Pontiac City Council will hold its regular meeting on Tuesday evenings at 6:00 p.m. in the Council Chambers of City Hall 47450 Woodward Ave Pontiac, Michigan 48342 unless otherwise noted.

Internet website where meetings are posted www.pontiac.mi.us

The dates are as follows:

Tuesday, January 4, 2022 Noon Formal Meeting (Organizational Meeting)
Tuesday, January 11, 2022 6:00 p.m. Study Session
Tuesday, January 18, 2022 6:00 p.m. Formal Meeting
Tuesday, January 25, 2022 6:00 p.m. Study Session
Tuesday, February 1, 2022 6:00 p.m. Formal Meeting
Tuesday, February 8, 2022 6:00 p.m. Study Session
Tuesday, February 15, 2022 6:00 p.m. Formal Meeting
Tuesday, February 22, 2022 6:00 p.m. Noon Study Session
Tuesday, March 1, 2022 6:00 p.m. Formal Meeting
Tuesday, March 8, 2022 6:00 p.m. Study Session
Tuesday, March 15, 2022 6:00 p.m. Formal Meeting
Tuesday, March 22, 2022 6:00 p.m. Study Session
Tuesday, March 29, 2022 6:00 p.m. Formal Meeting
Tuesday, April 5, 2022 6:00 p.m. Study Session
Tuesday, April 12, 2022 6:00 p.m. Formal Meeting
Tuesday, April 19, 2022 6:00 p.m. Study Session
Tuesday, April 26, 2022 6:00 p.m. Formal Meeting
Thursday, May 5, 2022 6:00 p.m. Study Session
Tuesday, May 10, 2022 6:00 p.m. Formal Meeting
Tuesday, May 17, 2022 6:00 p.m. Study Session
Tuesday, May 24, 2022 6:00 p.m. Formal Meeting
Tuesday, May 31, 2022 6:00 p.m. Study Session
Tuesday, June 7, 2022 6:00 p.m. Formal Meeting
Tuesday, June 14, 2022 6:00 p.m. Study Session
Tuesday, June 21, 2022 6:00 p.m. Formal Meeting

Tuesday, June 28, 2022 6:00 p.m. Study Session
Tuesday, July 5, 2022 6:00 p.m. Formal Meeting
Tuesday, July 12, 2022 6:00 p.m. Study Session
Tuesday, July 19, 2022 6:00 p.m. Formal Meeting
Tuesday, July 26, 2022 6:00 p.m. Study Session
Thursday, August 4, 2022 6:00 p.m. Formal Meeting
Tuesday, August 9, 2022 6:00 p.m. Study Session
Tuesday, August 16, 2022 6:00 p.m. Formal Meeting
Tuesday, August 23, 2022 6:00 p.m. Study Session
Tuesday, August 30, 2022 6:00 p.m. Formal Meeting
Tuesday, September 6, 2022 6:00 p.m. Study Session
Tuesday, September 13, 2022 6:00 p.m. Formal Meeting
Tuesday, September 20, 2022 6:00 p.m. Study Session
Tuesday, September 27, 2022 6:00 p.m. Formal Meeting
Tuesday, October 4, 2022 6:00 p.m. Study Session
Tuesday, October 11, 2022 6:00 p.m. Formal Meeting
Tuesday, October 18, 2022 6:00 p.m. Study Session
Tuesday, October 25, 2022 6:00 p.m. Formal Meeting
Tuesday, November 1, 2022 6:00 p.m. Study Session
Thursday, November 10, 2022 6:00 p.m. Formal Session
Tuesday, November 15, 2022 6:00 p.m. Study Session
Tuesday, November 22, 2022 6:00 p.m. Formal Session
Tuesday, November 29, 2022 6:00 p.m. Study Session
Tuesday, December 6, 2022 6:00 p.m. Formal Meeting
Tuesday, December 13, 2022 6:00 p.m. Study Session
Tuesday, December 20, 2022 6:00 p.m. Formal Meeting
Tuesday, December 27, 2022 6:00 p.m. Study Session

City of Pontiac 47450 Woodward Avenue Pontiac, Michigan 48342 248-758-3200

#2

ORDINANCE

Ordinance No. XXXX

AN ORDINANCE TO PROVIDE FOR A LIMITED INCREASE IN PENSION PAYMENTS FOR CERTAIN MEMBERS OF THE GENERAL EMPLOYEE RETIREMENT SYSTEM ("GERS").

The City of Pontiac ordains:

Section 1. Amendments.

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

a. Section 17.6 shall be amended to add the following language: Temporary Pension Increase: *"All persons who are receiving retirement benefits as of December 31, 2021 and who enter pay status through December 31, 2022, shall be entitled to receive an increase in their monthly allowance of four hundred dollars (\$400.00) per month beginning January 1, 2022 through December 31, 2022, or when the New VEBA begins providing the health care benefits to the eligible retirees, whichever comes first."*

Section 2. Severability.

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

Section 3. Repealer.

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

Section 4. Publication.

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

Section 5. Emergency Declaration and Effective Date.

This Ordinance is declared an emergency of health and safety to allow the pension recipients to collect the increase authorized in this Ordinance on the date identified in this Ordinance and shall be effective immediately upon adoption by the City Council.

I hereby certify this emergency ordinance was adopted by the City Council of the City of Pontiac on the _____ day of December, 2021.

Garland S. Doyle, Interim City Clerk

I further hereby certify that the foregoing is a true copy of this Ordinance as passed by the City Council and was published verbatim in the Oakland Press a publication of general circulation on the _____ day of December, 2021.

Garland S. Doyle, Interim City Clerk

#3

ORDINANCE

Ordinance No.

AN ORDINANCE TO AMEND THE CITY OF PONTIAC REESTABLISHED GENERAL EMPLOYEES' RETIREMENT SYSTEM.

The City of Pontiac ordains:

Section 1. Amendments.

That the City of Pontiac Reestablished General Employees' Retirement System ("GERS") is hereby amended as follows:

Section 20 shall be amended to add the following sub-section (c):

(c) Permanent Pension Increase:

Effective December 31, 2021, all current and future eligible individuals who are receiving a pension benefit from the GERS shall be entitled to receive an annual stipend of \$4,800.00. This stipend shall be paid in July of each year provided that the prior year's annual valuation (calculated using the same actuarial assumptions used in the Termination Valuation) determines that the System is at least 113% funded. For the period of January 2022 through July 2022, retirees shall receive a pro-rata stipend of \$2,400 payable in monthly installments. The stipend benefit is payable for the lifetime of the retiree and eligible surviving beneficiary, provided that no stipend shall be paid for the subsequent year should the annual valuation (calculated using the Termination Valuation assumptions) determine that the System's funded level is below 113%.

Section 2. Severability.

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

Section 3. Repealer.

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

Section 4. Publication.

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

Section 5. Effective Date.

This Ordinance shall be effective 10 days after adoption by the City Council.

I hereby certify that the foregoing is a true copy of the Ordinance as passed by the City Council of the City of Pontiac at a regular Council Meeting held electronically in said City on the ____ day of November, 2021.

Garland S. Doyle, Interim City Clerk

#4

ORDINANCE

Ordinance No.

AN ORDINANCE TO AMEND THE CITY OF PONTIAC GENERAL EMPLOYEES' RETIREMENT SYSTEM AND PROVIDE A DATE OF TERMINATION.

The City of Pontiac ordains:

Section 1. Amendments.

That the City of Pontiac General Employees' Retirement System ("GERS") is hereby amended as follows:

- a. Section 92-11(g) of the GERS is amended in its entirety to read as follows:

(g) No person hired after April 1, 2013, shall be eligible to participate in the General Employees' Retirement System, except for employees hired pursuant to, and whose employment is covered by, the Michigan Association of Public Employees (MAPE) collective bargaining agreement with the City.

- b. Section 92-24 shall be amended to add the following sub-section (c):

(c) Permanent Pension Increase:

Effective December 31, 2021, all current and future eligible individuals who are receiving a pension benefit from the GERS shall be entitled to receive an annual stipend of \$4,800.00. This stipend shall be paid in July of each year provided that the prior year's annual valuation (calculated using the same actuarial assumptions used in the Termination Valuation), determines that the System is at least 113% funded. For the period of January 2022 through July 2022, retirees shall receive a pro-rata stipend of \$2,400 payable in monthly installments. The stipend benefit is payable for the lifetime of the retiree and eligible surviving beneficiary, provided that no stipend shall be paid for the subsequent year should the annual valuation (calculated using the Termination Valuation assumptions) determine that the System's funded level is below 113%.

- c. Section 92-46 of the GERS is amended in its entirety to read as follows:

Any and all provisions of this General Employees' Retirement System may, from time to time, be modified, changed, or terminated by Ordinance duly adopted by the City Council of the City of Pontiac. The Council shall consult with the Board and seek its technical review of the proposed changes prior to amendment or termination of the Ordinance. The accrued financial benefits of this General Employees' Retirement System shall not be diminished or impaired by such modifications or changes and subject to the conditions of Public Act 728 of 2002, as amended. All provisions of City law inconsistent with the provisions of this General Employees' Retirement System are hereby repealed to the extent of such inconsistency.

