

## **NOTICE OF PONTIAC CITY COUNCIL MEETING**

**May 18, 2021**

**at 6:00 p.m.**

### **THE MEETING WILL BE HELD ELECTRONICALLY**

The City Council of the City of Pontiac will hold a Study Session on May 18, 2021 at 6:00 p.m. This meeting will be held electronically as allowed by the amended Open Meetings Act and in compliance with the City of Pontiac Electronic Meeting Policy. The agenda for the Study Session is attached. The Pontiac City Council gives notice of the following:

1. **Procedures.** The meeting will be conducted on zoom.us.

When: May 18, 2021 06:00 PM Eastern Time (U.S.A.)

Topic: 226<sup>th</sup> Session of the 10<sup>th</sup> Council

Please click the link below to join the webinar:

<https://zoom.us/j/98405471974?pwd=aGxVa0Jib1dFTTI5NGV5eVlwZ3pKdz09>

Passcode: 016635

Or Telephone:

Dial 1 312 626 6799

Webinar ID: 984 0547 1974

Passcode: 016635

**The public may view the meeting electronically through**

**<http://pontiac.mi.us/council/pontiacvtv/index.php>**

2. **Public Comment.** For individuals who desire to make a public comment, please log onto the meeting using the zoom meeting link above. When the City Council reaches the public comment portion of the meeting, please raise your hand if you wish to speak during public comment. When your name is called, please unmute yourself and you will be given three minutes to speak. If you are accessing the meeting by phone, the Council President will ask are there any members of the public who are joining the meeting by phone who would like to make a public comment. Public comments are limited to three (3) minutes.

3. **Persons with Disabilities.** Persons with disabilities may participate in the meeting through the methods set forth in paragraph 2. Individuals with disabilities requiring auxiliary aids or services in order to attend electronically should notify the Interim City Clerk, Garland Doyle at (248) 758-3200 or [clerk@pontiac.mi.us](mailto:clerk@pontiac.mi.us) at least 24 hours in advance of the meeting.

Dated 5-14-2021, 5:00 p.m.

Garland S. Doyle, Interim City Clerk

City of Pontiac

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

# 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."*

Website: <http://pontiaccityclerk.com/city-council-meetings>

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

## STUDY SESSION

May 18, 2021

6:00 P.M.

226<sup>th</sup> Session of the 10<sup>th</sup> Council

Call to order

Roll Call

Authorization to Excuse Councilmembers

Approval of the Agenda

Approval of the Minutes

1. May 11, 2021

Public Comment

Agenda Items

Resolutions

City Council

2. Resolution for the closure of City Council Chambers

Community and Economic Development

3. Resolution to reprogram HOME Consortium funding in the amount of \$250,000.00 from the Carriage Circle Project to the following recommended Community Development Block Grant (CDBG) Program year 2020 projects: Senior Center Facilities \$125,000; Youth Services \$15,000; and Sidewalks \$110,000. **(Prior to the Council approving the resolution, a public hearing will need to be set and it will need to be determine if you can reprogram HOME funds to CDBG projects.)**
4. Resolution to approve a contract between the City of Pontiac and Phillip Clay/Ghebre Selassie to serve as to serve as advisors to assess the need and requirements for the City to resume federal aid and foundation grant administration not to exceed \$65,000.00. **(The City received a \$100,000 grant from the Community Foundation for Southeast Michigan to support the project.)**
5. Resolution to approve a contract between the City of Pontiac and BakerTilly to serve as advisors and provide training in the management of federal aid and foundation grant administration not to exceed \$65,000.00. **(The**

**City received a \$100,000 grant from the Community Foundation for Southeast Michigan to support the project.)**

**Pontiac Youth Recreation and Enrichment Center (PYREC)**

6. Resolution to approve PYREC Lease Agreement

**Treasury**

7. Resolution to approve the 2021 City Tax Millage **(The Council set the public hearing on the budget and tax rate for June 1, 2021 at 5:00 p.m. The public hearing must occur prior to Council approving the resolution.)**

**Communications**

**Human Resources**

8. Introduction of candidates for the position of Deputy Mayor **(Does Council wish to set interviews?)**
  - a. Patrick Marsh
  - b. Thomas Thomas

**Communications from the Mayor**

9. Status update on the appointment of Medical Marihuana Commissioners and approval of the Commission Rules **(The Administration stated at the Council meeting on May 4, 2021 that the Commission would have been appointed and met to approve its rules prior to the May 18, 2021 Council meeting. Has the Commission had a public meeting? When will the Council receive the Commission rules? The Clerk is awaiting the Commission rules. The Clerk has to send out information about the Commission when he issues his decision on the Cesar Chavez Hearing Officer appeals.**
10. Addendum to the Mayor's Recommended Budget for Fiscal Year 2021-2022 to include American Rescue Funding and suggested fund initiatives **(Does Council wish to add a hearing to the budget hearing schedule on American Rescue Funding?)**

**Adjournment**

**#1**

**MINUTES**

May 11, 2021 Formal

**Official Proceedings  
Pontiac City Council  
225<sup>th</sup> Session of the Tenth Council**

**Call to order**

A Formal Meeting of the City Council of Pontiac, Michigan was called to order electronically, on Tuesday, May 11, 2021 at 6:00 p.m. by Council President Kermit Williams.

**Roll Call**

<b>Members Present</b>	<b>Attendance</b>	<b>Location</b>
Carter	Remotely	Pontiac, Oakland County, MI
Miller	Remotely	Pontiac, Oakland County, MI
Shramski	Remotely	Pontiac, Oakland County, MI
Waterman	Remotely	Pontiac, Oakland County, MI
Williams	Remotely	Pontiac, Oakland County, MI

Mayor Waterman was present.  
Clerk announced a quorum.

**Excuse Councilmembers**

21-125      **Motion to excuse Councilmembers Mary Pietila and Doris Taylor-Burks for personal reasons.** Moved by Councilperson Waterman and second by Councilperson Carter.

Ayes: Miller, Shramski, Waterman, Williams and Carter

No: None

**Motion Carried**

**Amendments to the Agenda**

21-126      **Motion to remove item #3 (Special presentation for Pontiac Youth Recreation and Enrichment Center (PYREC) and defer for two weeks item #4. (Special Presentation on the Phoenix Center Deal Closing Documents)** Moved by Councilperson Waterman and second by Councilperson Miller.

Ayes: Shramski, Waterman, Williams, Carter and Miller

No: None

**Motion Carried**

Councilwoman Mary Pietila joined the meeting remotely from Pontiac, MI, Oakland County at 6:05 p.m.

**Approval of Amended Agenda**

21-127      **Motion to approve Agenda as amended.** Moved by Councilperson Waterman and second by Councilperson Carter.

Ayes: Shramski, Waterman, Williams, Carter, Miller and Pietila

No: None

**Motion Carried**

May 11, 2021 Formal

**Approval of Minutes**

21-128 **Approve meeting minutes for May 4, 2021.** Moved by Councilperson Pietila and second by Councilperson Shramski.

Ayes: Waterman, Williams, Carter, Miller, Pietila and Shramski

No: None

**Motion Carried**

**Subcommittee Report**

21-129 **Motion to receive the Subcommittee report from Department of Public Works (DPW) on April 23, 2021.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Ayes: Waterman, Williams, Carter, Miller, Pietila and Shramski

No: None

**Motion Carried**

**No Recognition of Elected Officials**

**No Agenda Address**

**Public Comment**

One (1) individual made public comment

**Resolutions**

**City Council**

21-130 **Resolution to approve City Council Budget Hearings Schedule for Fiscal Year 2022 Budget.** Moved by Councilperson Pietila and second by Councilperson Waterman. There was discussion from Councilwoman Waterman asking can we vote one time for all the Special Meetings on the Budget with one change. Move the time up to start at 9 a.m. on Wednesday, May 26, 2021. Councilwoman Pietila withdrew her motion and Councilwoman Waterman withdrew her second.

21-130 **Motion to approve City Council Budget Hearings Schedule for Fiscal Year 2022 Budget and vote on all Resolutions as one to schedule Special Meetings for Fiscal Year 2022 Budget.** Moved by Councilperson Pietila and second by Councilperson Waterman.

<b>Wednesday, May 19, 2021</b>	
Departments	Start Time
Fire (Waterford Regional)	9:30 a.m.
Public Safety (Oakland County Sheriff)	10:00 a.m.
50 <sup>th</sup> District Court	10:30 a.m.
Department of Public Works (DPW)	11:00 a.m.
<b>Thursday, May 20, 2021</b>	
Departments	Start Time
Building (Wade Trim)	9:30 a.m.
Planning/Code Enforcement	10:30 a.m.
Law (Giarmarco, Mullins and Horton)	11:30 a.m.
<b>Wednesday, May 26, 2021</b>	

May 11, 2021 Formal

Departments	Start Time
Clerk, Elections and Marihuana Regulations	9:00 a.m.
Youth Recreation	10:00 a.m.
Senior Citizens	10:30 a.m.
<b>Thursday, May 27, 2021</b>	
Departments	Start Time
Finance	10:00 a.m.
Human Resources	
Information Technology (I.T.)	
Income Tax	
Treasury	
Economic/Community Development	11:00 a.m.
Cable	11:30 a.m.

<b>Tuesday, June 1, 2021</b>	Start Time
Public Hearing on the Budget	5:00 p.m.
<b>Wednesday, June 2, 2021</b>	
Departments	Start Time
Mayor	10:00 a.m.
City Council	10:30 a.m.
City Council Budget Discussion (Proposed Adjustments to the Budget)	11:00 a.m.
<b>Thursday, June 3, 2021</b>	Start Time
City Council Budget Discussion (Proposed Adjustments to the Budget)	10:00 a.m.

Now Therefore Be It Resolved, that the City Council of the City of Pontiac approves the 2021-2022 Fiscal Year Budget Schedule.

Ayes: Carter, Miller, Pietila, Shramski, Waterman and Williams

No: None

**Resolution Passed**

21-131      **Resolution to schedule Special Meetings on the Budget for May 19, 2021 at 9:30 a.m.**  
Moved by Councilperson Pietila and second by Councilperson Waterman.

Now, Therefore Be It Resolved, that the City Council for the City of Pontiac schedules a Special Meeting on the Budget for May 19, 2021 at 9:30 a.m.

Ayes: Miller, Pietila, Shramski, Waterman, Williams and Carter

No: None

**Resolution Passed**



May 11, 2021 Formal

21-132            **Resolution to schedule Special Meetings on the Budget for May 20, 2021 at 9:30 a.m.**  
Moved by Councilperson Pietila and second by Councilperson Waterman.

Now, Therefore Be It Resolved, that the City Council for the City of Pontiac schedules a Special Meeting on the Budget for May 20, 2021 at 9:30 a.m.

Ayes: Miller, Pietila, Shramski, Waterman, Williams and Carter

No: None

**Resolution Passed**

21-133            **Resolution to schedule Special Meetings on the Budget for May 26, 2021 at 9:00 a.m.**  
Moved by Councilperson Pietila and second by Councilperson Waterman.

Now, Therefore Be It Resolved, that the City Council for the City of Pontiac schedules a Special Meeting on the Budget for May 26, 2021 at 9:00 a.m.

Ayes: Miller, Pietila, Shramski, Waterman, Williams and Carter

No: None

**Resolution Passed**

21-134            **Resolution to schedule Special Meetings on the Budget for May 27, 2021 at 10:00 a.m.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Now, Therefore Be It Resolved, that the City Council for the City of Pontiac schedules a Special Meeting on the Budget for May 27, 2021 at 10:00 a.m.

Ayes: Miller, Pietila, Shramski, Waterman, Williams and Carter

No: None

**Resolution Passed**

21-135            **Resolution to schedule a Public Hearing on the Budget for June 1, 2021 at 5:00 p.m.**  
Moved by Councilperson Pietila and second by Councilperson Waterman.

Whereas, pursuant to MCL 141.412 and 141.413, the City of Pontiac is required to publish a public hearing notice for the City's proposed City Tax Rate;

Now, Therefore Be It Resolved, that the City Council sets Tuesday, June 1, 2021 at 5:00 PM during the regular City Council meeting as the date, time, and place to hold a public hearing for the City's proposed City Tax rate to support the proposed annual budget for FY 2021-2022.

Ayes: Miller, Pietila, Shramski, Waterman, Williams and Carter

No: None

**Resolution Passed**

21-136            **Resolution to schedule Special Meetings on the Budget for June 2, 2021 at 10:00 a.m.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Now, Therefore Be It Resolved, that the City Council for the City of Pontiac schedules a Special Meeting on the Budget for June 2, 2021 at 10:00 a.m.

Ayes: Miller, Pietila, Shramski, Waterman, Williams and Carter

No: None

May 11, 2021 Formal

**Resolution Passed**

21-137      **Resolution to schedule Special Meetings on the Budget for June 3, 2021 at 10:00 a.m.** Moved by Councilperson Pietila and second by Councilperson Waterman.

Now, Therefore Be It Resolved, that the City Council for the City of Pontiac schedules a Special Meeting on the Budget for June 3, 2021 at 10:00 a.m.

Ayes: Miller, Pietila, Shramski, Waterman, Williams and Carter  
No: None

**Resolution Passed**

**Resolution**

City Clerk

21-138      **Resolution authorizing Hope Against Trafficking a 501 (c)(3) nonprofit organization in Pontiac as a recognized nonprofit organization in the community for the purpose of obtaining a charitable gaming license.** Moved by Councilperson Waterman and second by Councilperson Pietila.

At a regular meeting of the City of Pontiac, City Council called to order by President Kermit Williams on May 11, 2021 at 6:00 p.m. the following resolution was offered:

Moved by Councilperson Waterman and supported by Councilperson Pietila that the request from Hope Against Trafficking of Pontiac, County of Oakland, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining charitable gaming license, be considered for approval.

Ayes: Pietila, Shramski, Waterman, Williams, Carter and Miller  
No: None

**Resolution Passed**

Councilwoman Doris Taylor-Burks joined the meeting remotely from Pontiac, MI, Oakland County at 6:19 p.m.

**Resolution**

Finance

21-139      **Resolution to approve Emergency Dispatch Services Contract with the Office of the Oakland County Sheriff.** Moved by Councilperson Pietila and second by Councilperson Shramski.

WHEREAS, the City is authorized by law to provide Emergency Services throughout the City; and

WHEREAS, in order to provide Emergency Services for its residents the City must also provide emergency communication and dispatch functions; and

WHEREAS, the Oakland County Sheriff provides emergency dispatch services; and

WHEREAS, the Oakland County Sheriff agrees to provide Emergency Dispatch Services under the terms and conditions as outlined in the attached agreement;

NOW, THEREFORE, Be It Resolved that the City Council hereby authorizes the City to enter into the proposed agreement with the Oakland County Sheriff for providing of Emergency Dispatch Services.

Ayes: Shramski, Taylor-Burks, Waterman, Williams, Carter, Miller and Pietila  
No: None

**Resolution Passed**

May 11, 2021 Formal

**Public Comment**

Two (2) individuals made public comment

**Mayor, Clerk and Council Closing Comments**

Mayor Waterman, Councilwoman Shramski, Councilwoman Pietila, Councilwoman Waterman, Councilwoman Miller and President Williams made closing comments. Pro-Tem Carter, Deputy Clerk Grandison, Counsel Sharp and Councilwoman Taylor-Burks had no closing comments.

**Adjournment**

Council President Kermit Williams adjourned the meeting at 6:47 p.m.

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SHEILA R. GRANDISON  
DEPUTY CITY CLERK

**#2**

**RESOLUTION**

## Pontiac City Council Resolution



**WHEREAS**, due to COVID-19, CDC social distancing guidelines mandate that Council Chambers be limited to fourteen (14) people; and,

**WHEREAS**, due to the fact that the City of Pontiac was entitled to and did receive CARES reimbursement funding for expenses of up to One Million Five Hundred and Thirty-Three Thousand, One Hundred and Eight-Seven (\$1,533,1897.50) Dollars and Fifty Cent, the City Council passed a resolution on October 20, 2020 addressing the immediate need to reduce the spread of COVID-19; and,

**WHEREAS**, the City Council requested the replacement of chairs in Council chambers with vinyl chairs and cleaning of the ventilation ducts in Council Chambers pursuant to the CARES ACT, the requests were reimbursable expenses as substantiated by the Office of the Oakland County Executive; and,

**WHEREAS** the City Council further requested that RFP's for both the replacement of the chairs in Council chambers along with cleaning of the ventilation ducts in Council chambers be issued immediately; and,

**WHEREAS**, the City Council's resolution clearly stated that the replacement of the chairs and the cleaning of the ducts were to be completed before December 31, 2020; and,

**WHEREAS**, the Mayor did not include the vinyl chairs or the the cleaning of the ventilation ducts in the submissions to Oakland County for reimbursement pursuant to CARES; and

**WHEREAS**, to date, vinyl chairs have not been ordered for Council chambers and the ventilation ducts in Council chambers have not been cleaned; and

**WHEREAS**, there have been several positive cases of COVID-19 in City Hall; and,

**WHEREAS**, the Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, more commonly referenced as the American Rescue Plan and pursuant to the Plan, Pontiac will receive Thirty-Seven Million, Seven Hundred and Seventeen Thousand, Nine Hundred and Fifty-Three (\$37,717,953.00) Dollar; and,

**WHEREAS**, the amount of funds the City of Pontiac will receive under the American Rescue Plan will certainly cover the cost of cleaning the ventilation ducts and purchasing vinyl chairs for the Council Chambers.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, that the Pontiac City Council is shutting down Council chambers, effective immediately, until the ventilation ducts have been cleaned and vinyl chairs have been purchased and placed in the Council Chambers and until such time, an alternate location is to be used.

**#3**

**RESOLUTION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

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**TO:** Honorable City Council President and City Council Members

**FROM:** Mayor Deirdre Waterman, Linnette Phillips, Director Economic Development

**DATE:** May 18, 2021

**RE:** Resolution to Reprogram HOME Consortium - Carriage Circle Funds and Recommending Project Allocations for Community Development Block Grant (CDBG) Program Year 2020

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The City of Pontiac (COP) was awarded \$250,000 in HOME Consortium Funds for the rehab of Carriage Circle Apartments, however, Oakland County allocated funds for this initiative, thus allowing the COP to retain our funds and the opportunity to reprogram them for other CDBG usage. The following are recommendations to reprogram and allocate funds for the following projects for Program Year 2020, which is fiscal year 2021.

The amount of re-programmed funds is \$250,000 for the following proposed projects for consideration

1. Senior Center Facilities for \$125,000 for rehabilitation of the two senior centers; Robert Bowen and Ruth Peterson upgrades the bathrooms to ADA compliance.
2. Youth Services for \$15,000 for mentoring support programs
3. Sidewalks for \$110,000 to repair sidewalks throughout the City of Pontiac as outlined in Sidewalk Repair Area Map with costs for 9 areas in each of the 7 Districts.

Resolution Following Next Page



## **CITY OF PONTIAC CITY COUNCIL**

### **RESOLUTION TO REPROGRAM HOME CONSORTIUM FUNDING FROM THE CARRIAGE CIRCLE PROJECT TO PROPOSED RECOMMENDED COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS FOR PROGRAM YEAR 2020**

*Whereas, the City of Pontiac is requesting HOME Consortium funds allocated for Carriage Circle Apartments be reprogrammed for proposed and recommended Community Development Block Grant (CDBG) projects; and*

*Whereas, the Oakland County accessed Oakland County HOME Consortium funds for this project, thus freeing up City of Pontiac funds to be reprogrammed for CDBG Program Year 2020 projects; and*

*Whereas, the following projects are being considered:*

- 1. Senior Center Facilities - \$125,000: Rehabilitation of the two senior centers; Robert Bowen and Ruth Peterson bathrooms to upgrade to ADA compliance.*
- 2. Youth Services - \$15,000: Mentoring support programs for COP youth.*
- 3. Sidewalks - \$110,000: to repair sidewalks throughout the City of Pontiac as outlined in Sidewalk Repair Area Map.*

*Now Therefore be it Resolved, that the Pontiac City Council approve the reprogramming of HOME Consortium funds for CDBG projects for Year 2020 for the proposed recommended projects for the \$250,000 amount previously allocated for Carriage Circle which was paid by Oakland County out of the Oakland County HOME Consortium fund. .*



**#4 & #5**

**RESOLUTION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

**TO:** Mayor Deirdre Waterman, City Council President Williams and  
City Council Members

**FROM:** Mathew A Gibb, Special Counsel for Economic Development

**DATE:** May 13, 2021  
**For the Council session of May 18, 2021**

**RE: RESOLUTION TO ACCEPT AND AUTHORIZE CONTRACTS FOR  
SERVICES TO ASSESS NEED AND REQUIREMENTS FOR THE CITY TO  
RESUME FEDERAL AND FOUNDATION GRANT ADMINISTRATION**

### BACKGROUND

The City of Pontiac, by resolution of Council, accepted a grant award from the Community foundation of Southeast Michigan that was in response to the application and work of Economic Development director Lynnette Phillips seeking funding for the assessment and planning of bringing the City's federal grant administration back within the City administration.

In November 2020 a Request for Qualifications was approved by procurement and posted in the regular and proper manner, such RFQ seeking responsive proposals and qualifications for the purpose stated in the RFQ. As a result of this posting, five responsive proposals were received by the City.

Consultant	Fee	Time	Project Manager	Interview	Documents Provided
Baker Tilly	\$95,077.50	401 hours	Monique Caston	Wed. Feb 17 <sup>th</sup> 4:00 pm	(1) Detailed Budget (2) Sample Contract (3) PPT (4) Proposal (5) Response to Ques
MGT Cons	\$28,450 + billable hourly rates	12 weeks	Amy Whitsett	Fri. Feb. 19 <sup>th</sup> 1:00 pm	(1) PPT (2) Response to Ques (3) Proposal (4) Cost Proposal
Public Cons	\$99,698	456 hours	Travis Robinson	Wed. Feb. 1 <sup>th</sup> 2:00 pm	(1) Proposal (2) Response to Ques
Huron Cons	\$150,000	8 weeks	Marisa Zuskar	Thurs. Feb. 18 <sup>th</sup> 3:00 pm	(1) Proposal (2) Response to Ques
Clay/Mehreteab	\$ 57,000 <u>\$ 43,000</u> \$100,000	Phase 1: 2 mths Phase 2 – 3 mths		Wed. Feb. 10 <sup>th</sup> 4:00 pm	(1) Comments on Grant Writer position (2) 90 Project Plan (3) Proposal

The proposals were independently scored by staff, and interviews were conducted of each responding group. The interviewing team was comprised of: Mayor Waterman, Matt Gibb, Miriam Cox, Linnette Phillips and Vern Gustafsson. Interviews were completed Friday, February 19, 2021.

**Following interviews, the two top scoring and identified firms were contacted to inquire as to whether each firm would be able and willing to provide a scaled scope of services that brought forth the strength of each firm to the City. Both firms have agreed to offering a focused scope of work, and the City is prepared to contract with each firm and begin this important process.**

**IT IS RECOMMENDED**

The City enter contracts for services with the following entities

**Phillip Clay and Ghebre Selassie Mehreteab**

Highly recommended and regarded experts in the field of foundational grants

Proposed Contract                      \$65,0000

**BAKER TILLY**

The highest scoring proposal, providing the broadest resources, and training guidance

Proposed Contract                      \$65,0000

The contract would start immediately upon authorization and execution, with the schedule of work to be completed prior to the end of 2021. The proposed resolution for Council's consideration includes direction to define the final scope of work, obtain contract approval from the City Attorney, and authorize the Mayor to execute and perform all functions necessary to commence and complete the terms thereof.

**RESOLUTION FOLLOWS ON NEXT PAGE**

**CITY OF PONTIAC CITY COUNCIL**

**RESOLUTION TO ACCEPT AND AUTHORIZE CONTRACTS FOR SERVICES TO  
ASSESS NEED AND REQUIREMENTS FOR THE CITY TO RESUME FEDERAL  
AND FOUNDATION GRANT ADMINISTRATION**

AT A REGULAR meeting of the Pontiac City Council of the City of Pontiac, Michigan, held at Pontiac City Hall on \_\_\_\_\_, 2021, the following resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_.

**Whereas**, on September 29, 2020, the Pontiac City Council unanimously approved a "Resolution to authorize 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 account 101-000-532.000 in the amount of \$100,000.00. The City has received a \$100,000.00 grant the Community Foundation of Southeast Michigan to support the development of an internal grants management process and system"; and

**Whereas**, in November, 2020, a duly authorized Request for Qualification was posted in the regular process by the City of Pontiac, soliciting responsive proposals and qualifications for the performance of services contemplated under the grant and pursuant to the intention of the City Council and Administration; and

**Whereas**, following the independent scoring and interviewing of each responsive proposal, the administration has recommended that two firms are contracted on behalf of the City of Pontiac to perform services that would assess the needs and requirements for the City to resume an administrative role in the application and processing of federal and foundational grants

**NOW THEREFORE, BE IT RESOLVED** that the City Council does hereby Authorize the Mayor to complete a final scope of work and execute all appropriate contracts or agreements, as approved by the City Attorney, for the services described herein with BAKER TILLY US, LLP in an amount not to exceed \$65,000 and with the professional advisors between Phillip Clay and Ghebre Selassie Mehreteab in an amount not to exceed \$65,000, jointly.

**PASSED AND APPROVED BY THE CITY COUNCIL**, Pontiac, Michigan, this \_\_\_\_ day of \_\_\_\_\_, 2021.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

I, Garland Doyle, Interim Clerk of the City of Pontiac, hereby certify that the above Resolution is a true copy and accurate copy of the Resolution passed by the City Council of the City of Pontiac on \_\_\_\_\_, 2020.

\_\_\_\_\_  
GARLAND DOYLE, City Clerk

Dated: \_\_\_\_\_, 2021

## ADVISORY SERVICE AGREEMENT

Agreement (this "Agreement") made as of the \_\_\_\_\_ day of \_\_\_\_\_ 2021, by and between Phillip Clay/Ghebre Selassie Mehreteab, ("The Advisors"), and the City of Pontiac and its designated departments ("COP"). COP and The Advisors, when referred to collectively, shall be the "Parties."

### RECITALS

**WHEREAS** the City of Pontiac is conducting an assessment of criteria and resources required and necessary to be the primary administrator for federal grants and also respond to philanthropic grants from foundations and other sources.

**WHEREAS** the City of Pontiac in determining resources and processes needed to manage grants from various philanthropic sources and aims to frame a development strategy and create its own staffing and infrastructure for grant procurement, management and reporting.

**WHEREAS** Phillip Clay, a professor at MIT and a former foundation trustee with experience working on project outlined in COP's RFQ in Detroit and other cities. Gabe Mehreteab has been working in Detroit since February 2010 as a senior advisor to the Ford Foundation, CFSEM, as well as with the Detroit Chief Financial Officer and the Emergency Financial Manager. Attachment A.

**WHEREAS** COP wishes to retain the consulting services of Phillip L. Clay and Ghebre Selassie Mehreteab ("The Advisors")

**NOW THEREFORE**, COP hereby retains the services of The Advisors under the following terms and conditions.

### TERMS AND CONDITIONS

**1.0 TERM OF AGREEMENT** - This Agreement shall begin on \_\_\_\_\_, 2021 and terminate on October 15, 2021 if not earlier as set forth below but may be extended upon written agreement by the Parties.

**2.0 PAYMENT SCHEDULE** - COP will retain The Advisors at rate of \$65,000 for the duration of the Agreement. The Advisors will **NOT** be reimbursed for expenses for their travel and accommodation

- a. Upon the signing of the Agreement, the Advisors will each be paid \$16,250 totaling \$32,500.
- b. Upon the submission of the final report, the Advisors will each be paid \$16,250 totaling \$32,500.

### **3.0 SCOPE OF WORK** –

First Phase, May 15, 2021 to July 31, 2021

1. Request e-introductions and have interviews with City of Pontiac (CoP) department heads, Oakland County and the state of Michigan
2. Requests documents from the City of Pontiac (CoP), e-introductions, conduct interviews and host virtual sessions with departments heads, key government funders, etc.
3. Interview key foundation and corporate funders.
4. Assess with the CoP how best to take advantage of current funding opportunities and incorporate new CoP in the project work
5. Re-interview select funders and partners regarding potential funding recommendations to the CoP regarding building or strengthening internal capacity.
6. Provide hand-on guidance to CoP staff on preparing a grant proposal.
7. Second session with Department heads with a focus the proposal process: from pitching an idea to grant management and reports.

Second Phase, August 1, 2021 to October 15, 2021

8. Review and assess capacity CoP resources, staffing and program needs, to develop and manage programs and make necessary adjustments needed to achieve its goals.
9. Review with CoP our recommendations to the extent we have them at this time or that are timely.
10. Assess stakeholders' views regarding what are the necessary elements of a management and reporting plan and funder interests, restrictions, and expectations and the match with what CoP needs.
11. Make recommendations and advise on staffing and operational changes in the CoP's executive branch.
12. Identify potential funding sources that might be "low hanging fruit" for specific proposals
13. Provide support the CoP in securing supplemental funding if needed to execute the aforementioned tasks.
14. Provide final report on the Team's assignment.

\*Meeting this timeline will depend on timely response and cooperation from all concerned.

- 4.0 **REPORTS:** - The Advisors will continuously communicate with the Mayor and heads of Departments and provide a written report when needed.
- 5.0 **REPRESENTATIONS** - The Advisors acknowledge that he is not an agent or representative of COP. Consequently, The Advisors shall not make representations or otherwise imply that he has the authority to act on behalf of or bind COP in any way.
- 6.0 **TERMINATION OF AGREEMENT** - The Parties shall have the right to terminate this Agreement by providing thirty (30) days prior written notice at any time, unless such notice is impractical, prohibited by law or regulation or otherwise impairs or has the potential to impair the reputation of either Party.

- 7.0     NONDISCLOSURE** - The Advisors may not at any time divulge to any person or entity any confidential information received during the term of this Agreement at any time, even after the termination or expiration of this Agreement.
- 8.0     ENTIRE AGREEMENT** - This Agreement constitutes the entire Agreement of the Parties and memorializes all past and present written and oral agreements and supersedes all prior agreements; and, no statements, promises, or inducements made by either Party or The Advisors that are not contained in this Agreement shall be valid or binding.
- 9.0     AMENDMENTS** - This Agreement may not be enlarged, modified, altered, or otherwise amended except in writing, signed by the Parties hereto and endorsed on this Agreement.
- 10.0    LEGAL JURISDICTION AND GOVERNING LAW(S)** - This Agreement shall be governed, construed, interpreted, and enforced in accordance with the Laws of the State of Michigan.
- 11.0    LIABILITY** - Neither Party shall be liable to the other in any action or claim for consequential or special damages, loss of profits, loss of opportunity, loss of product, or loss of use and any protection against liability for losses of damages afforded any individual or entity by these terms shall apply whether the action in which recovery of damages is sought is based on contract, except as specifically stated in paragraph 8 above, tort (including sole, concurrent or other negligence and strict liability of a protected individual or entity), statute or otherwise. To the extent permitted by law, any statutory remedies that are inconsistent with these terms are waived.
- 12.0    NOTICES** – All notices, requests and other communications pursuant to this Agreement shall be addressed as follows:

**If to The City of Pontiac:**

Mayor Deirdre Waterman  
47450 Woodward Ave  
Pontiac, MI 48342  
(248)758-3000  
[dwaterman@pontiac.mi.us](mailto:dwaterman@pontiac.mi.us)

**If to the Advisors:**

Phillip L. Clay  
44 Pond Street  
Boston, Massachusetts 02130  
617-253-6164 (office) 617 699-6673 (cell)  
[plclay@mit.edu](mailto:plclay@mit.edu)

Ghebre Selassie Mehreteab  
600 Franklin Way  
West Chester, Pennsylvania 19380  
917-232-9618 (cell) 610-430-7191 (fax)  
[Gmehreteab@gmail.com](mailto:Gmehreteab@gmail.com)

**13.0 COMMENCEMENT OF AGREEMENT** - This Agreement shall be in effect from the date first above written.

**14.0 CAPTIONS** - The captions of any articles, paragraphs or sections hereof are made for convenience only and shall not control or affect the meaning or construction of any other provision hereof and pursuant to the rules of construction, each section shall be known by its plain meaning.

**15.0 SEVERABILITY** - The invalidity or unenforceability of any particular provision of this Agreement, or portion thereof shall not affect the other provisions or portions thereof; and, this Agreement shall be construed in all respects as if any such invalid or unenforceable provisions or portions thereof were omitted and this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set their hands herein below on the date above first written.

**City of Pontiac**

By: \_\_\_\_\_

**Advisors**

\_\_\_\_\_  
Phillip L. Clay

\_\_\_\_\_  
Ghebre Selassie Mehreteab



## **Attachment A**

### **Professor Phillip L. Clay**

44 Pond Street

Boston, MA 02130

617-253-6164 (cell); 617 699-6673

[plclay@mit.edu](mailto:plclay@mit.edu)

Professor Phillip L. Clay, PhD served as the Chancellor of the Massachusetts Institute of Technology from 2001 until 2011. He is a graduate of the University of North Carolina at Chapel Hill and holds a doctorate from MIT. Professor Clay also held other leadership positions at MIT and was Department Head at Department of Urban Studies and Planning where he has been a faculty member since 1976.

Professor Clay is widely known for his work in U.S. housing policy and urban development. His current interests include organizational capacity in community-based nonprofits as well as the role of anchor institutions. Growing out of his work on MIT international strategies, he is also interested in the increasing role higher education can play in national development strategies in less developed and emerging nations.