- d. Section 92-46A of the GERS is added in its entirety to read as follows:

The General Employees' Retirement System is hereby terminated effective March 31, 2021 ("Termination Date"). All assets of the General Employees' Retirement System shall be allocated in accordance with the provisions of this Section, and the accrued benefit of each affected Member shall become fully vested to the extent funded. The termination of the General Employees' Retirement System shall not result in the reduction of benefits under the Michigan Constitution. After the Transfer Date, no further benefits shall accrue and no further contributions shall be made to the General Employees' Retirement System.

Upon termination of the General Employees' Retirement System and favorable determination by the Internal Revenue Service that the General Employees' Retirement System maintained its tax-favored status at the Termination Date, the Board is hereby directed to transfer the General Employees' Retirement System's assets and liabilities as follows:

- (a) As soon as administratively feasible after the Termination Date and the effective date of the Reestablished General Employees' Retirement System, the Board shall transfer the GERS Assets to the Reestablished General Employees' Retirement System in order to provide Retirement Allowances to Members, Retirants, and Beneficiaries. Such benefits will be based upon benefit provisions in effect as of the Transfer Date.
- (b) The Excess Assets resulting from erroneous actuarial computation shall be transferred as follows:

- (i) \$8,000,000.00 shall be transferred to an account established by the City for the purpose of holding funds which shall be utilized to make the one-time payments described in and required by Section 11 of the Settlement Agreement.

Once all of the one-time payments described in and required by Section 11 of the Settlement Agreement have been paid, any excess funds shall be paid as soon as administratively feasible to the VEBA referenced in sub-section (ii) below.

- (ii) The remaining Excess Assets shall be transferred to a voluntary employees' beneficiary association under Code §501(c)(9) (that has received a favorable determination letter as to the tax-exempt status of such trust under Code section 501(c)(9)) established or to be established by the City to fund retiree health benefits for certain City retirees that are subject to the Settlement Agreement.

- (c) All obligations and liabilities of the General Employees' Retirement System based on benefit provisions in effect on the Transfer Date, including continuation of payment of Retirement Allowances, are transferred to, assumed by, and made obligations and liabilities of the Reestablished General Employees' Retirement System upon transfer of the GERS Assets to the Reestablished General Employees' Retirement System.

(d) For purposes of this Section, the followings terms shall have the following meaning:

- (i) “*Excess Assets*” means the assets held within the General Employees’ Retirement System which exceed 130% of the General Employees’ Retirement System’s liabilities/obligations as determined by the Termination Valuation
- (ii) “*GERS Assets*” means assets held within the General Employees’ Retirement System equal to 130% of the General Employees’ Retirement System’s liabilities / obligations as determined by the Termination Valuation.
- (iii) “*Settlement Agreement*” means the settlement agreement entered into in *City of Pontiac Retired Employees Association et. al. v. Schimmel et. al.*, Docket #64-2, Case No. 2:12-cv-12830-AC-PJK dated March 30, 2018 (United States District Court Eastern District of Michigan), which was given final approval by the court on November 19, 2018.
- (iv) “*Transfer Date*” means the date all assets have been transferred from the General Employees’ Retirement System to the Reestablished General Employees’ Retirement System and the newly established VEBA contemplated in 92-46A(b)(ii).
- (v) “*Termination Valuation*” means the final valuation calculated as of March 31, 2021 which valuation shall include benefit provisions in effect as of the Transfer Date.

e. Section 92-48 of the GERS is deleted in its entirety.

f. Section 92-49 of the GERS is deleted in its entirety.

g. Section 92-50 of the GERS is deleted in its entirety.

Section 2. Severability.

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

Section 3. Repealer.

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

Section 4. Publication.

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

Section 5. Effective Date.

This Ordinance shall be effective 10 days after adoption by the City Council.

I hereby certify that the foregoing is a true copy of the Ordinance as passed by the City Council of the City of Pontiac at a regular Council Meeting held electronically in said City on the ____ day of November, 2021.

Garland S. Doyle, Interim City Clerk

36640559.1\071371-00075

#5

RESOLUTION

Pontiac City Council Resolution



WHEREAS, the City of Pontiac passed a resolution supporting the Pontiac Skate Project allocating \$180,000.00 from the Capital Improvement Fund; and,

WHEREAS, the funds Council approved for the allocation were to come out of the appropriations for the current year FY 2021-22 from the Capital Improvement Fund GL account 445-265-976.001; and,

WHEREAS, at the direction of the Administration, a budget amendment was proposed to replace the funds back into the Capital Improvement Fund; and,

WHEREAS, subsequently, in a letter dated November 23, 2021, addressed to Mayor Waterman from the Oakland County Board of Commissioners, the Board of Commissioners expressed their interest to partner on the construction of the new skate park as part of the Skatepark Project (formerly the Tony Hawk Foundation) matching grant initiative (*letter attached*); and,

WHEREAS, on December 1, 2021 and at a Board of Commissioners' Economic Development & Infrastructure Committee meeting, the Committee considered and passed a resolution allocating funds dollar for dollar, up to \$125,000.00 matching with any city and other locally raised funds, securing the full match the Skatepark Project made available to Pontiac; and,

WHEREAS, due to the recent change of events and as a consequence of the delightful \$125,000.00 commitment from Oakland County to the Skate Park Project, the City of Pontiac's matching obligation has been substantially reduced to \$55,000.00; and,

WHEREAS, to fund the current appropriation, \$55,000.00 is to be transferred out of the General Fund Balance GL account 101-101-804.000- Legal Services into the Capital Improvement Fund; and,

WHEREAS, to date, the City of Pontiac has not advanced or submitted any payments on behalf of the Project.

NOW THEREFORE BE IT RESOLVED that the City Council approves the budget amendment for Fiscal Year 2021-22 Budget, transferring \$55,000.00 out of the General Fund Balance GL account 101-101-804.000- Legal Services and \$55,000.00 is transferred into the Capital Improvement Fund, GL account 445-265-976.01- Building Additions & Improvements.



The Honorable Deirdre Waterman
Mayor of Pontiac
47450 Woodward Ave.
Pontiac, MI 48342

November 23, 2021

Dear Mayor Waterman:

We write to inform you and the City of Pontiac of our interest to partner on the construction of a new skate park as part of The Skatepark Project (formerly the Tony Hawk Foundation) matching grant initiative.

As you are aware, The Skatepark Project is making a \$250,000 matching grant available to design and construct a new skate park in Pontiac if an equal amount of matching funds are raised and committed.

At its December 1, 2021, meeting, the Oakland County Board of Commissioners' Economic Development & Infrastructure Committee will be considering a resolution to propose allocating funds dollar for dollar, up to \$125,000, to match with any city and other locally raised funds to secure the full match The Skatepark Project is making available to Pontiac.

We will keep you informed on developments as this proposal works its way through our legislative process. Please contact us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David T. Woodward".

David T. Woodward
Chairman
Oakland County Board of Commissioners

A handwritten signature in black ink, appearing to read "Angela Powell".

Angela Powell
County Commissioner
District 10

A handwritten signature in black ink, appearing to read "William Miller".

William Miller
County Commissioner, District 14
Economic Development & Infrastructure Committee, Chair

#6

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council Members

FROM: Linnette Phillips, Director, Economic Development

THROUGH: Mayor Deirdre Waterman

DATE: November 30, 2021

RE: Resolution to Schedule Public Hearing to Reprogram Senior Housekeeping Services to Safety and Repair Services for Seniors and Disabled Persons - Recommending Project Allocations for Community Development Block Grant (CDBG) Program Years 2019 and 2020

The City of Pontiac (COP) was awarded \$50,000 in both PY2109 and 2020 to provide Housekeeping Services to citizens. The amount for both years totals \$100,000. As a result of the Covid-19 pandemic, seniors did not want strangers in their home providing the service, nor did the contractor want to provide the service of going into senior residents homes.

A request to schedule a public hearing to reprogram the funds from Senior Housekeeping Services to Safety and Repair Services for Seniors and Disabled People. A notice for the public hearing should be posted by December 3, 2021, at least 10 days prior to a public hearing on Tuesday, December 14, 2021. The hearing will be held at 6:00 PM in the City of Pontiac City Hall Council Chambers on the 2nd floor.

The funds would allow for small jobs not to exceed \$600 and can be completed in a reasonable time. Some examples are caulk tubs/toilets and windows, roof repair, tree trimming, install smoke detectors, patch holes in drywall, floor repair, gutters repaired. See attached spec sheet.

The funds are available for calendar year 2021 and 2022.

Resolution Following Next Page



CITY OF PONTIAC CITY COUNCIL

RESOLUTION TO SCHEDULE A PUBLIC HEARING ON DECEMBER 14, 2021 TO REPROGRAM SENIOR HOUSEKEEPING SERVICES TO SAFETY AND REPAIR SERVICES FOR SENIORS AND DISABLED PERSONS RECOMMENDED PROJECT ALLOCATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS FOR PROGRAM YEARS 2019 AND 2020

Whereas, the City of Pontiac is requesting a Public Hearing to Reprogram Senior Housekeeping Services funding; comprised of \$50,000 from Program Year 2019 and \$50,000 from Program Year 2020; and

Whereas, a Public Notice will be published by December 3, 2021;

Whereas, the Public Hearing will be held on Tuesday, December 14, 2021 at 6:00 PM in City Hall City Council Chambers; and

Whereas, the total of \$100,000 is recommended for reprogramming of a Senior Citizen project from Housekeeping Services to Safety and Repair Services for Seniors and Disabled Person; and

Whereas, the following project be considered:

Safety and Repair Services for Seniors and Disabled Persons for \$100,000.