Professor Clay is Chair of the Board of The Community Builders, Inc., one of the nation's largest nonprofit developers of affordable housing. He is a member on several foundation and nonprofit boards, including The Kresge Foundation and The MasterCard Foundation. Professor Clay also has experience in public higher education as a member of the board of the University of North Carolina. He is a member of the board of the Aga Khan University.

Presently in DUSP Professor Clay teaches courses in housing policy and poverty. He also teaches Thesis Prep and head the Housing, Community and Economic Development Group.

Professor Clay lives in Boston.

GHEBRE SELASSIE MEHRETEAB  
600 Franklin Way  
West Chester, PA 19380  
Office (610)-430-7191, Cell (917)-232-9618  
gmehreteab@gmail.com

Ghebre Selassie (Gabe) Mehreteab is a senior adviser to foundations, financial institutions and developers working on housing and community revitalization issues. Over the last eleven years, Mr. Mehreteab has been instrumental in generating grants and from philanthropic sources and the public sector in support of a number of multifamily housing and community development in many cities.

Mr. Mehreteab served as Chief Executive Officer of The NHP Foundation (NHPF) until September 2009. In 1989, he co-founded NHPF and developed it into a leading national nonprofit owner of 12,000 housing multi-family housing for low- and moderate-income families in the United States.

Mr. Mehreteab started his career at the Ford Foundation in 1981 and was responsible for community and economic revitalization programs. Previously, he served as an associate director of The New World Foundation in New York.

Mr. Mehreteab currently serves on the Board of Directors of the Lockhart Companies (USVI), a private real estate, insurance and financing company. He served on the Board of Directors for Douglas Emmett Inc., (NYSE: DEI) a real estate investment trust (2006 to 2013).

He is a member of the Council on Foreign Relations, the Cosmos Club, and Sigma Pi Phi Epsilon Boulé.

Mr. Mehreteab earned his B.A. in 1972 and a Doctor of Humane Letters (honoris causa) in 2007 from Haverford College in Haverford, PA.



Baker Tilly US, LLP  
380 Jackson St., Ste 300  
St. Paul, MN 55101  
United States of America

T: +1 (651) 223 3000  
F: +1 (651) 223 3046  
bakertilly.com

Date \_\_\_\_\_

CITY OF PONTIAC  
47450 WOODWARD AVE  
PONTIAC MI 48342

RE: Engagement Letter Agreement Related to Services

This letter agreement (the "Engagement Letter") is to confirm our understanding of the basis upon which Baker Tilly US, LLP ("Baker Tilly") and its affiliates are being engaged by the City of Pontiac (the "Client") to assist the Client with advisory services.

### **Scope, Objectives and Approach**

It is anticipated that projects undertaken in accordance with this Engagement Letter will be at the request of the Client. The scope of services, additional terms and associated fee for individual engagements will be contained in a Scope Appendix or Appendices to this Engagement Letter. Authorization to provide services will commence upon execution and return of this Engagement Letter and one or more Appendices.

### **Management's Responsibilities**

It is understood that Baker Tilly will serve in an advisory capacity with the Client. The Client is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee the services we provide. The Client is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

The procedures we perform in our engagement will be heavily influenced by the representations that we receive from Client personnel. Accordingly, false representations could cause material errors to go undetected. The Client, therefore, agrees that Baker Tilly will have no liability in connection with claims based upon our failure to detect material errors resulting from false representations made to us by any Client personnel and our failure to provide an acceptable level of service due to those false representations.

The ability to provide service according to timelines established and at fees indicated will rely in part on receiving timely responses from the Client. The Client will provide information and responses to deliverables within the timeframes established in a Scope Appendix unless subsequently agreed otherwise in writing.

The responsibility for auditing the records of the Client rests with the Client's separately retained auditor and the work performed by Baker Tilly shall not include an audit or review of the records or the expression of an opinion on financial data.

### **Ownership of Intellectual Property**

Unless otherwise stated in a specific Scope Appendix, subject to Baker Tilly's rights in Baker Tilly's Knowledge (as defined below), Client shall own all intellectual property rights in the deliverables developed under the applicable Scope Appendix or Appendices ("Deliverables"). Notwithstanding the foregoing, Baker Tilly will maintain all ownership right, title and interest to all Baker Tilly's Knowledge. For purposes of this Agreement "Baker Tilly's Knowledge" means Baker Tilly's proprietary programs, modules, products, inventions, designs, data, or other information, including all copyright, patent, trademark and other intellectual property rights related thereto, that are (1) owned or developed by Baker Tilly prior to the Effective Date of this Agreement or the applicable Scope Appendix or Appendices ("Baker Tilly's Preexisting Knowledge") (2) developed or obtained by Baker Tilly after the Effective Date, that are reusable from client to client and project to project, where Client has not paid for such development; and (3) extensions, enhancements, or modifications of Baker Tilly's Preexisting Knowledge which do not include or incorporate Client's confidential information. To the extent that any Baker Tilly Knowledge is incorporated into the Deliverables, Baker Tilly grants to Client a non-exclusive, paid up, perpetual royalty-free worldwide license to use such Baker Tilly Knowledge in connection with the Deliverables, and for no other purpose without the prior written consent of Baker Tilly. Additionally, Baker Tilly may maintain copies of its work papers for a period of time and for use in a manner sufficient to satisfy any applicable legal or regulatory requirements for records retention.

If Audit, Tax work, bond work, regulated work we need to retain ownership and should use the following:

The supporting documentation for this engagement, including, but not limited to work papers, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to required third parties, the Client hereby authorizes us to do so.

### **Timing and Fees**

Specific services will commence upon execution and return of a Scope Appendix to this Engagement Letter and our professional fees will be based on the rates outlined in such Scope Appendix.

Unless otherwise stated, in addition to the fees described in a Scope Appendix the Client will pay all of Baker Tilly's reasonable out-of-pocket expenses incurred in connection with the engagement. All out of pocket costs will be passed through at cost and will be in addition to the professional fee.

### **Dispute Resolution**

Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Engagement Letter or the applicable Scope Appendix or Appendices as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Agreement or the applicable Scope Appendix or Appendices as shall be resolved as set forth in this section using the following procedure: In the unlikely event that differences concerning the services or fees provided by Baker Tilly should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree to expressly waive trial by jury in any judicial proceeding involving directly or indirectly, any matter (whether sounding in tort, contract, or otherwise) in any way arising out of, related to, or connected with this Agreement or the applicable Scope Appendix or Appendices as or the relationship of the parties established hereunder.

Because a breach of any the provisions of this Engagement Letter or the applicable Scope Appendix or Appendices as concerning confidentiality or intellectual property rights will irreparably harm the non-

breaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

### **Limitation on Damages**

To the extent allowed under applicable law, the aggregate liability (including attorney's fees and all other costs) of either party and its present or former partners, principals, agents or employees to the other party related to the services performed under an applicable Scope Appendix or Appendices shall not exceed the fees paid to Baker Tilly under the applicable Scope Appendix or Appendices to which the claim relates, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of the at-fault party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter or the applicable Scope Appendix or Appendices as even if the other party has been advised of the possibility of such damages.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim.

### **Other Matters**

#### E-Verify Program

Baker Tilly participates in the E-Verify program. For the purpose of this paragraph, the E-Verify program means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 (P.L. 104-208), Division C, Title IV, s.401(a), as amended, operated by the United States Department of Homeland Security or a successor work authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees under the Immigration Reform and Control Act of 1986 (P.L. 99-603). Baker Tilly does not employ any "unauthorized aliens" as that term is defined in 8 U.S.C. 1324a(h)(3).

#### Investments

Baker Tilly certifies that pursuant to Indiana Code 5-22-16.5 *et seq.* Baker Tilly is not now engaged in investment activities in Iran. Baker Tilly understands that providing a false certification could result in the fines, penalties, and civil action listed in I.C. 5-22-16.5-14.

#### Non-Discrimination

Pursuant to Indiana Code §22-9-1-10, Baker Tilly and its subcontractors, if any, shall not discriminate against any employee or applicant for employment to be employed in the performance of this Engagement Letter, with respect to hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of race, religion, color, sex, disability, national origin, ancestry,

or veteran status. Breach of this covenant may be regarded as a material breach of this Engagement Letter.

Baker Tilly certifies that, except for de minimis and non-systematic violations, it has not violated the terms of I.C. 24-4.7, I.C. 24-5-12, or I.C. 24-5-14 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law, and that Baker Tilly will not violate the terms of I.C. 24-4.7 for the duration of the Engagement Letter, even if I.C. 24-4.7 is preempted by federal law. Baker Tilly further certifies that any affiliate or principal of Baker Tilly and any agent acting on behalf of Baker Tilly or on behalf of any affiliate or principal of Baker Tilly, except for de minimis and non-systematic violations, has not violated the terms of I.C. 24-4.7 in the previous three hundred sixty-five (365) days, even if I.C. 24-4.7 is preempted by federal law, and will not violate the terms of I.C. 24-4.7 for the duration of the Engagement Letter, even if I.C. 24-4.7 is preempted by federal law.

In the event Baker Tilly is requested by the Client; or required by government regulation, subpoena, or other legal process to produce our engagement working papers or its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses incurred in responding to such a request.

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated, or subcontracted by either party without the 'written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

In the event that any provision of this Engagement Letter or statement of work contained in a Scope Appendix hereto is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Engagement Letter or statement of work did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Engagement Letter would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

### **Termination**

Both the Client and Baker Tilly have the right to terminate this Engagement Letter or any work being done under an individual Scope Appendix at any time after reasonable advance written notice. On termination, all fees and charges incurred prior to termination shall be paid promptly. Unless otherwise agreed to by the Client and Baker Tilly, the scope of services provided in a Scope Appendix will terminate 60 days after completion of the services in such Appendix.

### **Important Disclosures**

Incorporated as Attachment A and part of this Engagement Letter are important disclosures. These include disclosures that apply generally and those that are applicable in the event Baker Tilly is engaged to provide municipal advisory services.

This Engagement Letter, including the attached Disclosures as updated from time to time, comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals, oral or



written, and all other communications between the parties. Both parties acknowledge that work performed pursuant to the Engagement Letter will be done through Scope Appendices executed and made a part of this document.

Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Engagement Letter shall survive the expiration or termination of this Engagement Letter or any statement of work contained in a Scope Appendix hereto.

If this Engagement Letter is acceptable, please sign below and return one copy to us for our files.

Sincerely,

**Signature Section:**

The terms as set forth in this Engagement Letter are agreed to on behalf of the City of Pontiac by:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **Attachment A**

### **Important Disclosures**

#### Non-Exclusive Services

Client acknowledges and agrees that Baker Tilly, including but not limited to Baker Tilly US, LLP, Baker Tilly Municipal Advisors, LLC, Baker Tilly Capital, LLC, and Baker Tilly Investment Services, LLC, is free to render municipal advisory and other services to the Client or others and that Baker Tilly does not make its services available exclusively to the Client.

#### Affiliated Entities

Baker Tilly US, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

Baker Tilly Investment Services, LLC ("BTIS"), a U.S. Securities and Exchange Commission ("SEC") registered investment adviser, may provide services to the Client in connection with the investment of proceeds from an issuance of securities. In such instances, services will be provided under a separate engagement, for an additional fee. Notwithstanding the foregoing, Baker Tilly may act as solicitor for and recommend the use of BTIS, but the Client shall be under no obligation to retain BTIS or to otherwise utilize BTIS relative to Client's investments. The fees paid with respect to investment services are typically based in part on the size of the issuance proceeds and Baker Tilly may have incentive to recommend larger financings than would be in the Client's best interest. Baker Tilly will manage and mitigate this potential conflict of interest by this disclosure of the affiliated entity's relationship, a Solicitation Disclosure Statement when Client retains BTIS's services and adherence to Baker Tilly's fiduciary duty and/or fair dealing obligations to the Client.

Baker Tilly Capital, LLC ("BTC") Baker Tilly Capital, LLC ("BTC") is a limited service broker-dealer specializing in merger and acquisition, capital sourcing, project finance and corporate finance advisory services. BTC does not participate in any municipal offerings advised on by its affiliate Baker Tilly Municipal Advisors. Any services provided to Client by BTC would be done so under a separate engagement for an additional fee.

Baker Tilly Municipal Advisors ("BTMA") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the SEC and the Municipal Securities Rulemaking Board ("MSRB"). As such, BTMA may provide certain specific municipal advisory services to the Client. BTMA is neither a placement agent to the Client nor a broker/dealer. The offer and sale of any Bonds is made by the Client, in the sole discretion of the Client, and under its control and supervision. The Client acknowledges that BTMA does not undertake to sell or attempt to sell bonds or other debt obligations and will not take part in the sale thereof.

Baker Tilly, may provide services to the Client in connection with human resources consulting, including, but not limited to, executive recruitment, talent management and community survey services. In such instances, services will be provided under a separate scope of work for an additional fee. Certain executives of the Client may have been hired after the services of Baker Tilly were utilized and may make decisions about whether to engage other services of Baker Tilly or its subsidiaries. Notwithstanding the foregoing, Baker Tilly may recommend the use of Baker Tilly or a subsidiary, but the Client shall be under no obligation to retain Baker Tilly or a subsidiary or to otherwise utilize either relative to the Client's activities.



## Conflict Disclosure Applicable to Municipal Advisory Services Provided by BTMA

*Legal or Disciplinary Disclosure.* BTMA is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving BTMA. Pursuant to MSRB Rule G-42, BTMA is required to disclose any legal or disciplinary event that is material to the Client's evaluation of BTMA or the integrity of its management or advisory personnel.

There are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving BTMA. Copies of BTMA filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Baker Tilly Municipal Advisors, LLC or for our CIK number which is 0001616995. The MSRB has made available on its website ([www.msrb.org](http://www.msrb.org)) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

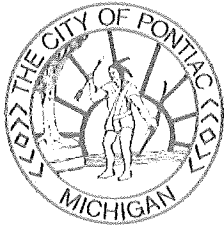
*Contingent Fee.* The fees to be paid by the Client to BTMA are or may be based on the size of the transaction and partially contingent on the successful closing of the transaction. Although this form of compensation may be customary in the municipal securities market, it presents a conflict because BTMA may have an incentive to recommend unnecessary financings, larger financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause a financing or other transaction to be delayed or fail to close, BTMA may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

*Hourly Fee Arrangements.* Under an hourly fee form of compensation, BTMA will be paid an amount equal to the number of hours worked multiplied by an agreed upon billing rate. This form of compensation presents a potential conflict of interest if BTMA and the Client do not agree on a maximum fee under the applicable Appendix to this Engagement Letter because BTMA will not have a financial incentive to recommend alternatives that would result in fewer hours worked. In addition, hourly fees are typically payable by the Client whether or not the financing transaction closes.

*Fixed Fee Arrangements.* The fees to be paid by the Client to BTMA may be in a fixed amount established at the outset of the service. The amount is usually based upon an analysis by Client and BTMA of, among other things, the expected duration and complexity of the transaction and the work documented in the Scope Appendix to be performed by Baker Tilly. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, Baker Tilly may suffer a loss. Thus, Baker Tilly may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives.

BTMA manages and mitigates conflicts related to fees and/or other services provided primarily through clarity in the fee to be charged and scope of work to be undertaken and by adherence to MSRB Rules including, but not limited to, the fiduciary duty which it owes to the Client requiring BMTA to put the interests of the Client ahead of its own and BTMA's duty to deal fairly with all persons in its municipal advisory activities.

To the extent any additional material conflicts of interest have been identified specific to a scope of work the conflict will be identified in the respective Scope Appendix. Material conflicts of interest that arise after the date of a Scope Appendix will be provide to the Client in writing at that time.



## Community Foundation of Southeast Michigan Grant Funder Communication – May 10, 2021

The following is the recent communication of support from our funder from the Community Foundation of Southeast Michigan. They provided the City of Pontiac a \$100,000 grant to assess the requirements to manage federal and philanthropic grants.

**From:** Freyja Harris <[fharris@cfsem.org](mailto:fharris@cfsem.org)>  
**Sent:** Monday, May 10, 2021 2:57 PM  
**To:** Linnette E. Phillips <[LPhillips@pontiac.mi.us](mailto:LPhillips@pontiac.mi.us)>  
**Subject:** RE: COP RFQ Follow Up

This works great for my report. Thank you.

**From:** Linnette E. Phillips <[LPhillips@pontiac.mi.us](mailto:LPhillips@pontiac.mi.us)>  
**Sent:** Monday, May 10, 2021 2:47 PM  
**To:** Freyja Harris <[fharris@cfsem.org](mailto:fharris@cfsem.org)>  
**Subject:** COP RFQ Follow Up

Hello Freyja,

It was great chatting with you today! As a follow up to our conversation, here is where we are in the RFQ consultants. As mentioned and after considerable review and consideration, we are going with two consulting firms; MIT Team and BakerTilly. Both offer strengths and expertise in the overall scope of services that we stated in our RFQ.

We proposed fees of \$65K for each consultant and was able to allocate \$30K in additional funds to the \$100K awarded by the CFSEM. At this stage, we are awaiting commitment LOI from both firms and will proceed with a resolution to our City Council at the May 18<sup>th</sup> meeting. We anticipate a June 1<sup>st</sup> start date. Also, we are hiring a Grants Manager who should be on board around that same time.

Again, Freyja, thank you for your support and patience! We are excited with our decision and look forward to working with these two reputable firms to assist the COP in pursuing and managing federal and other philanthropic grants.

Let us know if you require additional information for your report.

Thanks and Best regards,

Linnette

Linnette Phillips  
Director, Economic and Community Development  
[lphillips@pontiac.mi.us](mailto:lphillips@pontiac.mi.us)

**#6**

**RESOLUTION**

## Pontiac City Council Resolution



**WHEREAS**, a Lease Agreement With Purchase Option dated July 1, 2018 (the "Lease") was entered into between Creative Schools Management, LLC ("Landlord"), as landlord, and the City of Pontiac ("City"), as tenant, for a term of three (3) years for the real estate and improvements located at 825 Golf Drive (the "Premises"); and

**WHEREAS**, the term of the Lease commenced July 1, 2018 and expires June 30, 2021; and,

**WHEREAS**, since entering into the Lease, the City has operated its youth center ("PYREC") at the Premises; and,

**WHEREAS**, Section 13 of the Lease provided the City with two (2) options to purchase the Premises from the Landlord; the first option period commenced April 1, 2019 and ended June 30, 2019 without the city exercising its option and the second option period began January 1, 2021 and ends June 30, 2021 (collectively, the "Purchase Option"); and,

**WHEREAS**, On April 20, 2021, the Council voted on a resolution to approve the exercise of the option to purchase the Premises and the resolution failed on a 6-1 vote; and,

**WHEREAS**, without a short-term extension of the Lease, the City's lawful occupancy of the Premises will expire on June 30, 2021, and PYREC and the children who benefit from the operation of the programs at PYREC will be displaced without a suitable temporary or long-term replacement location having been established; and,

**WHEREAS**, Landlord recently offered the City an option to extend the Lease of the Premises for a term not to exceed one (1) year, from July 1, 2021 until June 30, 2022 on the same monetary terms and conditions, with an option by Landlord, the potential buyer of the Premises from Landlord, or the City to terminate the Lease with not less than ninety (90) days' prior written notice to the other party.

**WHEREAS**, it is in the best interests of the City and its youth to enter into this short-term extension of the Lease until such time as an alternative location for PYREC can be identified and implemented.

**NOW, THEREFORE BE IT RESOLVED:** that Council hereby approves the extension of the Lease for a term of not more than one (1) year (July 1, 2021-June 30, 2022) with no increase in rent (remains at \$26,000 per month) and with the unilateral ability for either party to the Lease to terminate it with not less than ninety (90) days prior written notice to the other party; and,

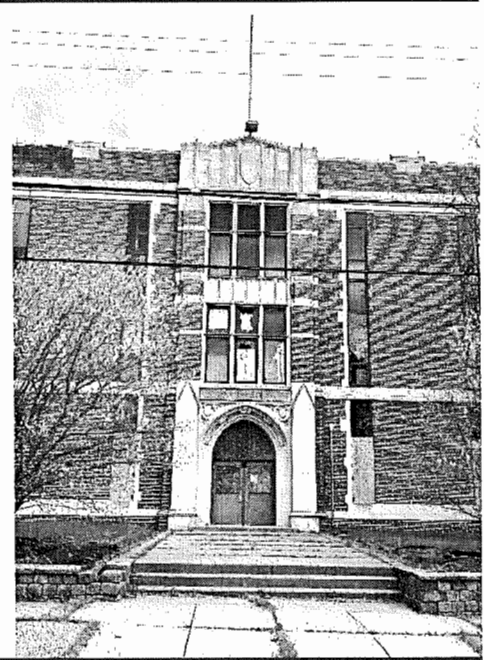
**BE IT FURTHER RESOLVED** that the City Attorney is hereby requested to prepare an amendment to the Lease based on the terms and conditions set forth above, and further executed by the Mayor following the execution of same by the Landlord.

# YOUTH RECREATION CENTER FEASIBILITY STUDY

## FOR THE CITY OF PONTIAC



May 3, 2021 DRAFT  
HRC Job No. 20180269.33



PREPARED BY:



HUBBELL, ROTH & CLARK, INC.  
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*Versions:*

*Draft May 3, 2021*

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## SECTION 1.0 — INTRODUCTION

### 1.1 PROJECT GOALS

The City of Pontiac has tasked Hubbell, Roth & Clark (HRC) with providing a Feasibility Study to consider four (4) possible properties for use as a public Youth Recreation Center for the City. As part of the Study, HRC considered the current condition and historical data obtained from the City in order to establish renovation costs for the existing buildings, and new construction costs for the undeveloped site.

### 1.2 PROPERTY DESCRIPTIONS

The four (4) sites under consideration for use as a Youth Recreation Center are as follows:

- ≡ David Ewalt Center
- ≡ Edison Purdue School
- ≡ Crystal Lake Vacant Property
- ≡ Existing Pontiac Youth Recreation Center (PYREC)



### 1.3 DAVID EWALT CENTER

The David Ewalt Center is an existing recreation center owned by the City located at 1460 N. Perry Street. The building is a single-story masonry structure of approximately 14,000 sq. ft. and has been vacant for a number of years.



The building shares a parking lot with the Oakland County Water Resources Commissioner's Perry Street Pumping Station (seen in background). The site includes a small play structure, (2) basketball courts, (4) tennis courts and a soccer field.

### 1.4 EDISON PURDUE SCHOOL

The Edison Purdue School is an existing school building owned by the City located at 25 S. Sanford Street. The building is a 3-story structure with approximately 150,000 sq. ft. total floor area and has been vacant for a number of years.

There are (3) distinct structures on the site – two tall, interconnected masonry structures and a single-story metal building connected to the other two with an exterior canopy. There is also a large parking lot to the east of the building, and a play structure to the northeast corner of the site.



## 1.5 CRYSTAL LAKE NEW CONSTRUCTION

The Crystal Lake site is the vacant lot located directly in front of the PYREC building at 825 Golf Drive. It is approximately 3.6 acres and shares an access drive with both PYREC to the south and the PACE Southeast Michigan Senior Care Facility and Residence to the east. The property is bisected at the middle by ITC Holding power lines.



## 1.6 EXISTING PONTIAC YOUTH RECREATION CENTER (PYREC)

The Existing PYREC Facility is a one-story structure of 54,000 sq. ft. and is currently leased by the City for use as the City's Recreation Center. The building is located at 825 Golf Drive. A Building Assessment of this facility was performed by HRC in 2020.





## **SECTION 2.0 — DAVID EWALT CENTER**

### **2.1 EXISTING CONDITIONS**

Refer to the Appendix for HRC's Building Assessment Report for a synopsis of our understanding of the existing conditions at the facility.

This site is located to the far northeast corner of the City and has access to extensive green space in addition to being near Galloway Lake Park.



### **2.2 ANTICIPATED IMPROVEMENTS**

In order to make the building useable and functional as a Youth Recreation Center, it would need to be renovated and improved as follows:

- ≡ Site Improvements
  - Replace part of parking lot and site paving for access and ADA compliance.
  - Provide updates to electrical service and site lighting for safety and code compliance.
  - Replace playground equipment and wood chip play surfacing.
  - Renovate basketball and tennis courts.
  - Demolish falling down building at south end of parking lot.
- ≡ Building Improvements
  - Extensive interior renovations including repairing walls, and providing new finishes at floors, walls, and ceilings. Adding new insulation at walls and ceilings should also be included.
  - Properly remove any remaining asbestos and/or lead paint.
  - Enlarge restrooms as needed for ADA compliance.
  - Re-caulk all exterior joints and wall openings.
  - New windows and doors throughout.
  - Roofing replacement, including possible structural damage to roof deck.
  - Replace entire electrical system.
  - Replace entire HVAC system.

- Replace entire plumbing system.
- Repair both elevators to working order.
- Fire Protection updates as needed.

Refer to Section 6 for HRC's Opinion of Probable Construction Costs for the aforementioned work scope.

Please note, these recommendations assume that the existing layout and program spaces in the building are acceptable as-is, given that the building was a Rec Center previously. Should the Owner desire to modify spaces for a different layout, i.e., relocate office or classroom space, add storage spaces by subdividing meeting rooms, add shower facilities, etc., those changes would likely incur additional costs not reflected in this report.

## **2.3 ADDITIONAL CONSIDERATIONS**

It is our understanding that the existing PYREC building on Golf Drive has adequate space and amenities for City needs. At 54,000 sq. ft., it is almost 4 times of the size of the Ewalt facility. Therefore, should Ewalt be renovated to replace the current PYREC facility, it would have far less amenity space to provide programming and events to the Community. This is an important consideration when comparing the available options for meeting City needs.

Given that there is already a building in place at this site, there would be no new development costs associated with this option. Nearly all the costs for this project are for renovations and replacements, which reduces overall costs on the project. By renovating the building, it also creates a useable facility for the City, instead of being left vacant in its current state to further deteriorate.

The building is already a Recreation Center, so the layout of the building would presumably not need to change much during renovations to make it suitable for reuse which is advantageous. And it is assumed that the structure of the building is still sound and only requires minor repairs. Although all of the major systems in the building would need full replacement, a good portion of the existing architecture should be able to be reused.

The existing site is large and could accommodate building an addition onto the existing facility if desired. There is also an abundance of green space on site as well as the surrounding areas due to the proximity of Galloway Lake Park. And if it is determined that the City would prefer to demolish the building and construct a new, larger facility in its place, there appears to be sufficient room for this on the property.

## **SECTION 3.0 — EDISON PURDUE SCHOOL**

### **3.1 EXISTING CONDITIONS**

Refer to the Appendix for HRC's Building Assessment Report for a synopsis of our understanding of existing conditions at the facility.

This site is located towards the middle of the City, to the east of the Downtown Area. It is situated in a predominantly residential area, but there are small businesses located along the Pike Street corridor there.



### **3.2 ANTICIPATED IMPROVEMENTS**

In order to make the building useable and functional as a Youth Recreation Center, it would need to be renovated and improved as follows:

#### **≡ Site Improvements**

- Replace all parking lot and site paving for access and ADA compliance.
- Provide updates to electrical service and site lighting for safety and code compliance.
- Repair perimeter fence at north, east & south sides of site, and replace deteriorated concrete retaining wall at south edge of site.
- Replace playground equipment and wood chip play surfacing.
- Renovate green space area with new Sports Courts.
- Demolish single story metal building at north edge of site.

#### **≡ Building Improvements**

- Extensive interior renovations including repairing walls, and providing new finishes at floors, walls, and ceilings. Adding new insulation at walls and ceilings should also be included.
- Properly remove any remaining asbestos and/or lead paint.
- Rework building layout and wall locations for more appropriate Rec Center layout (current building layout is presumed to be too large with too many Classroom type spaces to be effectively used for existing City needs).

- Enlarge restrooms as needed for ADA compliance.
- Re-caulk all exterior joints and wall openings.
- New windows and doors throughout.
- Roofing replacement, including possible structural damage to roof deck.
- Replace entire electrical system.
- Replace entire HVAC system.
- Replace entire plumbing system.
- Repair elevator to working order.
- Fire Protection updates as needed.
- Renovations to Pool facility.

Refer to Section 6 for HRC's Opinion of Probable Construction Costs for the aforementioned work scope.

### **3.3 ADDITIONAL CONSIDERATIONS**

The Purdue facility has approximately 150,000 sq. ft. of available floor area – for reference, the existing PYREC building is roughly 1/3 of the size of the Purdue facility. Therefore, should Purdue be renovated into a new Recreation Center, it would have a great deal of additional space and extra amenities for the City to utilize as well as maintain. It is likely that some of this additional space would not be needed for Rec Center programs, so the planning process for this renovation should include a larger discussion about what the additional space could be utilized for as well as a consideration of access, security, and lease arrangements.

Potential opportunities to consider for this extra space could include:

- ≡ Rentable community meeting spaces
- ≡ Vocational training for Food Service, Automotive, or Industrial jobs
- ≡ Community Education Classes
- ≡ Leasable office space for Non-Profit Groups and/or City Organizations
- ≡ Library Satellite Location

The building also has a pool facility and cafeteria space, which the existing PYREC building does not have, and if the City chose to keep and maintain these spaces, there would be additional classes and activities that the City could offer to its residents. It should also be noted that the increased size of this facility in comparison to the PYREC building will incur significant additional yearly maintenance and staff costs.

Given that there is already a building in place at this site, there would be no new development costs associated with this option. Nearly all the costs for this project are for renovations and replacements, which reduces overall costs on the project. By renovating the building, it also creates a useable facility for the City, instead of being left vacant in its current state to further deteriorate.

The building was an educational facility with support spaces for youth enrichment, so the layout of the building would likely only require minor changes to make it suitable for reuse as a Recreation Center which is advantageous. And it is assumed that the structure of the building is still sound and only requires minor repairs. Although all of the major systems in the building would need full replacement, a good portion of the existing architecture should be able to be reused.



Given its presumed condition and interior layout, the single-story metal building on the north edge of the site would not likely be worth it to renovate, so it would need to be demolished. This would allow for additional outdoor space close to the building for additional parking, sports courts, amphitheater space or other outdoor amenities.

The building has some very distinctive architectural features and has a stately presence that recalls the City's celebrated history. As such, it has a cultural significance to the community. It should be noted that because of the buildings' age and historical status, there may be available grants and/or tax credits available from the State or Federal Government that could be utilized to cover a portion of the funding necessary to restore the building.



## SECTION 4.0 — CRYSTAL LAKE NEW CONSTRUCTION

### 4.1 EXISTING CONDITIONS

This site is situated south west of downtown Pontiac between Bagley Street and Fairfax Avenue along Golf Drive. The 3.6-acre vacant parcel is predominantly surrounded by residential properties, north of the existing PYREC facility and Southeast Michigan PACE Senior Care facility, and south of The Links at Crystal Lake Golf Course. The current parcel is zoned R-1, One Family Dwelling, which has a permitted use for Recreation Centers in accordance with the City's Zoning Ordinance.

The existing parcel does have some utility restrictions as there is a single ITC Holdings lattice tower located in the center of the property with overhead electrical power lines running across the center of the property to the east and west. According to ITC Holdings there a minimum 20-foot buffer area will need to be maintained from their utilities with all proposed vertical structure.



## 4.2 NEW CONSTRUCTION



Figure 1 - Conceptual Layout 1

Based on some of the limitations of the site, such as parcel size and utility buffer requirements with ITC Holding, the following items will be required to build a new Youth Recreation Center at the location show in Figure 1. The above site plan is a conceptual representation of the following:

### ≡ Site Development

- Building size will be limited to a maximum of 48,000 square feet (less if sidewalks and landscaping are desired all around the building).
- A facility of this size requires (80) off street parking spaces and (4) ADA accessible parking spaces.
- Building and drainage features shall be situated outside of the 20-foot utility buffer area and away from the lattice tower as required by ITC Holding which is illustrated in Figure 1 in blue.
- A Site Plan review will be required by ITC Holding for buffer space approval with all vertical structures, parking lot areas, and placement of detention area.
- On-site storm water detention will be required prior to final flush. The detention pond shown in Figure 1 at the southeast edge of the site is sized to meet required site volume.
- A Consumers Energy High Pressure gas line runs along the north side of Golf Drive which has the capacity to service the proposed facility and a back-up generator, if needed.
- An OCWRC 12-inch water main runs along the southern road right-of-way of Golf Drive which will supply service to the building.

- An OCWRC 12-inch sanitary sewer runs along the edge of the existing PYREC driveway to the south which will supply service to the building.



Figure 2 - Parcel Acquisition Conceptual Site Design

If the City wishes to expand the existing 3.6-acre parcel (Figure 1) and acquire a section of the existing PYREC property, as shown in Figure 2, most of the site's limiting factors would be eliminated except for the ITC Utility 20-foot Buffer Area. With acquisition of the additional property as shown in Figure 2, the new site would be approximately 9.1 acres and would allow the property to be developed into a Recreation Center that meets or exceeds the existing PYREC facility and includes recreational ball fields (baseball fields shown, but could alternatively be basketball courts or a soccer field as well). The above plan is a conceptual representation of the following:

#### ≡ Site Development

- Combined parcel would allow for a 55,000 square foot building which matches or exceeds the size of the existing PYREC building. Exact layout of site to be adjusted if sidewalks and landscaping are desired on all sides of the facility.
- New parcel would be approximately 9.1 acres total (existing parcel is approximately 3.6 acres).
- A facility of this size requires (92) off street parking spaces and (4) ADA Accessible parking spaces. (Parking layout as currently shown has 132 spaces to be able to host multiple events.)
- Building and drainage features shall be situated outside of the 20-foot utility buffer area and away from the lattice tower as required by ITC Holding which is illustrated in Figure 2.
- A Site Plan review will be required by ITC Holding for utility buffer space approval for all vertical structures, parking lot areas, and placement of detention ponds if applicable.