Now Therefore be it Resolved, that the Pontiac City Council schedule a Public Hearing and post the Notice by December 3, 2021 for the proposed reprogramming of Senior Housekeeping Services with CDBG funds from both Program Years 2019 and 2020 are proposed, recommending the total \$100,000 funds be available for Safety and Repair Services for Seniors and Disabled Persons. The hearing will be held on December 14, 2021 at 6:00 pm.

CITY OF PONTIAC



CITY OF PONTIAC CITY COUNCIL

NOTICE OF PUBLIC HEARING

TO REPROGRAM CDBG SENIOR HOUSEKEEPING SERVICES FROM PROGRAM YEARS 2019 AND 2020 TO PROPOSED RECOMMENDED COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SAFETY AND REPAIRS FOR SENIORS AND DISABLED PEOPLE PROJECT FOR PROGRAM YEARS 2019 AND 2020

NOTICE IS HEREBY GIVEN that the City of Pontiac will hold a public hearing to reprogram Community Development Block Grant (CDBG) funding for Senior Housekeeping Services from Program Years 2019 and 2020. Due to the Covid-19 pandemic, seniors did not want agency workers to come into their homes, nor were the agency workers available to provide the services. The funds are proposed recommending the entire \$100,000 be reprogrammed for Sidewalk Repairs.

Public Comment For individuals who desire to make a public comment, please submit your name and comment in writing to publiccomments@pontiac.mi.us by 5:00 PM, December 13, 2021. Additionally, you may submit your public comment in writing directly to the Office of the Interim City Clerk gdoyle@pontiac.mi.us

The hearing will be held on **Tuesday, December 14, 2021 at 6:00 pm at the City of Pontiac City Council Chambers at Pontiac City Hall, 47450 Woodward Avenue, 2nd Floor in Pontiac, Michigan.**

OTHER PUBLIC SERVICES NOT LISTED IN 03T AND 05A-05Y

Program	172160																																																												
HUD Matrix Code	05Z																																																												
Eligible Uses	Only use code when an activity does not fall under a more specific 05A-05Y code. An example of a legitimate use of this code is when a public service activity that does not have a more specific matrix code, provides services to multiple groups of clients such as seniors, persons with disabilities and homeless persons. For instance, for a "meals on wheels" program for seniors and persons with disabilities, use 05Z. If this program had been available to only seniors, the correct matrix code is 05A.																																																												
Account #	Safety & Repair - 731665																																																												
Small jobs that are less than \$600 and can be completed in a reasonable time. A permit typically is not required. A local maintenance/ handyperson can complete the jobs.																																																													
<table border="1"> <thead> <tr> <th colspan="2">Safety Devices</th> <th colspan="2">Repair Services</th> </tr> </thead> <tbody> <tr> <td>Bed Aide/Commode</td><td>Jolt Cushion</td><td>Cabinets & Countertops</td><td>Roof repair</td></tr> <tr> <td>Bells/Whistles/Monitors/Amps</td><td>Large Button Phone</td><td>Carik Tub/Toilets/Windows</td><td>Siding < 20 sq. ft.</td></tr> <tr> <td>Blood Pressure Monitors</td><td>Magnifying Glass/Sheet</td><td>Chimney</td><td>Sinks/Faucets Installed</td></tr> <tr> <td>Bottle/Jar Openers</td><td>Non-skid Tub</td><td>Elec Outlets/Switches/Cover Plates</td><td>Smoke/CO detectors Installed</td></tr> <tr> <td>Canes</td><td>Mat/Strips</td><td>Floor repair</td><td>Stairs & Handrail</td></tr> <tr> <td>Laundry/Shopping Carts</td><td>Pill Boxes</td><td>Gutter/Downdspout</td><td>Storm Doors Installed</td></tr> <tr> <td>Clapper</td><td>Power Outlet Strip</td><td>Duct work/Pipe/Water heater insulation</td><td>Supply Lines</td></tr> <tr> <td>CO Detectors</td><td>Raised Toilet Seat</td><td>Light Bulbs change</td><td>Thermostats Installed</td></tr> <tr> <td>Diapers/Pads</td><td>Reachers</td><td>Lock Sets & Dead Bolts Installed</td><td>Toilets Installed</td></tr> <tr> <td>First Aid Kits</td><td>Shower Chair/Transfer Bench</td><td>Patch < 2 sf holes in drywall/plaster</td><td>Tree Trimming</td></tr> <tr> <td>Flashling Telephones</td><td>Smoke Detector</td><td>Porch & Deck < 20 sf</td><td>Waste Lines</td></tr> <tr> <td>Flashlights/Night Lights</td><td>Talking Clock/ Watch/Keychain</td><td></td><td></td></tr> <tr> <td>Grab Bars Installed</td><td>Wheelchairs/Walkers</td><td></td><td></td></tr> <tr> <td>Handheld Showers</td><td></td><td></td><td></td></tr> </tbody> </table>		Safety Devices		Repair Services		Bed Aide/Commode	Jolt Cushion	Cabinets & Countertops	Roof repair	Bells/Whistles/Monitors/Amps	Large Button Phone	Carik Tub/Toilets/Windows	Siding < 20 sq. ft.	Blood Pressure Monitors	Magnifying Glass/Sheet	Chimney	Sinks/Faucets Installed	Bottle/Jar Openers	Non-skid Tub	Elec Outlets/Switches/Cover Plates	Smoke/CO detectors Installed	Canes	Mat/Strips	Floor repair	Stairs & Handrail	Laundry/Shopping Carts	Pill Boxes	Gutter/Downdspout	Storm Doors Installed	Clapper	Power Outlet Strip	Duct work/Pipe/Water heater insulation	Supply Lines	CO Detectors	Raised Toilet Seat	Light Bulbs change	Thermostats Installed	Diapers/Pads	Reachers	Lock Sets & Dead Bolts Installed	Toilets Installed	First Aid Kits	Shower Chair/Transfer Bench	Patch < 2 sf holes in drywall/plaster	Tree Trimming	Flashling Telephones	Smoke Detector	Porch & Deck < 20 sf	Waste Lines	Flashlights/Night Lights	Talking Clock/ Watch/Keychain			Grab Bars Installed	Wheelchairs/Walkers			Handheld Showers			
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Housekeeping - 730880																																																													
Projects to clean the interior of a home.																																																													
Yard Services - 732170																																																													
Lawn service, snow removal, spring/fall yard clean up, gutter cleaning, tree trimming, and dangerous tree																																																													
Authority	24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)																																																												
Environmental Code	Exempt																																																												
Project Delivery Costs	Project Service Delivery Costs Including staff timesheets, other direct costs, and service costs directly related to carrying out this activity are eligible. Cost reasonableness standards apply.																																																												
Notes	This activity can be designed to serve clients who are presumed benefit, income qualified or clients who are presumed benefit and income qualified. Communities must develop an application and advertise availability of services. A current PERSON DBA REPORT must be submitted with each invoice which indicates the income eligibility or presumed benefit eligibility of clients served. Supporting documentation must be provided to the County to receive reimbursement. If an agency is hired to administer the activity, contracts must be executed specifying services, duration, cost, etc.																																																												
National Objective Codes	Contact Planning & Evaluation at (248) 858-5312 to determine National Objective. Options include: LMC -- Low-income limited clientele benefit: activities that benefit a limited clientele, at least 51% of which are low-income.																																																												
Accomplishment Type	People																																																												
Performance Objective	Suitable Living Environment																																																												
Performance Outcome	Improved Availability/Accessibility																																																												

#7

RESOLUTION

RESOLUTION AUTHORIZING ENTRY OF STATE LOCAL GOVERNMENT
INTRASTATE AGREEMENT CONCERNING ALLOCATION OF
SETTLEMENT PROCEEDS IN THE NATIONAL OPIOIDS LITIGATION

WHEREAS, the City of Pontiac filed a lawsuit in the United States District Court to address the public nuisance that is the Opioid Epidemic, which named, among other companies, the following four Defendants (“Settling Defendants”):

1. Janssen Pharmaceuticals, Inc. (a prescription opioids manufacturer);
2. Amerisource Bergen Corp. (a prescription opioids wholesaler distributor);
3. Cardinal Health, Inc. (a prescription opioids wholesaler distributor); and
4. McKesson Corporation (a prescription opioids wholesaler distributor)

AND WHEREAS the lawsuit was subsequently transferred to the United States District Court in the Northern District of Ohio and centralized as part of *In re National Prescription Opiate Litigation*, MDL 2804; Case No. 1:17-md-2804, which is presided over by the Honorable Dan Aaron Polster, United State Federal District Court Judge;

AND WHEREAS the Settling Defendants have negotiated proposed national settlement agreements (“Proposed Settlements”) with the State Attorneys General, and a Plaintiff Executive Committee-designated negotiating committee that represents approximately 4,000 local governments that have brought lawsuits similar to City of Pontiac’s lawsuit;

AND WHEREAS the Proposed Settlements contain a “default” allocation method where settlement funds that are allocated to a particular state to resolve the claims asserted by state and local governments within that state are allocated as follows:

- 15% of settlement proceeds paid under the Proposed Settlements are allocable to the State;
- 15% of the settlement proceeds are allocable to local governments; and
- 70% of the settlement proceeds are allocable to an opioid abatement fund;

AND WHEREAS the Proposed Settlements enable the state and local governments within a State to negotiate alternative allocation methods to the “default” allocation method referenced above;

AND WHEREAS THE City of Pontiac desires to enter into an alternative allocation method which allocates settlement funds solely to:

1. Participating Local Governments who have elected to participate in the Proposed Settlements; and
2. the State of Michigan.

NOW THEREFORE, The City of Pontiac authorizes the execution of a Michigan State-Subdivision Agreement For Allocation of Distributor Settlement Agreement and Janssen Settlement Agreement substantially similar to the proposed agreement attached to this resolution. The City of Pontiac also authorizes execution of a similar state-subdivision agreement to the extent that it provides a substantially similar allocation of settlement or bankruptcy proceeds obtained from opioids litigation with any other entity.

MICHIGAN STATE-SUBDIVISION AGREEMENT FOR ALLOCATION OF DISTRIBUTOR SETTLEMENT AGREEMENT AND JANSSEN SETTLEMENT AGREEMENT

The People of the State of Michigan and its communities have been harmed by misfeasance, nonfeasance, and malfeasance committed by certain entities within the pharmaceutical industry. The conduct of such Pharmaceutical Entities has caused, or contributed to the existence of, a public nuisance associated with the opioid public health epidemic.

The State, through its Attorney General, and Litigating Local Governments, through their elected representatives and counsel, are separately engaged in litigation seeking to hold the Pharmaceutical Entities accountable for the damage caused by their misfeasance, nonfeasance, and malfeasance by imposing the equitable remedy of nuisance abatement. The State and Litigating Local Governments litigated their claims in their proprietary, sovereign, and quasi-sovereign capacities.

To allocate monetary payments received from these Pharmaceutical Entities, the State and Litigating Local Governments agree to the following State-Subdivision Agreement:

I. Definitions

As used in this Agreement:

- A. "Administrative Fund" is 0.3% of the Local Government Share.
- B. "Actual Attorney Fees" are the aggregate contingent fees paid to a Local Litigating Attorney for work performed for a Litigating Local Government for the Settlements and associated litigation, based on a Litigating Local Government's Actual Total Recovery. This does not include any fee payments for common benefit work as defined by the Settlements.

- C. "Actual Total Recovery" is the aggregated monetary recovery that a Litigating Local Government receives, based on that Litigating Local Government's Final Allocation Percentage and aggregate Local Government Share.
- D. "Agreement" is this State-Subdivision Agreement.
- E. "De minimis-share Local Government" is a Participating Local Government whose Final Allocation Percentage is less than .0023%.
- F. "Final Allocation Percentage" is a Participating Local Government's Allocation Percentage as modified by the Litigation Adjustment. Attached as Exhibit A is an estimated projection of the Final Allocation Percentage for each Local Government, assuming that all Local Governments elect to participate in the Settlement.
- G. "Litigating Local Government Attorneys" are the law firms who were retained by the Litigating Local Governments.
- H. "Litigating Local Government Attorney Fee Fund" ("LLGAFF") is an annually adjusted percentage of the Local Government Share set aside for Projected Attorney Fee installment payments.
- I. "Litigating Local Governments" are the entities located in the geographical boundaries of the State of Michigan that are listed in Exhibit C of the Settlements.
- J. "Litigation Adjustment" is the adjusted component distributed to Litigating Local Governments in recognition of the commitment of time, resources, and assumption of risk in litigation.
- K. "Local Government Share" is the portion of the Settlement Payments payable to Participating Local Governments pursuant to this Agreement.

- L. "Local Governments" are the entities located within the geographic boundaries of the State of Michigan and identified in Exhibit C or G of the Settlements.
- M. "National Contingency Fee Fund" is the Contingency Fee Fund established and defined by Exhibit R of the Settlements.
- N. "National Fund Administrator" is the Settlement Fund Administrator as defined by the Settlements.
- O. "Neutral Special Master" is an independent mediator selected by the State.
- P. "Opioid Remediation" is the term as defined by the Settlements.
- Q. "Participating Local Governments" are the Local Governments who have signed a Participation Agreement in the Settlements.
- R. "Parties" are the State and the Litigating Local Governments. The singular word "Party" shall mean either the State or Litigating Local Governments.
- S. "Pharmaceutical Entities" are the "Released Entities" as defined by the Settlements.
- T. "Preliminary Allocation Percentage" is the percentage listed for a Participating Local Government in Exhibit G of the Distributor Settlement Agreement.
- U. "Projected Attorney Fees" are the anticipated contingent fees paid to a Litigating Local Government Attorney for work performed for a Litigating Local Government for the Settlements and associated litigation, based on a Litigating Local Government's Projected Total Recovery. This does not include any fee payments for common benefit work as defined by the Settlements.

- V. "Projected Total Recovery" is the aggregated monetary recovery that a Litigating Local Government is projected to receive based on that Litigating Local Government's Final Allocation Percentage and aggregate Local Government Share.
- W. "Settlements" are the Distributor Settlement Agreement and Janssen Settlement Agreement.
- X. "Settlement Payments" are scheduled monetary payments received through the Settlements.
- Y. "Special Circumstance Fund" is 5% of the Local Government Share.
- Z. "State" is the State of Michigan acting through its Attorney General or her designees.
- AA. "State Share" is the portion of the Settlement Payments payable to the State pursuant to this Agreement.

II. Terms

1. Participation in Settlements: The Parties agree that Litigating Local Governments, to participate in the Settlements, will execute a Participation Agreement.
2. Opioid Remediation: All Settlement Payments shall be utilized by Participating Local Governments and the State for Opioid Remediation, except as otherwise allowed by the Settlements. A minimum of 70% of Settlement Payments must be used solely for future Opioid Remediation.

3. Distribution: Settlement Payments are allocated as follows:
 - 50% of Settlement Payments to the Local Government Share
 - 50% of Settlement Payments to the State Share
4. Local Government Share Offset: Prior to Participating Local Governments receiving their Final Allocation Percentage of the Local Government Share, amounts will be deducted for the following funds:
 - Administrative Fund
 - Litigating Local Government Attorney Fee Fund
 - Special Circumstance Fund
5. Litigation Adjustment: The Parties recognize that the Litigating Local Governments expended time, resources, and assumed risk in the pursuit of litigation against the Pharmaceutical Entities. In recognition of this commitment and contribution to a Settlement, the Litigating Local Governments are entitled to a Litigation Adjustment of an additional percentage of their Preliminary Allocation Percentage, as follows:
 - 16% for Litigating Local Governments that served as a bellwether or filed suit in 2017
 - 12% for Litigating Local Governments that filed suit in 2018
 - 8% for Litigating Local Governments that filed suit in 2019
6. Accelerated Participation Payments: Prior to the distribution of the State Share, the National Fund Administrator shall allocate the Projected Total Recovery for all De minimis-share Local Governments from the State Share to those De minimis-share Local Governments. This allocation shall be made in the first Settlement Payment. In subsequent

Settlement Payments, the National Fund Administrator shall direct distributions of all De minimis-share Local Governments to the State Share.

7. Non-Participant Reallocation: If a non-county Local Government does not participate in the Settlements, then that non-county Local Government's share shall revert to the county(ies) in which it is located. If a county Local Government does not participate in the Settlements, that county's share shall be reallocated to the Participating Local Governments.
8. Attorney Costs: To the extent that Litigating Local Government Attorneys receive cost reimbursement from the National Contingency Fee Fund, then such reimbursed costs shall be deducted from any remaining entitlement to costs as provided under individual retention agreements.
9. Attorney Fees:
 - a. Attorney fee payments are only paid in years where Settlement Payments received are greater than \$0.00.
 - b. Projected Attorney Fees shall be calculated as 15% of a Litigating Local Government's Projected Total Recovery. Projected Attorney Fees shall be paid in installments over the first seven Settlement Payments.
 - c. Litigating Local Government Attorneys must apply to the National Contingency Fee Fund and seek the maximum annual allowable contribution to their fee. To the extent that a Litigating Local Government Attorney applies to the National Attorney Contingency Fee Fund and the National Attorney Contingency Fee Fund does not pay the Projected Attorney Fee annual installment payment, the LLGAFF shall pay the deficiency for that year. If a Litigating Local Government Attorney does not apply to the National

Attorney Contingency Fee Fund, the LLGAFF shall not pay any deficiency.