- On-site storm water detention will be required prior to final flush. The detention pond shown in Figure 2 in the southwest corner of the site is approximately sized to meet the required volume of the site.
- Utility service connections would be approximately in the same location as in Figure 1 for the proposed building as the existing utility locations would not have changed.

### 4.3 ADDITIONAL CONSIDERATIONS

Given that the existing site is undeveloped, the site costs for this option are significant compared to the other alternatives. Although there are adequate utilities available in the area to service a new building, all of the infrastructure (i.e., domestic water, sanitary, power, natural gas, drainage, etc.) would need to be created new for the site. The location of the ITC power lines, and more specifically the tower structure, also place significant limitations on the use of the current site and its available layout.

Although the site layout is limited, it is able to fit a building only slightly smaller than the exiting PYREC facility. As the property is zoned R-1, it likely has limited potential to outside developers. So, the fact that the City is able to develop this disadvantaged site into a viable property is a positive benefit.

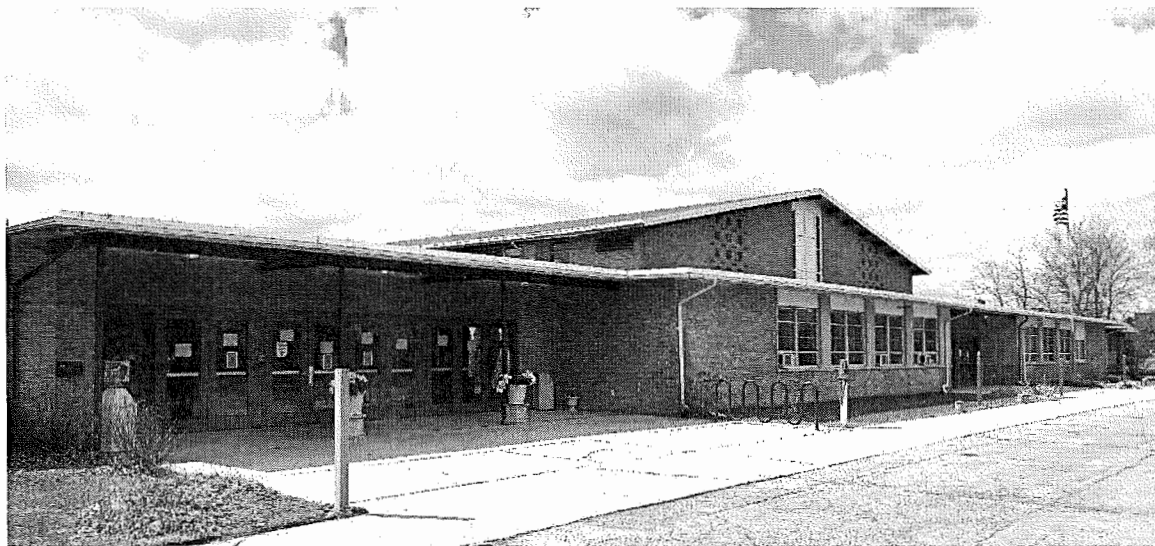
Having an undeveloped site does offer a significant advantage though in that the City would be able to create exactly the facility that their residents' desire. Should this option be selected, it is recommended that the City pursue a series of community engagement activities (townhall style meetings, mail surveys, and City website/ social media polls) to better understand what specific amenities are most desired by the citizens.

Constructing a new facility of this size and amenities will incur significant costs, and would likely want to be eye-catching and interesting in appearance to bring people in. It should be considered whether this site and location is best suited to carry a significant new City property such as this. Golf Drive is a two-lane road that allows for limited traffic – it is also recommended that the City consider the increased traffic that a new facility like this would bring to the area.

## **SECTION 5.0 — EXISTING PYPREC FACILITY**

### **5.1 EXISTING CONDITIONS**

Refer to HRC's Youth Recreation Center Facility Evaluation Report dated May 20, 2020 for documentation of existing conditions and recommended improvements.



### **5.2 ANTICIPATED IMPROVEMENTS**

In order to keep the building useable and functional as a Recreation Center, the following repairs and improvements were recommended (phased over the next 10 years):

- ≡ Site Improvements
  - Repair parking lot and site paving.
  - Plan for eventual replacement of site paving.
  - Demolish deteriorated remote building at south edge of property.
  - Update sport court and play structure.
- ≡ Building Improvements
  - Interior renovations including repairing walls and providing new gym floor.
  - Exterior renovations including brick repairs, replace soffits, and repainting.
  - Properly remove any remaining asbestos and/or lead paint.
  - Re-caulk all exterior joints and wall openings.
  - New exterior windows and doors; interior door hardware replacement.
  - Roofing replacement.
  - Update electrical service and replace lighting.
  - Replace heating water boilers and rooftop HVAC equipment.
  - Replace classrooms unit ventilators.
  - Renovate restrooms and locker rooms.

### 5.3 ADDITIONAL CONSIDERATIONS

It is our understanding that the current facility adequately meets the needs of City residents. It should be noted that since the building is already being used as the City's Youth Rec Center, there would be minimal inconvenience to the residents to continue to use the facility in this way. The building's maintenance and renovation needs are known and can be phased over the next 10 years to keep costs manageable to the City.

Given that the City currently leases the property from Dr. Carl Byerly, the price of purchasing the property is a significant additional cost to consider when evaluating the long-term feasibility of the facility. It should also be noted that the property does contain a large section of undeveloped area to the north (where the ITC power lines are located) and this area of the site may be able to be combined with the piece the City currently owns to make a larger property along Golf Drive that could be more enticing to sell to potential developers.


Consideration should also be given to the site in terms of its location within the neighborhood and the City. The property is not centrally located or off a major thoroughfare and does not appear to be near public transportation routes, which may inhibit residents from using the facility to its fullest potential. In addition, there are limited outside play areas at the site, despite available space to locate them. It would be advantageous to create more safe outdoor spaces for the youth to enjoy at the facility.


Should significant program changes be made to the facility in the future, i.e., sponsoring large events such as plays, tournaments, or dances, or by adding building amenities like a cafeteria, pool or splash pad, the additional traffic to the site should be carefully considered, especially given the quiet residential nature of the surrounding streets.





## **SECTION 6.0 — COST ESTIMATES**


HRC has provided our Engineer's Opinion of Probable Project Costs in this Section for each of the four (4) proposed sites, which is intended to act as a preliminary guide for the City in determining general cost magnitudes for the recommended improvements as delineated in this report. The costs are based on our initial recommendations for improvements and should be viewed as conceptual only. Projected costs have been determined using 2021 RS Means Construction Cost Information as well as historical data and current industry trends in the Southeast Michigan Region.

 <b>HUBBELL, ROTH &amp; CLARK, INC</b> CONSULTING ENGINEERS SINCE 1915				
		555 Hulet Dr., Bloomfield Hills, MI 48302 ph. (248) 454-6300		
<b>PROJECT: PONTIAC RECREATION CENTER FEASIBILITY STUDY</b>				
<b>ENGINEER'S OPINION OF PROBABLE PROJECT COST</b>				
		DATE:	4/28/2021	
LOCATION: DAVID EWALT CENTER - 1460 PERRY ST.		PROJECT NO.	20180269.33	
BASIS FOR ESTIMATE: <input checked="" type="checkbox"/> PRELIMINARY <input type="checkbox"/> FINAL		ESTIMATOR:	ARU	
WORK: <b>RENOVATIONS - 14,000 SF. FT. FACILITY</b>		CHECKED BY:	BKD/AMM	
Description	Quantity	Unit	Unit Price	Total Cost
<b>SITE WORK</b>				
1 Parking Lot and Site Paving	1	LS	\$ 450,000.00	\$ 450,000.00
2 Electrical Service & Site Lighting Repairs	1	LS	\$ 15,000.00	\$ 15,000.00
3 Replace Playground Equipment	1	LS	\$ 40,000.00	\$ 40,000.00
4 Renovate Sports Courts	1	LS	\$ 50,000.00	\$ 50,000.00
5 Demolish Remote Building	1	LS	\$ 20,000.00	\$ 20,000.00
<b>Subtotal - SITE WORK</b>				<b>\$ 575,000.00</b>
<b>BUILDING WORK</b>				
1 Interior & Exterior Building Repairs	1	LS	\$ 650,000.00	\$ 650,000.00
2 Painting	1	LS	\$ 42,000.00	\$ 42,000.00
3 Roof Replacement	1	LS	\$ 180,000.00	\$ 180,000.00
4 Electrical System Replacement	1	LS	\$ 120,000.00	\$ 120,000.00
5 Mechanical System Replacement	1	LS	\$ 325,000.00	\$ 325,000.00
6 Plumbing System Updates	1	LS	\$ 100,000.00	\$ 100,000.00
7 Elevator Repairs	1	LS	\$ 50,000.00	\$ 50,000.00
<b>Subtotal - BUILDING WORK</b>				<b>\$ 1,467,000.00</b>
<b>SUMMARY</b>				
SITE WORK				\$ 575,000.00
BUILDING WORK				\$ 1,467,000.00
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$ 2,042,000.00</b>
General Conditions, OH+P (~20%)				\$ 408,400.00
Contingencies (~12%)				\$ 245,040.00
<b>Subtotal - Construction Cost w/ Contingencies</b>				<b>\$ 2,695,440.00</b>
<b>OTHER COSTS</b>				
Engineering Design Allowance (8%)				\$215,635.20
Construction Administration Allowance (5%)				\$134,772.00
Hazardous Materials Testing & Abatement				\$26,954.40
Owner Soft Costs - Furniture, Computers, IT/Security System, AV System, Specialty Gym Equipment, Personnel Training, Moving Expenses, and Permitting.				\$40,000.00
<b>Subtotal - OTHER COSTS</b>				<b>\$417,361.60</b>
<b>TOTAL CONSTRUCTION BUDGET - EWALT CENTER RENOVATIONS</b>				<b>\$3,112,801.60</b>

 <b>HUBBELL, ROTH &amp; CLARK, INC</b> CONSULTING ENGINEERS SINCE 1915			
		555 Hulet Dr., Bloomfield Hills, MI 48302 ph. (248) 454-6300	
<b>PROJECT: PONTIAC RECREATION CENTER FEASIBILITY STUDY</b>			
<b>ENGINEER'S OPINION OF PROBABLE PROJECT COST</b>			
		DATE:	4/28/2021
LOCATION: PURDUE SCHOOL - 25 S. SANFORD ST.		PROJECT NO.	20180269.33
BASIS FOR ESTIMATE: <input checked="" type="checkbox"/> PRELIMINARY <input type="checkbox"/> FINAL		ESTIMATOR:	ARJ
WORK: RENOVATIONS - 150,000 SQ. FT. FACILITY		CHECKED BY:	BKD/AMM
Description	Quantity	Unit	Unit Price
<b>SITE WORK</b>			
1 Parking Lot and Site Paving	1	LS	\$ 950,000.00
2 Electrical Service & Site Lighting Repairs	1	LS	\$ 40,000.00
3 Fence & Retaining Wall Repairs	1	LS	\$ 90,000.00
4 Replace Playground Equipment	1	LS	\$ 100,000.00
5 Renovate Sports Courts	1	LS	\$ 75,000.00
6 Demo Single Story Metal Building (Assumes Scrap Value)	1	LS	\$ 25,000.00
<b>Subtotal - SITE WORK</b>			<b>\$ 1,280,000.00</b>
<b>BUILDING WORK</b>			
1 Interior & Exterior Building Repairs	1	LS	\$ 2,000,000.00
2 Window & Door Replacements	1	LS	\$ 800,000.00
3 Change Building Layout for Rec Center Usage	1	LS	\$ 150,000.00
4 Painting	1	LS	\$ 100,000.00
5 Roof Replacement	1	LS	\$ 1,000,000.00
6 Electrical System Replacement	1	LS	\$ 1,500,000.00
7 Mechanical System Replacement	1	LS	\$ 2,000,000.00
8 Plumbing System Updates	1	LS	\$ 1,000,000.00
9 Elevator Repairs	1	LS	\$ 250,000.00
10 Fire Suppression & Fire Alarm System Replacements	1	LS	\$ 2,000,000.00
11 Pool Renovations	1	LS	\$ 750,000.00
<b>Subtotal - BUILDING WORK</b>			<b>\$ 11,550,000.00</b>
<b>SUMMARY</b>			
SITE WORK			\$ 1,280,000.00
BUILDING WORK			\$ 11,550,000.00
<b>CONSTRUCTION SUBTOTAL</b>			<b>\$ 12,830,000.00</b>
General Conditions, OH+P (~20%)			\$ 2,566,000.00
Contingencies (~12%)			\$ 1,539,600.00
<b>Subtotal - Construction Cost w/ Contingencies</b>			<b>\$ 16,935,600.00</b>
<b>OTHER COSTS</b>			
Engineering Design Allowance (5%)			\$846,780.00
Construction Administration Allowance (3%)			\$508,068.00
			\$338,712.00
Hazardous Materials Testing & Abatement			\$84,678.00
Owner Soft Costs - Furniture, Computers, IT/Security System, AV System, Specialty Gym Equipment, Personnel Training, Moving Expenses, and Permitting.			\$150,000.00
<b>Subtotal - OTHER COSTS</b>			<b>\$1,928,238.00</b>
<b>TOTAL CONSTRUCTION BUDGET - PURDUE ACADEMY RENOVATIONS</b>			<b>\$18,863,838.00</b>

 <b>HUBBELL, ROTH &amp; CLARK, INC</b> CONSULTING ENGINEERS SINCE 1915			
		555 Hulet Dr., Bloomfield Hills, MI 48302 ph. (248) 454-6300	
PROJECT: PONTIAC RECREATION CENTER FEASIBILITY STUDY			
ENGINEER'S OPINION OF PROBABLE PROJECT COST			
		DATE:	4/28/2021
LOCATION: CRYSTAL LAKE, ~825 GOLF DRIVE (VACANT SITE)		PROJECT NO.	20180269.33
BASIS FOR ESTIMATE: <input checked="" type="checkbox"/> PRELIMINARY <input type="checkbox"/> FINAL		ESTIMATOR:	ARU
WORK: NEW CONSTRUCTION - 48,000 SQ. FT. FACILITY		CHECKED BY:	BKD/AMM
Description	Quantity	Unit	Total Cost
<b>SITE WORK</b>			
1 Site Work - Excavation, Earthwork, Restoration	1	LS	\$ 250,000.00
2 Parking Lot and Site Paving	1	LS	\$ 800,000.00
3 Site Storm Water Detention	1	LS	\$ 150,000.00
4 Utilities	1	LS	\$ 100,000.00
5 Electrical Service & Site Lighting	1	LS	\$ 50,000.00
6 Landscaping & Irrigation	1	LS	\$ 30,000.00
7 Signage	1	LS	\$ 20,000.00
Subtotal - SITE WORK			\$ 1,400,000.00
<b>BUILDING WORK</b>			
1 Gymnasium	12,000	SqFt	\$ 200.00
2 Mezzanine with Running Track & Weight Room	4,000	SqFt	\$ 150.00
3 Cafeteria & Kitchen	8,000	SqFt	\$ 250.00
4 Classrooms	15,000	SqFt	\$ 150.00
5 Offices	2,000	SqFt	\$ 150.00
6 Shower/Locker Rooms and Restrooms	8,000	SqFt	\$ 250.00
7 Support Spaces	3,000	SqFt	\$ 120.00
Subtotal - BUILDING WORK			\$ 9,910,000.00
<b>SUMMARY</b>			
SITE WORK			\$ 1,400,000.00
BUILDING WORK			\$ 9,910,000.00
CONSTRUCTION SUBTOTAL			\$ 11,310,000.00
General Conditions, OH+P (~20%)			\$ 2,262,000.00
Contingencies (~12%)			\$ 1,357,200.00
Subtotal - Construction Cost w/ Contingencies			\$ 14,929,200.00
<b>OTHER COSTS</b>			
Engineering Design Allowance (5%)			\$746,460.00
Construction Administration Allowance (7%)			\$1,045,044.00
Survey Layout Allowance			\$14,929.20
Materials & Geotechnical Testing Allowance			\$29,858.40
Owner Soft Costs - Furniture, Computers, IT/Security System, AV System, Specialty Gym Equipment, Personnel Training, Moving Expenses, and Permitting.			\$100,000.00
Subtotal - OTHER COSTS			\$1,936,291.60
TOTAL CONSTRUCTION BUDGET - CRYSTAL LAKE NEW CONSTRUCTION (Original Lot)			\$16,865,491.60