- d. Actual Attorney Fees shall be no greater than 15% of a Litigating Local Government's Actual Total Recovery.
 - e. If a Litigating Local Government's Actual Total Recovery is less than the Projected Total Recovery, the Litigating Local Government Attorney shall return the amount received that is greater than 15% of the Litigating Local Government's Actual Total Recovery.
10. Special Circumstance Fund: Applications to receive additional funding for any local impact of the opioid epidemic that is not captured by a Local Government's Allocation Percentage may be submitted to the Neutral Special Master for consideration. The Neutral Special Master will decide the additional funding to be paid, if any, to all applicants on an application-by-application basis. Any additional funding allocated under this paragraph shall only be paid from the Special Circumstance Fund. Initial applications to the Special Circumstance Fund shall be made by March 30, 2022 and reviewed for allocation determination by the Neutral Special Master. The allocation decisions of the Neutral Special Master shall be final and not appealable. Notwithstanding the foregoing, Local Governments may submit applications to revise the Special Circumstance Fund allocation determinations on March 29, 2030 to reflect changes in circumstances, and the Neutral Special Master may prospectively adjust the allocation of the Special Circumstance Fund at that time. Local Governments are limited to one application prior to March 30, 2022 and one subsequent application on March 29, 2030. Application to the Special Circumstance Fund may not be made with the express purpose of offsetting the Litigation Adjustment. The Neutral Special Master shall be paid solely from the Administrative Fund.

11. Allocation of Remaining Local Government Share: The remainder of the Local Government Share after offsets shall be distributed to Participating Local Governments in accordance with each Participating Local Government's Final Allocation Percentage.
12. Escrow Agent: An Escrow Agent shall be agreed upon by the State and a majority of the Litigating Local Governments to administer the distribution of the Local Government Share and all funds contained within it pursuant to this Agreement. The Escrow Agent shall be entitled to a reasonable fee for its services, which shall be paid solely from the Administrative Fund. Alternatively, the Parties may explore whether the Escrow Agent's role can be fulfilled by the Settlement Fund Administrator as that term is defined in the Settlements.
13. Reversion to Local Government Share:
 - a. Any amounts remaining in the Administrative Fund shall remain in such fund until all anticipated administrative costs associated with implementation of this Agreement have been paid, after which any remaining funds may revert to the Local Government Share for distribution to Participating Local Governments in accordance with their Final Allocation Percentage.
 - b. Any amounts remaining in the LLGAFF after paying the Projected Attorney Fee installment payment shall revert to the Local Government Share for distribution to Participating Local Governments in accordance with their Final Allocation Percentage. Any amount reverted to the Local Government Share shall be distributed no later than the next Settlement Payment.

III. Other Terms and Conditions

1. Governing Law and Venue: This Agreement will be governed by the laws of the State of Michigan. Any and all litigation arising under this Agreement, unless otherwise specified in this Agreement, will be instituted in a State court in Michigan
2. Modification: This Agreement may only be modified by a written amendment between the Parties. No promises or agreements made subsequent to the execution of this Agreement shall be binding unless reduced to writing and signed by the Parties.
3. Execution in Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute this Agreement.
4. Assignment: The rights granted in this Agreement may not be assigned or transferred by any Party without the prior written approval of all the Parties. No Party shall be permitted to delegate its responsibilities or obligations under this Agreement without the prior written approval of all the Parties.
5. Additional Documents: The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be reasonably necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement.
6. Captions: The captions contained in this Agreement are for convenience only and shall in no way define, limit, extend, or describe the scope of this Agreement or any part of it.

7. Entire Agreement: This Agreement, including any attachments, embodies the entire agreement of the Parties. There are no other provisions, terms, conditions, or obligations. This Agreement supersedes all previous oral or written communications, representations, or agreements on this subject.
8. Construction: The Parties mutually acknowledge and represent that they have been fully advised by their respective legal counsel of their rights and responsibilities under this Agreement. The Parties state that they have read, know, and understand the contents of this Agreement. The Parties state that they have voluntarily executed this Agreement. This Agreement was drafted jointly by the Parties and shall not be construed for or against any Party.
9. Capacity to Execute Agreement: The Parties represent and warrant that the individuals signing this Agreement on their behalf are authorized and fully competent to do so.

<SIGNATURES>

City of Pontiac, Michigan

By: _____

Its: Mayor, Executive Office
Dr. Deirdre Waterman
47450 Woodward Avenue
Pontiac, MI 48342

NAPOLI SHKOLNIK

Shayna E. Sacks
SSacks@NapoliLaw.com
Napoli Shkolnik PLLC
360 Lexington Ave.
11th Floor
New York, New York 10017
Tel: (212) 397-1000
Attorneys for City of Pontiac, Michigan

Exhibit A - Allocation Percentages

Political Subdivision	Final Allocation Percentage
Ada Township	0.0040980766%
Adrian City	0.0318054564%
Alcona County	0.0934628519%
Alger County	0.0879524654%
Algoma Township	0.0016421543%
Allegan County	0.4323330679%
Allen Park City	0.0601411770%
Allendale Charter Township	0.0043522954%
Alpena County	0.3552561989%
Alpine Charter Township	0.0014228756%
Ann Arbor City	0.2592163909%
Antrim County	0.2666721978%
Antwerp Township	0.0007349044%
Arenac County	0.1805501797%
Auburn Hills City	0.0658582130%
Bangor Charter Township	0.0061135845%
Baraga County	0.0830044643%
Barry County	0.2422860613%
Bath Charter Township	0.0301042109%
Battle Creek City	0.1915872718%
Bay City	0.0642299593%
Bay County	1.1889724404%
Bedford Township	0.0230882785%
Benton Charter Township	0.0507683481%
Benzie County	0.1559706330%
Berkley City	0.0200860024%
Berrien County	1.4352988277%
Beverly Hills Village	0.0257433002%
Big Rapids City	0.0137142726%
Birmingham City	0.0576940575%
Bloomfield Charter Township	0.1340520076%
Branch County	0.3823014417%
Brandon Charter Township	0.0167020041%
Brighton Township	0.0005665104%

Exhibit A - Allocation Percentages

Brownstown Charter Township	0.0579309581%
Burton City	0.0185692776%
Byron Township	0.0080353487%
Cadillac City	0.0555200623%
Caledonia Charter Township	0.0025826166%
Calhoun County	1.7844536156%
Cannon Township	0.0030991399%
Canton Charter Township	0.2635377157%
Cascade Charter Township	0.0113488946%
Cass County	0.4127448322%
Charlevoix County	0.2142854370%
Cheboygan County	0.3054117905%
Chesterfield Charter Township	0.1182320583%
Chippewa County	0.2775922568%
Clare County	0.2621981188%
Clawson City	0.0130636868%
Clinton Charter Township	0.6524306766%
Clinton County	0.5402659757%
Coldwater City	0.0072374749%
Commerce Charter Township	0.0186223712%
Comstock Charter Township	0.0079150288%
Cooper Charter Township	0.0008981589%
Crawford County	0.2886248306%
Davison Township	0.0082828501%
Dearborn City	0.2806249079%
Dearborn Heights City	0.0986697292%
Delhi Charter Township	0.0184255922%
Delta Charter Township	0.0379780271%
Delta County	0.2697497864%
Detroit City	7.3863424753%
Dewitt Charter Township	0.0344346432%
Dickinson County	0.2772924419%
East Bay Township	0.0013716447%
East Grand Rapids City	0.0194183533%
East Lansing City	0.1928769837%
Eastpointe City	0.1570715799%
Eaton County	1.0040365208%
Egelston Township	0.0055442883%
Emmet County	0.1698083804%

Exhibit A - Allocation Percentages

Emmett Charter Township	0.0076220724%
Escanaba City	0.0187485557%
Farmington City	0.0206257812%
Farmington Hills City	0.1546310773%
Fenton Charter Township	0.0017350176%
Fenton City	0.0449143938%
Ferndale City	0.0834529283%
Flat Rock City	0.0160870877%
Flint Charter Township	0.0239510097%
Flint City	2.8492786601%
Flushing Charter Township	0.0035053630%
Fort Gratiot Charter Township	0.0088419327%
Fraser City	0.0750035570%
Frenchtown Charter Township	0.0457788935%
Fruitport Charter Township	0.0121060047%
Gaines Township	0.0084203048%
Garden City	0.0337349072%
Garfield Charter Township	0.0003808273%
Genesee Charter Township	0.0121239180%
Genesee County	2.1561010650%
Genoa Township	0.0000708138%
Georgetown Charter Township	0.0067451981%
Gladwin County	0.2013726455%
Gogebic County	0.0699293035%
Grand Blanc Charter Township	0.0196505592%
Grand Haven Charter Township	0.0105599546%
Grand Haven City	0.0325642186%
Grand Rapids Charter Township	0.0035182061%
Grand Rapids City	1.3440287082%
Grand Traverse County	0.9563564239%
Grandville City	0.0260356993%
Gratiot County	0.3525166164%
Green Oak Township	0.0301262157%
Grosse Ile Township	0.0200616077%
Grosse Pointe Park City	0.0265129119%
Grosse Pointe Woods City	0.0188934726%
Hamburg Township	0.0317751657%
Hamtramck City	0.1013597973%
Harper Woods City	0.0282917552%

Exhibit A - Allocation Percentages

Harrison Charter Township	0.1197688397%
Hartland Township	0.0002731390%
Hazel Park City	0.0412048509%
Highland Charter Township	0.0164736361%
Highland Park City	0.0219082942%
Hillsdale County	0.4179671190%
Holland Charter Township	0.0163254464%
Holland City	0.0926620487%
Holly Township	0.0022940602%
Houghton County	0.2492715886%
Huron Charter Township	0.0404726230%
Huron County	0.1639464599%
Independence Charter Township	0.0461874251%
Ingham County	2.3910766467%
Inkster City	0.0934204718%
Ionia City	0.0251410877%
Ionia County	0.5298077989%
Iosco County	0.3597966842%
Iron County	0.1234776860%
Iron Mountain City	0.0102890253%
Isabella County	0.6406618264%
Jackson City	0.1975957746%
Jackson County	0.6074591273%
Kalamazoo Charter Township	0.0291115982%
Kalamazoo City	0.2119320016%
Kalamazoo County	2.1433211665%
Kalkaska County	0.0921309729%
Kent County	3.0032868710%
Kentwood City	0.0796469222%
Keweenaw County	0.0037871285%
Lake County	0.0815749450%
Lansing City	0.6157250225%
Lapeer County	0.4430252778%
Leelanau County	0.1385867126%
Lenawee County	0.8823777837%
Lenox Township	0.0062628155%
Leoni Township	0.0050881374%
Lincoln Charter Township	0.0099875466%
Lincoln Park City	0.0889079341%

Exhibit A - Allocation Percentages

Livingston County	1.4441635762%
Livonia City	0.4479733292%
Luce County	0.0715136127%
Lyon Charter Township	0.0033736180%
Mackinac County	0.0508969129%
Macomb County	8.9600573285%
Macomb Township	0.0605439472%
Madison Heights City	0.0807592241%
Manistee County	0.3495462265%
Marion Township	0.0001112788%
Marquette City	0.0175418557%
Marquette County	0.6035263853%
Mason County	0.2785765539%
Mecosta County	0.1858599007%
Melvindale City	0.0290818158%
Menominee County	0.0884253719%
Meridian Charter Township	0.0396205458%
Midland City	0.1691682290%
Midland County	0.3013229168%
Milford Charter Township	0.0035967958%
Missaukee County	0.0561166074%
Monitor Charter Township	0.0024719766%
Monroe Charter Township	0.0066999360%
Monroe City	0.1176224673%
Monroe County	1.7767020419%
Montcalm County	0.6957822208%
Montmorency County	0.0972590131%
Mount Clemens City	0.0281476309%
Mount Morris City	0.0025972301%
Mount Pleasant City	0.0200209338%
Mundy Charter Township	0.0084383248%
Muskegon Charter Township	0.0201938431%
Muskegon City	0.0978268063%
Muskegon County	1.9100341310%
Muskegon Heights City	0.0280047832%
New Baltimore City	0.0268850419%
Newaygo County	0.5231803758%
Niles City	0.0326416369%
Niles Township	0.0120506889%

Exhibit A - Allocation Percentages

Northville Charter Township	0.0937408906%
Norton Shores City	0.0392736699%
Novi City	0.0820256283%
Oak Park City	0.0580729408%
Oakland Charter Township	0.0153525568%
Oakland County	6.0626184934%
Oceana County	0.2437637971%
Oceola Township	0.0002023252%
Ogemaw County	0.6231242341%
Ontonagon County	0.0564869917%
Orion Charter Township	0.0271186983%
Osceola County	0.2155118172%
Oscoda County	0.0549351669%
Oshtemo Charter Township	0.0069607363%
Otsego County	0.3179200542%
Ottawa County	0.8298498275%
Owosso City	0.0335973657%
Oxford Charter Township	0.0123474418%
Park Township, Ottawa County	0.0038841157%
Pittsfield Charter Township	0.0274647747%
Plainfield Charter Township	0.0082400089%
Plymouth Charter Township	0.0346412846%
Pontiac City	0.3248494362%
Port Huron Charter Township	0.0080769667%
Port Huron City	0.1458195691%
Portage City	0.0549617576%
Presque Isle County	0.1629844003%
Redford Charter Township	0.1186198475%
Riverview City	0.0270073032%
Rochester City	0.0223385411%
Rochester Hills City	0.0378208525%
Romulus City	0.1043052795%
Roscommon County	0.4301829310%
Roseville City	0.2391396028%
Royal Oak City	0.1452731800%
Saginaw Charter Township	0.0387260972%
Saginaw City	0.2410554689%
Saginaw County	1.8697473939%
Sanilac County	0.3884578568%

Exhibit A - Allocation Percentages

Sault Ste. Marie City	0.1102859840%
Schoolcraft County	0.0441833724%
Scio Charter Township	0.0028834441%
Shelby Charter Township	0.2834603371%
Shiawassee County	0.8126027109%
South Lyon City	0.0144909867%
Southfield City	0.2201519285%
Southfield Township	0.0000622822%
Southgate City	0.0497153528%
Spring Lake Township	0.0058175162%
Springfield Charter Township	0.0025016675%
St Clair County	2.2355232712%
St Joseph County	0.2387040780%
St. Clair Shores City	0.1902094233%
Sterling Heights City	1.0160140241%
Sturgis City	0.0335373222%
Summit Township	0.0082384857%
Superior Charter Township	0.0067842962%
Taylor City	0.2106734621%
Texas Charter Township	0.0029134060%
Thomas Township	0.0071131789%
Traverse City	0.0694747561%
Trenton City	0.0269636770%
Troy City	0.1320745485%
Tuscola County	0.4964101372%
Tyrone Township	0.0053919654%
Union Charter Township	0.0000286653%
Van Buren Charter Township	0.0769290173%
Van Buren County	0.4269100635%
Vienna Charter Township	0.0048375505%
Vienna Charter Township	0.0006623336%
Walker City	0.0322973264%
Warren City	1.2684316986%
Washington Township, Macomb	0.0452626591%
Washtenaw County	2.6615246438%
Waterford Charter Township	0.1223377680%
Wayne City	0.0938476105%
Wayne County	11.8161879464%
West Bloomfield Charter Township	0.1467627621%

Exhibit A - Allocation Percentages

Westland City	0.3653110233%
Wexford County	0.3345375719%
White Lake Charter Township	0.0327604256%
Wixom City	0.0206724929%
Woodhaven City	0.0320045375%
Wyandotte City	0.0546592661%
Wyoming City	0.1429453938%
Ypsilanti Charter Township	0.0323887161%
Ypsilanti City	0.0502847087%
Zeeland Charter Township	0.0034419483%

EXHIBIT K

Subdivision Settlement Participation Form

Governmental Entity:	State:
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("*Governmental Entity*"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 ("*Distributor Settlement*"), and acting through the undersigned authorized official, hereby elects to participate in the Distributor Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Distributor Settlement, understands that all terms in this Participation Form have the meanings defined therein, and agrees that by signing this Participation Form, the Governmental Entity elects to participate in the Distributor Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, secure the dismissal with prejudice of any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Distributor Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Distributor Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Distributor Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Distributor Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Distributor Settlement.

7. The Governmental Entity has the right to enforce the Distributor Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Distributor Settlement, including, but not limited to, all provisions of Part XI, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Distributor Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Distributor Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Distributor Settlement.
10. In connection with the releases provided for in the Distributor Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Distributor Settlement.

11. Nothing herein is intended to modify in any way the terms of the Distributor Settlement, to which Governmental Entity hereby agrees. To the extent this Participation Form is interpreted differently from the Distributor Settlement in any respect, the Distributor Settlement controls.

I have all necessary power and authorization to execute this Participation Form on behalf of the Governmental Entity,

Signature: _____

Name: _____

Title: _____

Date: _____

#8

RESOLUTION

Founded in 1852
by Sidney Davy Miller



Samantha A. Kopacz
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FAX +1.248.879.2001
E-MAIL Kopacz@millercanfield.com

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840 W. Long Lake Road, Suite 150
Troy, Michigan 48098
TEL (248) 879-2000
FAX (248) 879-2001
millercanfield.com

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CHINA
MEXICO
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QATAR

November 22, 2021

Pontiac City Council
City Hall
47450 Woodward Avenue
Pontiac, Michigan 48342

**Re: Request for Approval of the VEBA Merger Agreement and Authorization to
Make Corresponding IRS Submission**

Dear Honorable Council:

As you are aware, the City of Pontiac (the "City") entered into an innovative settlement agreement on March 30, 2018 with a class of retirees ("CPREA") related to City funding of retiree health benefits in the United States District Court for the Eastern District of Michigan Case No. 2:12-cv-12830, which was given final approval by the court on November 19, 2018 (the "Settlement Agreement"). The City established (1) the City of Pontiac VEBA Trust (the "Super VEBA") on March 23, 2020; and (2) the City of Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Plan (the "P&F VEBA") on August 22, 1996. Section 7 of the Settlement Agreement requires that the P&F VEBA be merged into the Super VEBA with the Super VEBA being the surviving entity. Section 7 of the Settlement Agreement also requires the VEBA boards and City to seek a determination from the Internal Revenue Service that the merger does not affect the VEBAs tax-exempt status under Internal Revenue Code §501(c)(9). In order to effectuate the Settlement Agreement, we recommend and respectfully request that City Council adopt the enclosed proposed resolution which (1) authorizes the execution of the Merger Agreement in its proposed form; and (2) authorizes the execution and delivery of any submission to the IRS related to the Merger Agreement.