 <b>HUBBELL, ROTH &amp; CLARK, INC</b> CONSULTING ENGINEERS SINCE 1915				
		555 Hulet Dr., Bloomfield Hills, MI 48302 ph. (248) 454-6300		
PROJECT: PONTIAC RECREATION CENTER FEASIBILITY STUDY				
ENGINEER'S OPINION OF PROBABLE PROJECT COST				
		DATE:	4/28/2021	
LOCATION: CRYSTAL LAKE, ~825 GOLF DRIVE (VACANT SITE)		PROJECT NO.	20180269.33	
BASIS FOR ESTIMATE: <input checked="" type="checkbox"/> PRELIMINARY <input type="checkbox"/> FINAL		ESTIMATOR:	ARU	
WORK: <b>NEW CONSTRUCTION - 55,000 SQ. FT. FACILITY</b>		CHECKED BY:	BKD/AMM	
Description	Quantity	Unit	Unit Price	Total Cost
<b>SITE WORK</b>				
1 Site Work - Excavation, Earthwork, Restoration	1	LS	\$ 500,000.00	\$ 500,000.00
2 Parking Lot and Site Paving	1	LS	\$ 1,200,000.00	\$ 1,200,000.00
3 Site Storm Water Detention	1	LS	\$ 200,000.00	\$ 200,000.00
4 Utilities	1	LS	\$ 125,000.00	\$ 125,000.00
5 Electrical Service & Site Lighting	1	LS	\$ 75,000.00	\$ 75,000.00
6 Sports Field	1	LS	\$ 80,000.00	\$ 80,000.00
7 Landscaping & Irrigation	1	LS	\$ 50,000.00	\$ 50,000.00
8 Signage	1	LS	\$ 25,000.00	\$ 25,000.00
<b>Subtotal - SITE WORK</b>				<b>\$ 2,255,000.00</b>
<b>BUILDING WORK</b>				
1 Gymnasium	12,000	SqFt	\$ 200.00	\$ 2,400,000.00
2 Mezzanine with Running Track & Weight Room	4,000	SqFt	\$ 150.00	\$ 600,000.00
3 Cafeteria & Kitchen	9,000	SqFt	\$ 250.00	\$ 2,250,000.00
4 Classrooms	21,000	SqFt	\$ 150.00	\$ 3,150,000.00
5 Offices	2,000	SqFt	\$ 150.00	\$ 300,000.00
6 Shower/Locker Rooms and Restrooms	8,000	SqFt	\$ 250.00	\$ 2,000,000.00
7 Support Spaces	3,000	SqFt	\$ 120.00	\$ 360,000.00
<b>Subtotal - BUILDING WORK</b>				<b>\$ 11,060,000.00</b>
<b>SUMMARY</b>				
SITE WORK				\$ 2,255,000.00
BUILDING WORK				\$ 11,060,000.00
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$ 13,315,000.00</b>
General Conditions, OH+P (~20%)				\$ 2,663,000.00
Contingencies (~12%)				\$ 1,597,800.00
<b>Subtotal - Construction Cost w/ Contingencies</b>				<b>\$ 17,575,800.00</b>
<b>OTHER COSTS</b>				
Cost of Purchasing Adjacent Parcel at 825 Golf Drive				TBD
Engineering Design Allowance (5%)				\$878,790.00
Construction Administration Allowance (7%)				\$1,230,306.00
Survey Layout Allowance				\$17,575.80
Materials & Geotechnical Testing Allowance				\$35,151.60
Owner Soft Costs - Furniture, Computers, IT/Security System, AV System, Specialty Gym Equipment, Personnel Training, Moving Expenses, and Permitting.				\$120,000.00
<b>Subtotal - OTHER COSTS</b>				<b>\$2,281,823.40</b>
<b>TOTAL CONSTRUCTION BUDGET - CRYSTAL LAKE NEW CONSTRUCTION (Expanded Lot)</b>				<b>\$19,857,623.40</b>

 <b>HUBBELL, ROTH &amp; CLARK, INC</b> CONSULTING ENGINEERS SINCE 1915		555 Hulet Dr., Bloomfield Hills, MI 48302 ph. (248) 454-6300		
PROJECT: PONTIAC RECREATION CENTER FEASIBILITY STUDY				
ENGINEER'S OPINION OF PROBABLE PROJECT COST				
		DATE:	4/28/2021	
LOCATION: PYREC EXISTING FACILITY - 825 GOLF DR.		PROJECT NO.	20180269.33	
BASIS FOR ESTIMATE: <input checked="" type="checkbox"/> PRELIMINARY <input type="checkbox"/> FINAL		ESTIMATOR:	ARU	
WORK: RENOVATIONS - 54,000 SQ. FT. FACILITY		CHECKED BY:	BKD/AMM	
Description	Quantity	Unit	Unit Price	Total Cost
<b>SITE WORK</b>				
1 Parking Lot and Site Paving Repairs	1	LS	\$ 16,000.00	\$ 16,000.00
2 Plan for future replacement of asphalt paving	1	LS	TBD	TBD
3 Demolish Remote Building	1	LS	\$ 20,000.00	\$ 20,000.00
4 Replace Playground Equipment	1	LS	\$ 40,000.00	\$ 40,000.00
5 Renovate/Create New Sports Courts	1	LS	\$ 50,000.00	\$ 50,000.00
<b>Subtotal - SITE WORK</b>				\$ 126,000.00
<b>BUILDING WORK</b>				
1 Interior & Exterior Building Repairs	1	LS	\$ 546,000.00	\$ 546,000.00
2 Gym Flooring Replacement	1	LS	\$ 200,000.00	\$ 200,000.00
3 Roof Replacement	1	LS	\$ 500,000.00	\$ 500,000.00
4 Window & Door Replacements	1	LS	\$ 850,000.00	\$ 850,000.00
5 Electrical System Replacement	1	LS	\$ 222,500.00	\$ 222,500.00
6 Mechanical System Replacement	1	LS	\$ 392,400.00	\$ 392,400.00
7 Plumbing System Updates	1	LS	\$ 26,200.00	\$ 26,200.00
<b>Subtotal - BUILDING WORK</b>				\$ 2,737,100.00
<b>SUMMARY</b>				
SITE WORK				\$ 126,000.00
BUILDING WORK				\$ 2,737,100.00
<b>CONSTRUCTION SUBTOTAL</b>				\$ 2,863,100.00
General Conditions, OH+P (~20%)				\$ 572,620.00
Contingencies (~12%)				\$ 343,572.00
<b>Subtotal - Construction Cost w/ Contingencies</b>				\$ 3,779,292.00
<b>OTHER COSTS</b>				
Cost of Purchasing Property (TBD)				\$3,200,000.00
Engineering Design Allowance (8%)				\$302,343.36
Construction Administration Allowance (5%)				\$188,964.60
Hazardous Materials Testing & Abatement				N/A
Owner Soft Costs - Furniture, Computers, IT/Security System, AV System, Specialty Gym Equipment, Personnel Training, Moving Expenses, and Permitting.				\$10,000.00
<b>Subtotal - OTHER COSTS</b>				\$3,701,307.96
<b>TOTAL CONSTRUCTION BUDGET - PYREC EXISTING FACILITY RENOVATIONS</b>				\$7,480,599.96

## SECTION 7.0 — COMPARITIVE ANALYSIS

### 7.1 FACILITY COMPARISONS

Based on our understanding of project particulars, here is a brief list of pros/cons for each site.

#### Ewalt Center

##### *Pros*

- ≡ Site already developed.
- ≡ Building is already a Rec Center.
- ≡ Existing building shell appears stable.
- ≡ Large site with good outdoor spaces; near Galloway Lake Park.
- ≡ Building could be demo'd and a larger facility built there instead.

##### *Cons*

- ≡ Needs extensive renovations - \$3.1 million.
- ≡ Renovations cannot be phased; all are needed prior to occupancy.
- ≡ Building is small, less programs available.
- ≡ Not centrally located in City.

#### Purdue School

##### *Pros*

- ≡ Site already developed.
- ≡ Existing building shell appears stable.
- ≡ Centrally located in City.
- ≡ Extra amenities – pool, cafeteria, etc.
- ≡ Potential uses for extra space to offer unique programming or use as rental.

##### *Cons*

- ≡ Layout needs adjusting for Rec Center use.
- ≡ Needs extensive renovations - \$18.9 million.
- ≡ Renovations cannot be phased; all are needed prior to occupancy.
- ≡ Age of building.
- ≡ Additional maintenance & staff costs.

#### Crystal Lake

##### *Pros*

- ≡ Blank slate to create desired facility.
- ≡ Fully utilize a challenging piece of property that may otherwise remain vacant.
- ≡ \$1,000,000 donated towards construction.

##### *Cons*

- ≡ Power line easement restricts site layout.
- ≡ Site & building need to be developed from scratch.
- ≡ Not centrally located in City
- ≡ Increased road traffic on Golf Dr.
- ≡ Cost - \$16 million base site layout; \$20 million plus cost of purchasing extra parcel.

#### Existing PYREC

##### *Pros*

- ≡ Existing facility is a known commodity.
- ≡ Meets City needs; currently used as the City's Youth Rec Center.
- ≡ Manageable renovations needed that can be phased over the next 10 years - \$3.7 million.
- ≡ Site expansion capabilities available or possible sell off of front parcel.

##### *Cons*

- ≡ Property not City Owned - \$3.2 million purchase price.
- ≡ Not centrally located in City
- ≡ Increased road traffic on Golf Dr.

## 7.2 CONCLUSION

There are many important factors involved when determining which of the aforementioned (4) options is best suited to meet the needs of City residents:

- ≡ Facility size.
- ≡ Range of available building amenities and program activities.
- ≡ Range of available site amenities.
- ≡ Location within the City (to best serve youth population).
- ≡ Proximity to public transportation.
- ≡ Facility maintenance and staff costs.
- ≡ Overall cost of facility (including property acquisition costs).
- ≡ Sense of civic pride instilled by facility (i.e., residents are excited to be there).

Some factors may be less important to the youth, while others are a top priority. Parents and/or caregivers may have differing views from their children. City management will likely also have their own considerations for which factors are most important from a civic perspective. Regardless of which factors have the greatest impact on the decision-making process, it will be important that all sides are considered before making a final determination on how best to proceed.



## *Appendix A — Assessment Reports*



## Memorandum

To: Dan Ringo, DPW Director – City of Pontiac

From: Adrianna Melchior, AIA, Associate – Hubbell, Roth & Clark

Date: April 27, 2021

Subject: Building Assessment Report – David Ewalt Community Center HRC Job No. 20180269.33

HRC was tasked with reviewing City provided data for the David Ewalt Community Center located at 1460 N. Perry Street as part of an overall Recreation Center Feasibility Study. It is our understanding that the aforementioned building has been vacant for some time and there are both environmental and security concerns which prevent HRC from entering the building to perform assessments. Therefore, for the purposes of this report, we have made general assumptions about the facility based on the available data.

City provided information on the facility included a proposal for Building Repairs to the building dated October 27, 2016, and your memo to Mayor Waterman dated March 10, 2021.



**Delhi Township**  
2101 Aurelius Rd.  
Suite 2A  
Holt, MI 48842  
517-694-7760

**Detroit**  
535 Griswold St.  
Buhl Building, Ste 1650  
Detroit, MI 48226  
313-965-3330

**Grand Rapids**  
81925 Breton Road SE  
Suite 100  
Grand Rapids, MI 49506  
616-454-4286

**Howell**  
105 W. Grand River  
Howell, MI 48843  
517-552-9199

**Jackson**  
401 S. Mechanic St.  
Suite B  
Jackson, MI 49201  
517-292-1295

**Kalamazoo**  
834 King Highway  
Suite 107  
Kalamazoo, MI 49001  
269-665-2005

**Lansing**  
215 S. Washington SQ  
Suite D  
Lansing, MI 48933  
517-292-1488

Floor plans of the building were not able to be provided, so we have assumed the following based on available data:

- Overall building footprint is approximately 14,000 sq. ft. The building is single-story. The north portion of the building has a lower finished floor height and is presumed to be a double height gym space, while the south portion of the building is shorter and would contain single-story office and support spaces.
- Construction is assumed to be double wythe masonry walls (brick veneer exterior, Concrete Masonry Units (CMU) interior) with concrete floor and roof decks.

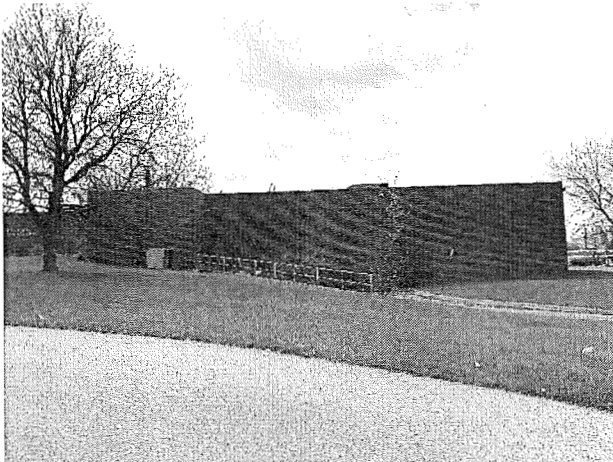


Photo 1



Photo 2



Photo 3

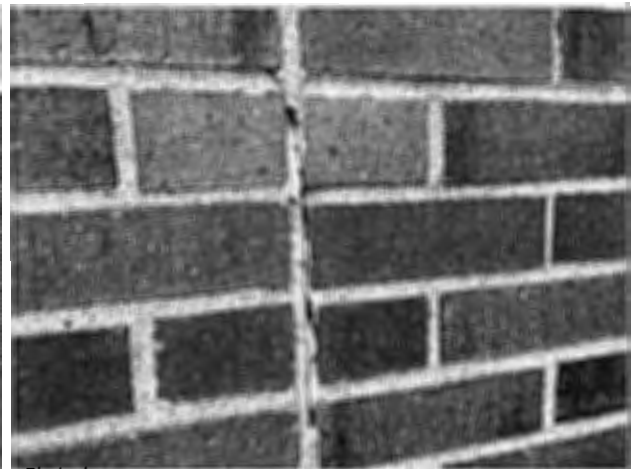


Photo 4

I was able to view the exterior of the building and noted that all the windows and doors have been boarded up. It is likely that both doors and windows are significantly damaged and/or deteriorated at this point given that the building has been left unattended for so long and these would all likely need to be replaced as part of renovation efforts.

The exterior masonry appears to be in good condition with only minor work needed to replace deteriorated sealant at control joints and around window and door openings.

Given the presumed age of the roof, lack of maintenance and DPW observed roof leaks, I would recommend that roofing be replaced on the building. During the design process the roof deck should be checked for water damage and collateral repairs done if any of the structure has been compromised.

It is my understanding that during the 2016 assessment, people entering the building needed to wear Haz Mat suits to safely enter the facility due to environmental damage at the building interior. Given the age of the building, the presence of other hazardous materials, such as asbestos and lead paint are possible. A full hazardous material assessment of the building is recommended to be performed prior to the start of any renovation projects in order to determine abatement efforts needed.

According to the 2016 quote, it appears that the mechanical, electrical, and plumbing systems have all been severely compromised, and a full replacement of all components would be required in order to reoccupy the building. Additionally, plumbing fixtures and the (2) elevators are non-functional, and all wall, ceiling and floor finishes would need to be replaced due to extensive damage. It is presumed that a portion of the walls would also need to be repaired and that all the cabinets/countertops, restroom accessories, and interior doors require complete replacement.

It was observed that the sidewalk leading up to the main front entry of the building appears to be too steep to meet ADA requirements, therefore it is recommended that this sidewalk be completely replaced with a compliant one as part of renovation efforts. Several other sections of the sidewalk around the building would need to be repaired or replaced as well due to age and level of deterioration. And it would be advantageous to create a canopy structure over the main entrance as a protected exterior gathering/waiting area for building patrons.



Photo 5



Photo 6

The north portion of the main parking lot was redone in conjunction with the construction of the Pump Station building adjacent, but the south portion of the lot is excessively deteriorated and would need to be completely reconstructed. There is also a small outbuilding to the south edge of the parking lot that should be demolished as it appears to be structurally failing and is a public safety hazard.

Existing site features include (2) basketball courts, (4) tennis courts, a small play structure and a soccer field – these are all in varying states of deterioration and would need improvements or replacement as part of renovation efforts at the building.



## Memorandum

To: Dan Ringo, DPW Director – City of Pontiac

From: Adrianna Melchior, AIA, Associate – Hubbell, Roth & Clark

Date: April 27, 2021

Subject: Building Assessment Report – Edison Purdue School HRC Job No. 20180269.33

HRC was tasked with reviewing City provided data for the Edison Purdue School located at 25 S. Sanford Street as part of an overall Recreation Center Feasibility Study. It is our understanding that the aforementioned building has been vacant for some time and there are both environmental and security concerns which prevent HRC from entering the building to perform assessments. Therefore, for the purposes of this report, we have made general assumptions about the facility based on the available data.