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MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

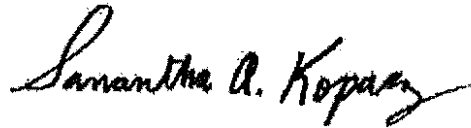
-2-

November 22, 2021

Please contact me with any questions.

Very truly yours,

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

A handwritten signature in black ink, reading "Samantha A. Kopacz". The signature is fluid and cursive, with the first name "Samantha" being more prominent and the last name "Kopacz" following in a similar style.

By: _____
Samantha A. Kopacz

Enclosures:

Merger Agreement
Resolution for the Pontiac City Council

cc: Dr. Deirdre Waterman, Mayor of City of Pontiac
John Clark, Esq.
Richard Warren, Esq.

SAK/reu
38393435.1/071371.00075

City of Pontiac

PONTIAC CITY COUNCIL

At a regular meeting of the Pontiac City Council ("City Council") held on November ____, 2021,

WHEREAS, the City entered into a settlement agreement with a class of retirees related to City funding of retiree health benefits in *City of Pontiac Retired Employees Association et. al. v. Schimmel et. al*, Docket #64-2, Case No. 2:12-cv-12830-AC-PJK dated March 30, 2018 (United States District Court Eastern District of Michigan), which was given final approval by the court on November 19, 2018 (the "Settlement Agreement");

WHEREAS, the City of Pontiac, Michigan (the "City") established the City of Pontiac VEBA Trust (the "Super VEBA") on March 23, 2020;

WHEREAS, the City established the City of Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Plan (the "P&F VEBA") on August 22, 1996;

WHEREAS, the Internal Revenue Service has issued determination letters indicating that both the Super VEBA and P&F VEBA are exempt from federal income taxation under Code §501(c)(9);

WHEREAS, Section 7 of the Settlement Agreement requires that the P&F VEBA be merged into the Super VEBA with the Super VEBA being the surviving entity;

WHEREAS, the City Council has been provided the proposed merger agreement to be entered into by and between the Super VEBA, the P&F VEBA, and the City, effective as of January 31, 2022 (the "Merger Agreement").

WHEREAS, the City Council has reviewed and discussed the Merger Agreement; and

WHEREAS, to effectuate the terms of the Settlement Agreement, the following resolutions are hereby adopted;

RESOLVED, that the Merger Agreement is approved in its proposed substantive form;

FURTHER RESOLVED, that Dr. Deirdre Waterman, Mayor of the City of Pontiac, is directed and authorized to (1) execute the Merger Agreement on behalf of the City; and (2) execute and direct legal counsel to make any submissions to the Internal Revenue Service on behalf of the City related to approval of the Merger Agreement by the Internal Revenue Service pursuant to the terms of the Settlement Agreement ("IRS Submission"); and

FURTHER RESOLVED, that the filing fees associated with any IRS Submission are authorized to be paid to the Internal Revenue Service by the City.

MERGER AGREEMENT

This Merger Agreement is entered into by and between the City of Pontiac VEBA Trust, the City of Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Plan, and the City of Pontiac, effective as of January 31, 2022.

WHEREAS, the City of Pontiac, Michigan (the "City") established the City of Pontiac VEBA Trust (the "Super VEBA") on March 23, 2020;

WHEREAS, the Internal Revenue Service issued a determination letter on August 10, 2020, indicating that the Super VEBA is exempt from federal income taxation under Code §501(c)(9) effective March 23, 2020;

WHEREAS, the City established the City of Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Plan (the "P&F VEBA") on August 22, 1996;

WHEREAS, the Internal Revenue Service issued determination letters on September 22, 1997, and October 19, 2021, indicating that the P&F VEBA is exempt from federal income taxation under Code §501(c)(9);

WHEREAS, the City entered into a settlement agreement with a class of retirees related to City funding of retiree health benefits in *City of Pontiac Retired Employees Association et. al. v. Schimmel et. al*, Docket #64-2, Case No. 2:12-cv-12830-AC-PJK dated March 30, 2018 (United States District Court Eastern District of Michigan), which was given final approval by the court on November 19, 2018 (the "Settlement Agreement");

WHEREAS, Settlement Agreement §7 directs the P&F VEBA to merge into the Super VEBA with the Super VEBA being the surviving entity;

WHEREAS, Settlement Agreement §7 directs that after the merger, the former P&F VEBA members shall receive retiree health benefits under the terms and provisions of the Super VEBA;

WHEREAS, article 10 of the Super VEBA Trust Agreement generally permits the provisions of such trust agreement to be amended to the extent such amendment is not inconsistent with the Settlement Agreement and does not adversely affect the tax exempt status of the Super VEBA;

WHEREAS, article X of the P&F VEBA Trust Agreement generally permits the provisions of such trust agreement to be amended to the extent such amendment does not adversely affect the tax exempt status of the P&F VEBA;

WHEREAS, the City, the P&F VEBA Trustees, and Super VEBA Trustees have also determined that the merger of the two VEBAs will facilitate coordination of benefits and administrative and cost efficiencies and will be in the best interest of the City, the P&F VEBA, the Super VEBA, and members and beneficiaries of the two VEBAs;

WHEREAS, on [November 30], 2021, the Pontiac City Council approved a resolution authorizing the adoption of this Merger Agreement in order to effectuate the terms of Settlement Agreement §7;

WHEREAS, on November 19, 2021, the P&F VEBA Trustees approved a resolution authorizing the adoption of this Merger Agreement in order to effectuate the terms of Settlement Agreement §7; and

WHEREAS, on November 18, 2021, the Super VEBA Trustees approved a resolution authorizing the adoption of this Merger Agreement in order to effectuate the terms of Settlement Agreement §7.

NOW THEREFORE, in order to effectuate the merger of the P&F VEBA into the Super VEBA, the parties hereby agree as follows in this Merger Agreement.

ARTICLE 1 DEFINITIONS

The following definitions shall govern the following terms when used in this Merger Agreement, unless otherwise specifically required by the context:

“City” means the City of Pontiac, Michigan.

“Code” means the Internal Revenue Code of 1986, as may be amended from time to time.

“CPREA” means the representative party in *City of Pontiac Retired Employees Association et. al. v. Schimmel et. al*, Docket #64-2, Case No. 2:12-cv-12830-AC-PJK (United States District Court Eastern District of Michigan).

“Effective Date” means January 31, 2022.

“Funds Transfer Date” has the meaning set forth in Section 2.1.

“IRS Approval” means a favorable determination by the Internal Revenue Service that this merger of the P&F VEBA into the Super VEBA will not affect either VEBA’s tax-exempt status.

“P&F VEBA” means the City of Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Plan.

“P&F VEBA Group” means the members, eligible deferred vested members, retirants, and beneficiaries who have an interest in the P&F VEBA as of the date immediately prior to the Effective Date.

“P&F VEBA Trust Agreement” means the Declaration of Trust and Agreement of the City of Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Plan.

"P&F VEBA Trustees" means the board of trustees for the P&F VEBA.

"Settlement Agreement" has the meaning set forth in the preamble. The Settlement Agreement (along with the November 19, 2018 court order approving the Settlement Agreement) is attached to this Merger Agreement as Exhibit A.

"Super VEBA" means the City of Pontiac VEBA Trust.

"Super VEBA Trust Agreement" mean the City of Pontiac VEBA Declaratory Trust Agreement.

"Super VEBA Trustees" means the board of trustees for the Super VEBA.

ARTICLE 2 MERGER, TRANSFER, AND ASSIGNMENT

2.1 Merger of Assets and Transfer of Funds. Pursuant to the requirements of Settlement Agreement §7, the P&F VEBA is hereby merged with and into the Super VEBA (with the Super VEBA continuing as the surviving entity) as of the Effective Date. Subject to the terms and conditions set forth within this Merger Agreement and upon IRS Approval, the P&F VEBA Trustees are directed to effectuate the actual transfer of funds from the P&F VEBA into the Super VEBA as follows:

(a) As soon as administratively feasible after the Effective Date and IRS Approval, the P&F VEBA Trustees shall assign, transfer, and/or convey all of the P&F VEBA assets to the Super VEBA in the form directed in writing by the Super VEBA Trustees ("Funds Transfer Date") in order to provide retiree health benefits to the P&F VEBA Group in accordance with the terms of the Settlement Agreement. With respect to any contribution which had accrued but has not been paid to the P&F VEBA as of the Effective Date, the P&F VEBA Trustees shall direct the party responsible for such contribution to remit the contribution as soon as administratively feasible to the Super VEBA.

(b) Assets shall be increased by earnings or gains and decreased by expenses or losses on such funds in the P&F VEBA between the Effective Date and the Fund Transfer Date. Thereafter, the assets shall be credited with investment gains and losses and earnings and expenses in the same manner as are the comparable accounts in the Super VEBA.