City provided information on the facility included a 2-page report prepared by the DPW dated January 19, 2021, and your memo to Mayor Waterman dated March 10, 2021. Both documents reference a site visit to the building performed by DPW staff on November 29, 2020.

There is a marker stone above the main entry door that reads "Eastern Junior High School" with an established date of 1924, so the main building is almost 100 years old. A preliminary check of the National Register of Historic Places was conducted, and the property was not listed so it is not believed to be a designated historic facility.



**Delhi Township**  
2101 Aurelius Rd.  
Suite 2A  
Holt, MI 48842  
517-694-7760

**Detroit**  
535 Griswold St.  
Buhl Building, Ste 1650  
Detroit, MI 48226  
313-965-3330

**Grand Rapids**  
81925 Breton Road SE  
Suite 100  
Grand Rapids, MI 49506  
616-454-4286

**Howell**  
105 W. Grand River  
Howell, MI 48843  
517-552-9199

**Jackson**  
401 S. Mechanic St.  
Suite B  
Jackson, MI 49201  
517-292-1295

**Kalamazoo**  
834 King Highway  
Suite 107  
Kalamazoo, MI 49001  
269-665-2005

**Lansing**  
215 S. Washington SQ  
Suite D  
Lansing, MI 48933  
517-292-1488

Floor plans of the building were not able to be provided, so we have assumed the following based on available data:

- Overall building footprint is approximately 55,000 sq. ft. The west and south portions of the building appear to be 3-story classroom facilities while the east portion appears to be a single-story recreational space.
- Construction is assumed to be double wythe masonry walls (brick veneer exterior, Concrete Masonry Units (CMU) interior) with concrete floor and roof decks.
- There is a separate single-story metal building to the north – this building is for storage only.
- There is a pool facility with locker rooms, and a Cafeteria and Kitchen on the first floor of the main building.
- There are tunnels below the building for mechanical and plumbing access.

I was able to view the exterior of the building and noted that all the windows and doors at grade have been boarded up and a number of the windows on the upper floors are broken or damaged in some way. All the doors appear to have been damaged to some degree. Part of one window (including the frame) was seen laying on the ground in front of the building. It is my assumption that a significant portion of the windows and all the ground floor exterior doors will need to be replaced.



Photo 2

The brick able to be seen from the ground appeared to be in stable condition. It was noted that many of the limestone accent pieces at the facades needed some minor repairs and/or repointing to address issues with deterioration. There is a sloped accent band that runs around the building at the first-floor ceiling line that should be checked more closely for loosened stones to ensure they do not fall off the building.



Photo 3



Photo 4



The building was observed to have a number of areas where graffiti had been painted over on both brick and metal surfaces which should be removed as part of an overall renovation project.

Given the presumed age of the roof, lack of maintenance and DPW observed roof leaks, I would recommend that all of the roofing be replaced on all buildings. During the design process the roof deck should be checked for water damage and collateral repairs done if any of the structure has been compromised.

In your memo to the Mayor, it was also noted that there were leaks that had buckled the floor in the main gym. And that "mold exists in several spots near ceilings throughout the building". The development of mold given the circumstances is understandable, but this would need to be tested, and if found to be hazardous, would need to be properly removed as part of the renovation efforts. Given the age of the building, the presence of other hazardous materials, such as asbestos and lead paint are possible. A full hazardous material assessment of the building is recommended to be performed prior to the start of any renovation projects in order to determine abatement efforts needed.

It is my understanding that the building has been significantly vandalized at the interiors and all of the building systems have been compromised to various degrees, although the building structure itself was reported to "seem sound" and "the building is not in any danger or threat of collapsing". It is advisable to have a structural engineer fully inspect the building in order to determine if there are any underlying conditions that need to be addressed.

It appears that the mechanical, electrical, and plumbing systems have all been severely compromised, and a full replacement of all components would be required in order to reoccupy the building. Additionally, plumbing fixtures and the elevator are non-functional, and a significant portion of the wall, ceiling and floor finishes would need to be replaced due to extensive damage. It is presumed that many walls would also need to be repaired and that all the cabinets/countertops, restroom accessories, and interior doors/windows require complete replacement.

As part of renovation efforts, the building as a whole would need to be brought into compliance with the Americans with Disabilities Act (ADA) for accessibility – ramps and/or additional elevators may need to be installed in order to address these issues. Given the location of site parking, it is also assumed that there would need to be a new handicap accessible main entrance with some sort of exterior canopy created on the southeast corner of the building to accommodate building patrons.



Photo 5



Photo 6

There is a concrete retaining wall at the south end of the property – this wall was observed to have some significant cracking and was noted to be displaced in several locations. There was extensive spalling and the rebar is exposed throughout, which can lead to progressive failure. The steel fence posts embedded in the concrete have also rusted out and caused

additional deterioration in the wall. These issues should be addressed as part of a renovation, although repairing this wall to original condition may be more costly than removing it and providing a new retaining wall in the same location.

All parking lot surfaces are in poor condition and should be repaved to address uneven surfaces and large gaps/cracks. There is also a play structure on the north edge of the site that should be removed and replaced. The green space area at this corner of the site could be reorganized to afford additional basketball courts and/or other small sport courts as well as a new play structure for community enrichment.





## HRC OFFICE LOCATIONS

- |  |   |
|--|---|
| <p>≡ <b>Bloomfield Hills</b><br/>555 Hulet Drive<br/>Bloomfield Hills, MI 48302<br/>(248) 454-6300   Fax: (248) 454-6312</p> | <p>≡ <b>Delhi Township</b><br/>2101 Aurelius Road, Suite 2<br/>Holt, MI 48842<br/>(517) 694-7760</p>      |
| <p>≡ <b>Detroit</b><br/>Buhl Building, Suite 1650<br/>535 Griswold Street   Detroit, MI 48226<br/>(313) 965-3330</p>         | <p>≡ <b>Grand Rapids</b><br/>801 Broadway NW, Suite 215<br/>Grand Rapids, MI 49504<br/>(616) 454-4286</p> |
| <p>≡ <b>Howell</b><br/>105 West Grand River<br/>Howell, MI 48843<br/>(517) 552-9199</p>                                      | <p>≡ <b>Jackson</b><br/>401 S. Mechanic Street, Suite B<br/>Jackson, MI 49201<br/>(517) 292-1295</p>      |
| <p>≡ <b>Kalamazoo</b><br/>834 King Highway, Suite 107<br/>Kalamazoo, MI 49001<br/>(269) 665-2005</p>                         | <p>≡ <b>Lansing</b><br/>215 South Washington Square<br/>Lansing, MI 48933<br/>(517) 292-1488</p>          |

**#7**

**RESOLUTION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

Executive Branch

**To:** Council President Williams and Members of the City Council

**From:** Mayor Waterman, Finance Director Darin Carrington, Treasurer Sekar Bawa and City Controller's Office

**Date:** May 12, 2021

**Re:** Approval of the Proposed Millage Rate for FY 2021-2022.

Honorable City Council:

In accordance with Article VI, 2-535 Budget Adoption of the Municipal Code presented for your consideration is the Mayor's updated millage Rate for the fiscal year 2021-2022. In addition, for your information the following items are attached:

- Section 3 of the Budget Ordinance including updated millage rates for fiscal year 2021-22.

Pending no changes to the proposed millage rates the following resolution is recommended:

**Whereas**, in accordance with Article V1, Section 2-535 of the City Ordinance entitled Budget Adoption, a public hearing was held on May 18, 2021 regarding the proposed tax rate and

**Whereas**, the City Council shall not approve proposed tax rate until after the public hearing; and

**Whereas**, by not less than six days after the notice of public hearing shall adopt an appropriations ordinance, tax rate.

**NOW THEREFORE**, in accordance with the General Appropriations Act, the City Council of the City of Pontiac authorizes the following FY 2021-2022 Millage Rates to be levied and collected on the general property tax of all real and personal property within the City:

Charter	Operating	11.0503
Charter	Capital Improvement	1.3811
State Law	Sanitation	2.7624
Voted	Senior Services	0.4900
Voted	Youth Center	1.4702

The City Treasurer is hereby authorized to impose a one percent (1%) property tax administration fee for all property taxes due, And a late penalty charge when applicable, in conformance with Section 44 of Public Act 206 of 1893. Additionally, the City Council approves the Master Fee Schedule as attached.

Attachment

TO: Sekar Bawa, City of Pontiac  
 FROM: Shannon Moore, Required Reports, Standards  
 DATE: 4/19/2021  
 RE: 2021 Tax Rate Request

---

**2021 Headlee Maximum Allowable Millage**

Charter	Operating	11.0503
Charter	Cap Imp	1.3811
State Law	Sanitation	2.7624
Voted	Senior Services	0.4900
Voted	Youth Center	1.4702
Voted	Library	0.9801
<b>Total maximum allowable levy</b>		<b>18.1341</b>

Truth in Taxation Formula:

BTRF x 2020 Levy = Maximum levy possible without hearing.

2021 Base Tax Rate Fraction (BTRF)		0.9756					
							MAXIMUM LEVY WITHOUT HEARING
		2020 TAX LEVY		2021 BTRF			
Charter	Operating	11.1699	X	0.9756	=	10.8973	
Charter	Cap Imp	1.3961	X	0.9756	=	1.3620	
State Law	Sanitation	2.7923	X	0.9756	=	2.7241	
Voted	Senior Services	0.4954	X	0.9756	=	0.4833	
Voted	Youth Center	1.4862	X	0.9756	=	1.4499	
Voted	Library	0.9908	X	0.9756	=	0.9666	
<b>Total Levy Possible w/out hearing</b>							<b>17.8832</b>

**NOTE: YOU WILL NOT HAVE TO HAVE A HEARING IF YOUR BASE TAX RATE IS HIGHER THAN YOUR HEADLEE MAXIMUM BUT YOU CANNOT EXCEED THE HEADLEE MAXIMUM.**

**2021 Possibilities:**

Levy at 2021 recalculated Truth in Taxation Rate	17.8832	no hearing required
Levy at 2021 maximum allowable	18.1341	hearing required *

Any levy between these rates would require a hearing.

Also, you will find enclosed, two partially completed copies of the L-4029.

**You will need to complete column 10 or 11 with your millage to be levied.**

Return the L-4029 before September 30, 2021 or before you levy any taxes. If you are levying any additional specials, please send the appropriate resolutions certifying the levy with the signed L-4029 form.

Hopefully, I have addressed all of your concerns. If I can be of any further assistance, please contact me at (248) 858-0752 or mooreash@oakgov.com.

\* Under Section 16 of the Uniform Budgeting & Accounting Act (MCL 141.436), this may be incorporated with the budget hearing.

**#8**

**COMMUNICATION  
FROM HUMAN  
RESOURCES**



# Patrick Marsh

## ICMA – Credentialed Manager



1



### EDUCATION

#### Master's Degree

Major: Public Administration  
Northern Illinois University - 2004

#### Bachelor of Arts

Major: Business/Public Adm.  
Augustana College - 1988

### EXPERTISE

Leadership

Team Management

Economic Development

Tax-Increment Finance

Finance & Budgeting

Planning & Zoning

Land-Use

Sustainability

Transportation

### CAREER OBJECTIVE

To utilize my thirty years of local government experience, including eighteen years of local government management, to provide exceptional local government management in an effort to increase quality of life for residents, business, and visitors to the community.

### EXPERIENCE

#### City Administrator – City of Fitchburg

*Fitchburg, Wisconsin – September 2015 to January 2021*

- Chief Appointed Official for the City of Fitchburg
- Primary contact for elected officials (Mayor and eight Common Council members)
- Primary contact for business recruiting, retention and expansion
- Responsible for the day-to-day management of fifteen department heads.
- Lead staff for annual budget preparation and management
- Liaison between local organizations such as the Chamber of Commerce and the City

#### City Administrator & Economic Development Director – City of Monona

*Monona, Wisconsin – November 2007 to September 2015*

- Chief appointed official for the City of Monona
- Primary contact for elected officials (Mayor and six Common Council members)
- Primary contact for business recruiting, retention and expansion
- Responsible for the day-to-day management of ten department heads
- Served in the role of Deputy Clerk and assisted with elections, etc.

#### Village Administrator & Economic Development Director –

*Coal Valley, Illinois – June 2003 to November 2007*

- Chief appointed official for the Village of Coal Valley
- Primary contact for elected officials (Village President and six Trustees)
- Primary contact for all planning and economic development activities
- Responsible for the annual budget and daily management of four department heads

# Patrick Marsh

## ICMA – Credentialed Manager



### EXTRA

#### Board of Directors

Illinois City/County Managers  
Association, 2005-2007

#### Board of Directors

Wisconsin City/County Managers  
Association, 2008-2012

#### Board of Directors

Cities & Village Mutual Insurance  
Company, 2014-2015

#### Volunteer Coach

Monona Youth Recreation  
Baseball, Football, Wrestling  
2010-2015

### TECHNICAL SKILLS

Efficient in Microsoft software

Word, Excel

### EXPERIENCE CONTINUED

#### Assistant City Manager – City of Eldridge

*Eldridge, Iowa – December 2002 to June 2003*

- Assisted the City Manager with day-to-day operation of the City
- Assisted the City Manager with budget preparation and management
- Lead staff person for all economic development, planning and zoning activities
- Primary contact for all property maintenance complaints
- Primary liaison between the City Council and City staff

#### Director of Operations – iPower Distribution Group

*Rock Island, Illinois – July 2000 to December 2002*

- Lead staff member for a multi-disciplinary, twelve business conglomeration focused on providing one-stop opportunities for industrial material replacement and operation (MRO)
- Reported to a twelve member Board of Directors on monthly operations of company operations
- Lead staff liaison between member companies and industrial clients (Case IH, John Deere, and, Honeywell)
- Managed eight employees

#### Senior Planner – Bi-State Regional Commission

*Rock Island, Illinois – February 1989 to July 2000*

- Lead staff person for all transit and park and recreational activities in a two state, five county and forty plus local governments in the Quad City Metropolitan Area and adjacent rural counties
- Assisted local governments with land and right-of-way acquisition for multi-use trails throughout the region
- Coordinated multi-use trail development with the state-wide network of regional trail systems in northern Illinois
- Assisted local governments with comprehensive planning and park and recreation master plans

#### Intern – Duane Olivier Associates & City of Moline

*Moline, Illinois – September 1987 to March 1988*

- Assisted local governments with planning documents and asset management inventory systems
- Assisted business consultant with various planning and economic development projects for local governments
- Reviewed local government ordinances for compliance
- Attended city council and village board meetings to experience governing operations of local government

## Thomas Thomas

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Dear Mayor Waterman,

Enclosed is my resume for the Deputy Mayor of Pontiac, Michigan. I have spent 25+ years in public services leadership where I have been involved in nearly every aspect of the industry. My long-term experience in public management and my advanced educational experiences prepares me for this career opportunity.

Having enjoyed the creative energy of a community your similar size in my career, I have both a personal and professional interest in the unique career opportunity to assist in guiding the organization and community of Pontiac into the future. I have a community building and organizational development skill set assembled over the course of twenty plus years. Employing that skill set to secure Pontiac's future has me curious about the position.

The strengths are as advertised – open, agile, purposeful and fun. They come packaged in a brand that includes a decidedly strong work ethic combined with a Masters Degrees and over twenty plus years of widely varied and successful experience in setting a standard for the organization.

The main weakness, like many people, is over relying on a strength. I process information quickly, and have a significant amount of experience. Thus, I can get to solutions before others. This is helpful in most situations, but not all. People will tell you I can get ahead of others on issues, and that's a fair critique. It's also one I'm aware of, and have learned to make adjustments for.

My biggest achievement was being lucky enough to be in the right place, at the right time, to meet my future wife. And then ... not screwing it up. The three terrific kids and a twenty plus year career do not happen without her.

I offer open communication with the media, answering questions as they arise and offer factual information. With regard to my history in the media, working in an environment that influences taxes, economic development and infrastructure it is quite common any electronic search will identify support for and criticism of the service I have provided in any given community. Every project or change proposed or implemented always had full support of the respective governing body.

As an individual I have utilized social media in a way to connect with constituents. I have been instrumental in the implementation of utilizing social media to inform and inquire citizens through police, public works, parks and recreation and other departments within any given organization.

My leisure time activities can be summed up in two words; family and football. With one child still living at home, many of our evenings are filled with events that revolve around their participation in extracurricular activities.

I welcome the opportunity to further discuss my qualifications and look forward to hearing from you.