(c) All obligations and liabilities of the P&F VEBA existing on the Effective Date, including continuation of payment of retiree health benefits as described in the Settlement Agreement, are transferred to, assumed by, and made obligations and liabilities of the Super VEBA upon transfer of substantially all of the P&F VEBA assets to the Super VEBA.

(d) Following the merger and transfer of assets from the P&F VEBA into the Super VEBA, the Super VEBA Trustees shall administer the resulting combined merged VEBA pursuant to the terms of the Super VEBA and Settlement Agreement.

Benefits provided under the Super VEBA are meant to replace the benefits which would have otherwise been available to the P&F VEBA Group had the P&F VEBA's assets not been transferred to and liabilities assumed by the Super VEBA. In no event shall the P&F VEBA Group receive duplicative benefits under both the P&F VEBA and the Super VEBA.

2.2 Assumption of Liabilities on Merger. As of the Funds Transfer Date, the liability for the P&F VEBA Group shall become the liability of the Super VEBA, and the P&F VEBA (including its administrator, fiduciaries, trustees and other individuals and entities responsible for its administration) shall thereafter have no responsibility or obligation with respect to such transferred account balances. Concurrent with the merger, the Super VEBA assumes all obligations and liabilities for benefits to the P&F VEBA Group, and discharges the P&F VEBA and its fiduciaries from such obligations and liabilities, except to the extent that such remaining liability is attributable to actions, or omissions to act, by the administrator of the P&F VEBA, P&F VEBA Trustees, or their authorized representatives and/or other service providers, prior to the actual Funds Transfer Date.

This Merger Agreement shall represent a removal of the P&F VEBA Trustees and the appointment of the Super VEBA Trustees as the P&F VEBA Trustees' successor for purposes of the merged assets. The P&F VEBA Trustees are directed to take any action that is necessary to liquidate or assign (as directed in writing by the Super VEBA Trustees) the investments of the P&F VEBA, to account for such assets, and to transfer such assets to the Super VEBA Trustees. Notwithstanding the foregoing, neither the Super VEBA nor the Super VEBA Trustees shall be liable for actions or omissions to act in relation to the P&F VEBA and its assets that occurred prior to the Effective Date, except to the extent that any such Super VEBA Trustees were also P&F VEBA Trustees prior to the Effective Date.

Notwithstanding the foregoing, the P&F VEBA Trustees shall assist the Super VEBA Trustees in any and all actions to fully winddown the operations of the P&F VEBA and to transfer the assets of the P&F VEBA to the Super VEBA.

2.3 Transfer of Ownership. As soon as administratively feasible on or after the Effective Date, the P&F VEBA Trustees are directed to deliver to the Super VEBA Trustees all of the books, records, and documents of the P&F VEBA pertaining to, the interests, assets, and liabilities transferred from the P&F VEBA to the Super VEBA, together with all such documentation, fully executed, as may be necessary to permit the transfer / assignment of title, registration or other indicia of ownership to the Super VEBA of all assets transferred / assigned. The Super VEBA Trustees shall be directed to accept the same.

2.4 Books and Records. As soon as administratively feasible on or after the Effective Date, the administrator of the P&F VEBA is directed to deliver to the administrator of the Super VEBA all of the books, records, and documents of the P&F VEBA relating to the P&F VEBA Group whose interests have been merged into the Super VEBA. The P&F VEBA Trustees shall ensure that all records necessary to meet the recordkeeping requirements of Treasury Regulation §1.501(c)(9)-5 as related to the P&F VEBA are so transferred.

2.5 **Eligibility of P&F VEBA Group to Participate in the Super VEBA After Merger.** Each person who falls within the definition of the P&F VEBA Group shall automatically become, continue as, or have a deferred vested right to become a member of the Super VEBA as of the Effective Date. The terms and provisions of the Super VEBA, as it may be amended from time to time, shall apply to the P&F VEBA Group after the Effective Date.

Each member of the P&F VEBA Group who had years of service credited under the P&F VEBA shall have that service apply for each purpose under the Super VEBA, including but not limited to, eligibility to participate, and entitlement to benefits, rights and features.

All elections, waiver, consents, designations, directions, and other exercises of rights and privileges under the P&F VEBA shall be deemed effective and applicable with respect to the Super VEBA until otherwise modified or terminated.

As of February 1, 2022 (or such date the Super VEBA health plans become effective, if later), non-deferred members of the P&F VEBA Group shall become eligible to participate in the Super VEBA health plans. The participants in the Super VEBA health plans prior to the Effective Date shall continue to receive benefits under the Super VEBA health plans.

ARTICLE 3 COMPLIANCE WITH STATUTORY PROVISIONS

3.1 **Applicable Code Requirements.** As of the Effective Date, the assets and liabilities of the P&F VEBA related to any individual in the P&F VEBA Group shall be merged into the Super VEBA in a transaction satisfying all applicable requirements of Code §501(c)(9) and its implementing regulations. The methodology utilized to provide benefits to beneficiaries to calculate the amount of assets to be transferred to the Super VEBA shall be consistent with the requirements of Code §501(c)(9) so as not to affect the tax exempt status of the Super VEBA or the P&F VEBA (as of its termination). The assets transfer by the P&F VEBA will not be used to benefit the City in any manner other than through any incidental cost savings and efficiencies it may enjoy through a simplified structure. The City will have no right to receive any funds that are transferred from the P&F VEBA to the Super VEBA. All of the transferred assets shall be used for the exclusive purpose of providing funding for retiree health benefits as specifically set forth in the Super VEBA Trust Agreement and as required by the Settlement Agreement. No part of the net earnings of the Super VEBA prior to or after the Effective Date shall inure, other than by payment of benefits described in the Super VEBA Trust Agreement (as permitted by Treasury Regulation §1.501(c)(9)-3), to the benefit of any private shareholder or individual.

ARTICLE 4 MISCELLANEOUS

4.1 **Expenses.** Each party to this Merger Agreement shall bear its own expenses incurred in connection with the negotiation and consummation of the transactions contemplated under this Merger Agreement.

4.2 Binding Effect. This Merger Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

4.3 Complete Agreement. This Merger Agreement represents the entire agreement of the parties, and supersedes any and all prior or contemporaneous agreements, concerning this subject matter, whether written, unwritten, express or implied. The parties acknowledge that there are no oral representations, understandings, or agreements relating to this Merger Agreement which are not fully expressed herein.

4.4 Severability. Any provision of this Merger Agreement which is determined to be invalid or unenforceable, shall not affect the remainder of this Merger Agreement, which shall remain in effect, unless the removal of the invalid or unenforceable provision would substantially defeat the basic intent, purpose and spirit of this Merger Agreement.

4.5 Applicable Law. This Merger Agreement shall be construed and enforced according to the laws of the State of Michigan, to the extent that federal law does not control.

4.6 Counterparts. This Merger Agreement may be executed in multiple counterparts all of which shall be deemed originals.

4.7 Amendment of VEBA Trust Agreements. This Merger Agreement shall serve as an amendment to the Super VEBA Trust Agreement and the P&F VEBA Trust Agreement.

4.8 Notice to City, Trustees, and CPREA. A copy of this Merger Agreement shall be provided to the P&F VEBA Trustees, the Super VEBA Trustees, the City, and CPREA to confirm to such persons that the merger of the P&F VEBA into the Super VEBA has been authorized, and to direct that the assets in possession of the P&F VEBA Trustees be transferred to the Super VEBA Trustees as soon as administratively feasible following the Effective Date and IRS Approval.

4.9 Further Assurances. The parties agree to execute such other instruments, including any necessary amendments to the P&F VEBA and Super VEBA, and to perform such other acts as may be necessary and proper to effectuate the intent of this Merger Agreement.

4.10 Valuation. The annual valuation of the Super VEBA shall be made by the Super VEBA Trustees on the combined balances in the Super VEBA after the transfer of assets and liabilities from the P&F VEBA has occurred.

IN WITNESS WHEREOF, the parties have caused this instrument to be signed and/or executed by duly authorized officers of the City of Pontiac VEBA Trust, the City of Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Plan, and the City.

DRAFT 11-22-21

City of Pontiac VEBA Trust

By: Claudia Filler
Its: Chairperson

Dated: _____, 2021

City of Pontiac Police and Fire Retiree Prefunded Group Health and Insurance Plan

By: Matthew Nye
Its: Chairman

Dated: _____, 2021

City of Pontiac

By: Dr. Deirdre Waterman
Its: Mayor

Dated: _____, 2021

DRAFT 11-22-21

EXHIBIT A

SETTLEMENT AGREEMENT & COURT APPROVAL

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DRAFT 11/22/21

#9

**Mayoral
Monthly
Report**



Mayor Deirdre Waterman

City of Pontiac, Michigan

Human Resources Department

To: Honorable Mayor, Council President, and City Council Members
From: Sabrina Kirtz, HR Manager
Date: November, 30, 2021
Re: November New Hire Report

Last Name	First Name	Hire Date	Job Title	Department
Bawa	Sekar	11/08/2021	Deputy Finance Director	Finance
Pelland	Drew	11/29/2021	Labor I	DPW