Sincerely,



Thomas Thomas

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## **Thomas Thomas**

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### **CAREER SUMMARY**

Twenty-Five (25) years city/county management experience including responsibilities in all phases of government operation and services. Extensive experience in budget development, financial management and controls, community and economic development, land use and development services and organizational development. Demonstrated excellence in consensus building; team-building; and public relations. Excellent presentation skills; 1,000+ presentations to governing boards, civic associations and developers.

### **DIRECTLY RELEVANT PROFESSIONAL EXPERIENCE**

**Interim City Manager (GovHR USA)**, Charlotte, MI

September 2020 – January 2021

Charlotte is a full-service city of 9,100. Reporting to a Mayor and City Council of seven members, oversee Fire, Police, Public Works, Community Development, the Assessor, City Clerk, Finance and Treasury). Its total budget is approximately \$6.3 million.

#### *Duties and Responsibilities*

- ❖ Supervised department directors of Police, Fire, Human Resources, Risk Management, Public Works, Community Development, the Assessor, City Clerk and Finance.

#### *Achievements*

- PK Development of Okemos, MI is proposing to continue the redevelopment of the former Charlotte Junior High School. PK would add 54 new units of affordable family housing to the 17 existing residential rental units. The site plan calls for demolition of some portions of the building, but preserves the historic facade, and adds extensive landscaping and other site amenities. The new residential units would be rented at affordable rates thanks to incentives from the City of Charlotte and the Michigan State Housing Development Authority. We have estimated a \$15M investment.
- Negotiated three-year labor agreements with IAFF. First time firefighters have ever agreed on a labor agreement.

**City Manager**, Unalaska, Alaska

March 2018 – May 2019

City of Unalaska is a remote and expensive community with 4,700 year-round residents. It is also the chief population center of the Aleutian Islands. Sometimes referred to as Dutch Harbor, it is second largest commercial fishing port by volume in the U.S. It is known particularly for its king crab production. The city employs 166+ FTE and has a General Fund budget of \$33M, a Proprietary (a.k.a., Enterprise) Fund of \$35M and a Special Revenue Fund Budget of \$3.4M.

#### *Duties and Responsibilities*

- ❖ Supervised department directors of Police, Fire, Administration (Human Resources, Risk

Management, Housing), Public Works, Public Utilities, Planning, Finance (IT, Purchasing), City Clerk, Ports & Harbors, and Parks, Culture & Recreation (Parks, Library, Community Center).

#### *Achievements*

- Completed Unalaska Marine Center (UMC) Dock Position III and IV Upgrades project valued at \$34M within budget. The project aligned approximately 390 feet of new dock with the current U.S. Coast Guard Dock creating a total length of 730 feet.
- Recognizing the difficulty in retaining employees, negotiated a three-year labor agreement agreeing to a wage increase, new retention bonuses for employees with 8, 10 and 12 years of service, and new education incentives.
- Created a standalone department by separating Fire from Public Safety, eliminating an unnecessary management layer thereby increasing accountability and efficiency.

**City Manager**, Rock Island, IL

October 2011 – September 2016

The City of Rock Island is located on the Mississippi River in northwestern Illinois and has a population of approximately 40,000. It is the county seat for Rock Island County and home to the Rock Island Arsenal, the largest government-owned weapons manufacturing arsenal in the U.S. employing 6,000 people. The employs 468+ FTEs and has a General Fund of \$38M, an Enterprise Fund budget of \$49M and an Internal Service Fund budget of \$13M.

#### *Duties and Responsibilities*

- ❖ Supervise department directors overseeing Police, Fire, Public Works, Economic & Community Development, Human Resources, Finance, Parks & Recreation, Information Technology, Martin Luther King Jr. Center, Library, and City Clerk.

#### *Achievements*

- Invested \$15M in purchasing a 22.94 acres site at the Watchtower Plaza for retail development. In preparation, we assisted 12 businesses in relocating within the City. By keeping those businesses, we retained approximately 180 full-time positions and are projected that another 20 to 30 positions would be created over the next 12 months. Hill & Valley, the largest employer we retained (140 jobs and projected growth of 20 new positions) and was about to move its operation out of state. A New Market Tax Credit deal was structured to assist them in renovating a new facility to expand their operations and remain in the City.
- Negotiated sale of City owned land for a 10 acres commercial and retail development. Developer invested \$10M on an engineering & insurance company and satellite community college.
- Negotiated sale of City owned land and incentives to site 45,000 square foot Medical Marijuana Cultivation Facility valued at \$10M which created 100 jobs. One of the first in Illinois.

- Revitalized the Human Rights Commission that had been dormant for years. The mission to review complaints regarding discriminatory actions and to mediate disputes that arise from those complaints.
- Provided oversight to developing/implementing the 20-year Comprehensive Land Use Plan and Zoning Ordinance. The Comprehensive Plan includes: 1) an inventory of existing conditions; 2) an assessment of current and future needs; 3) maps depicting current and future conditions; and 4) a community vision.
- Negotiated five-year labor agreements with FOP, FOP Command, IAFF, AFSCME A, AFSCME B and UAW. First time these groups have ever agreed on a five-year labor agreement.
- Implemented Zero Based Budget, which required budget requested be justified in complete detail by each department for an average savings of \$1M a year. There has been no property tax increase in six years.
- Completed a 65,000 square foot Police Facility valued at \$22M within budget to provide a central location for all police operations for the first time.

**Chief Administrative Officer, Macon, GA**

November 2008 – September 2011

Macon is located in central Georgia and has a population of just under 100,000. It is home to diverse cultures, beautiful architecture, an exciting music heritage and thriving arts and educational opportunities. Local industry focuses on manufacturing, aeronautics, medical and tourism. The city of Macon employ's 1,280+FTE, and has a General Fund Budget of \$72M, an Enterprise Fund Budgeted of \$14M, and an Internal Service/Special Revenue/Governmental Funds Budget of \$21M.

#### *Duties and Responsibilities*

- ❖ Reported to an elected mayor supervising the following functions: Police, Fire, Emergency Management Agency, Public Works, Economic & Community Development, Human Resources, Finance, Central Services, Engineering, Airport, MIS, and Parks & Recreation.

#### *Achievements*

- Implemented Public/Private Merger: Noble's Marriott Macon City Center Hotel and the City's Coliseum, Convention Center and Auditorium. Noble invested \$37M and the City of Macon invested \$10M. Negotiated transition of 43 City employees to Noble employees outlining salaries, benefits and retirements.
- Implemented Main Street Program local Main Street program involving a public/private coalition of organizations, agencies, businesses, and individuals from throughout the community.
- Continued partnership with Mercer University implementing the College Hill Corridor Master Plan to revitalize surrounding neighborhoods toward eventually reconnecting to the downtown area.
- Partnered with Macon Water Authority and Bibb County to develop a 20-year Stormwater System Plan. Continuing partnership towards implementing a Stormwater Utility to fund repairs.
- Partnered with Bibb County and Bibb County School System to implement Tax Allocation District (TAD – referred to a TIF in other states) to redevelop of downtown blighted areas. Focus was to make Second Street the center of downtown, connecting it with Little Richard Boulevard.

- Implemented web-based system modeled after Baltimore CITISTAT to record and track work orders both internally and externally. Used as a tool to improve service delivery.
- Right-sized organization by eliminating 100+ FTE and saving \$3M.
- Redesigned employee health insurance plan for a savings of \$5M. The City's Governmental Accounting Standards Board's (GASB) Other Post-Employment Benefits (OPEB) accrued liability was reduced from \$160M to \$80M.
- Implemented Zero Based Budget, which required budget requested be justified in complete detail by each department for a savings of \$3.8M.
- Developed Reserved Policy to maintain an average fund balance in the General Fund greater than three months expenses. Funds can only be used in specified emergencies.

**Assistant County Administrator**, Dougherty County, GA

January 2003 – October 2008

Dougherty County is located in Southwest Georgia along the Flint River and has a population of just under 100,000. Local industry includes the Marine Corp Logistics Base which employs 4,700 professional military, civilian and contract personnel to ensure that ground combat and ground combat support equipment is ready when required by Marine operational forces.

#### *Duties and Responsibilities*

- ❖ Reported to the County Administrator supervising the following functions: Small and Disadvantaged Business Utilization, Finance, Public Works, Emergency Medical Services, Jail, Court Services, Tax & Tag, Solid Waste, Library, Human Resources, Facilities Management, and Police.

#### *Achievements*

- Represented Dougherty County in negotiations with the City of Albany to be in compliance with House Bill 489 Service Delivery Strategy. Some of the services contracted from the City of Albany include: Fire, Recreation, Planning and Development, Code Enforcement, Information Technology and Purchasing.
- Provided professional support to implementation of a 10-year \$210-million downtown master plan creating a new mix of commercial, institutional, and residential activities financed by SPLOST.
- Partnered with City of Albany to implement Tax Allocation District (TAD) regarding the redevelopment of downtown blighted areas. Referred to as a TIF in other States.
- Provided oversight to developing/implementing the 20-year Comprehensive Land Use Plan and Zoning Ordinance. The Comprehensive Plan includes: 1) an inventory of existing conditions; 2) an assessment of current and future needs; 3) maps depicting current and future conditions; and 4) a community vision.
- Oversaw all fixed assets (property – buildings and contents, equipment, and automobiles) valued at \$161M.
- Oversaw all insurance plans (self insurance, health plan, property, liability, and workers compensation).
- Provided oversight to the Rural Transit System to provide efficient transportation service for residents living in the unincorporated areas of the County.
- Oversaw inspection, maintenance, and coordination of events at Riverfront Park. Riverfront Park is an 8.83 acre tract passive park in the downtown area along the Flint River which includes a children's playground, festival gardens, and a multipurpose facility used for special events.
- Provided oversight to the pre-disaster mitigation competitive grant program for pre-

- disaster mitigation planning and projects primarily addressing natural hazards.
- Completed a 5,205 square foot Animal Shelter valued at \$781,647 within budget to provide animal control to the unincorporated area for the first time.
  - Supervised with the Chamber of Commerce in developing an economic diversification plan for the Marine Corp Logistics Base land site.
  - Represented Dougherty County on the Convention and Visitors Bureau Committee to promote community awareness and support for tourism and convention efforts.

### **OTHER PROFESSIONAL EXPERIENCE**

Served as an Associate Planner for the City of Pinellas Park, Florida (Population – 46,100) for 19 months, an Assistant to the City Manager of Largo, FL (one year) and of Rockville, MD (two years), a Budget Analyst for the City of Tallahassee, FL for two years, and a Worker Compensation Case Analyst for the Florida Department of Labor and Employment Security. During periods between government jobs, I have also been the co-owner and manager of Audiology by Gott (two years) and served as a certified public school substitute teacher.

### **EDUCATION**

Master of Public Administration  
BA in Political Science

Georgia College and State University - 1992  
Valdosta State University - 1990

### **PROFESSIONAL ORGANIZATIONS**

- International City/County Management Association (ICMA)
- Illinois City/County Management Association (ILCMA)
- National Forum for Black Public Administrators (NFBPA)



## References

Michael Armitage, Mayor (City of Charlotte, Michigan)	(734) 474-1574
Bryan Myrkle, Community Development Director (City of Charlotte, Michigan)	(517) 290-2691
Dennis Pauley, Mayor (Former) (City of Rock Island, Illinois)	(309) 429-9719
Decker Ploehn, City Administrator (City of Bettendorf, Iowa)	(563) 349-4595
Corri Spiegel, City Administrator (City of Davenport, Iowa)	(303) 726-7750

**#10**

**COMMUNICATION  
FROM THE  
MAYOR**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

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**TO:** Honorable City Council President and City Council Members

**FROM:** Mayor Deirdre Waterman, Darin Carrington, Finance Director

**DATE:** May 18, 2021

**RE:** Addendum to recommended FY 2021/22 budget *American Rescue Plan* suggested initiatives

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The Mayor's Recommended Budget was submitted to Council on April 30, 2021 as required by the City Charter. As also required by law, the budget was balanced and indeed there is a forecasted surplus of \$2.2 million for FY 2020-21 and a budgeted surplus of \$1.29 million for FY 2021-22. Enclosed is the Mayor's budget statement which has been included in the packet to City Council.

Since that submission, the estimated Municipal Allotments from the American Rescue Plan (ARP) were recently announced. Under the ARP, the City of Pontiac's estimated allotment has been increased from the original estimate of \$5.8 million to \$37.7 million.

The Federal Government guidelines regarding the use of American Rescue Plan funds are attached. As such, we are submitting this addendum to the Mayor's recommended budget, as suggested initiatives for use of the American Rescue funds.

Attachments:

# **FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver \$350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs**

**May 10, 2021**

*Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery*

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

## **FUNDING AMOUNTS**

The American Rescue Plan provides a total of \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

<b>Type</b>	<b>Amount (\$ billions)</b>
States & District of Columbia	\$195.3
Counties	\$65.1
Metropolitan Cites	\$45.6
Tribal Governments	\$20.0
Territories	\$4.5
Non-Entitlement Units of Local Government	\$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

## **USES OF FUNDING**

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury's Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

## 1. Supporting the public health response

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
  - ✓ Vaccination programs
  - ✓ Medical expenses
  - ✓ Testing
  - ✓ Contact tracing
  - ✓ Isolation or quarantine
  - ✓ PPE purchases
  - ✓ Support for vulnerable populations to access medical or public health services
  - ✓ Public health surveillance (e.g., monitoring for variants)
  - ✓ Enforcement of public health orders
  - ✓ Public communication efforts
  - ✓ Enhancement of healthcare capacity, including alternative care facilities
  - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
  - ✓ Enhancement of public health data systems
  - ✓ Capital investments in public facilities to meet pandemic operational needs
  - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**
  - ✓ Mental health treatment
  - ✓ Substance misuse treatment
  - ✓ Other behavioral health services
  - ✓ Hotlines or warmlines
  - ✓ Crisis intervention
  - ✓ Services or outreach to promote access to health and social services
- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

## 2. Addressing the negative economic impacts caused by the public health emergency

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.
- **Supporting small businesses**, helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.
- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.
- **Rebuilding public sector capacity**, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

### 3. Serving the hardest-hit communities and families

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health**, through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments**, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

### 4. Replacing lost public sector revenue

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.



Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury's Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient's average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury's Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

## **5. Providing premium pay for essential workers**

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- |   |   |
|---|---|
| ✓ Staff at nursing homes, hospitals, and home-care settings                     | ✓ Truck drivers, transit staff, and warehouse workers |
| ✓ Workers at farms, food production facilities, grocery stores, and restaurants | ✓ Childcare workers, educators, and school staff      |
| ✓ Janitors and sanitation workers   | ✓ Social service and human services staff             |
| ✓ Public health and safety staff  |   |

Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

## **6. Investing in water and sewer infrastructure**

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

## **7. Investing in broadband infrastructure**

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

## **8. Ineligible Uses**

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.

## Proposed Request for ARP Funding

### 1. **Small Business Program - \$1M**

Small Business Program to provide gap funding for business owners in the form of grants and micro loans. Currently, we have 1,000 small business owners. Business owners can apply for funding through applications and/or pitch competitions. Through review by the EDC, new or start-ups could receive funding.

The program is designed to promote entrepreneurship, small business growth and enhance the COP's economy. We will provide technical support and related resources.

This program falls into the ARP Guidelines on page 4, No. 2 - Addressing the Negative Economic Impacts Caused by the Public Emergency – Supporting Small Businesses

### 2. **Smart City Initiative –**

A proposal to create broad based infrastructure in the COP with cameras to monitor safety and tracking of infrastructure such as pot holes, leaks in water lines, traffic congestion, etc. The COP could reach out to tech and infrastructure partners to collaborate and provide additional resources and funding.

This project falls into the ARP Guidelines provided on page 7, No.7 – Investing in Broadband Infrastructure

I attended the White House State and Local Fiscal Recovery Program Briefing today at 5:00 where these programs were presented. I have the slides that were presented. See below:

### 3. **Workers and Families Program** - provide assistance to unemployed workers and job training

### 4. **Investing in Housing and Neighborhoods** - Services to support individuals facing homelessness, affordable housing and housing vouchers, residential counseling and navigation assistance.

**City of Pontiac**  
**American Rescue Plan - FY 2022 Proposed Projects**

<b>Project</b>	<b>Department</b>	<b>Amount</b>	<b>w/in ARP Guidelines</b>	<b>Guideline Category (1-7)</b>
Small Business Program	Econ Dev	1,000,000	Y	2
Smart City Initiative - Broadband	Econ Dev	1,500,000	Y	7
Workers & Families Program	Econ Dev	500,000	Y	2
Investing in Housing and Neighborhoods	Econ Dev	1,000,000	Y	3
Senior Center Operations/Programs	Mayor	340,000	Y	3
Youth Center Operations/Programs	Mayor	1,000,000	Y	3
City Hall Capital Improvements/COVID	Mayor	4,000,000	Y	1
Renovations of Ewald Center	Mayor	4,000,000	Y	1
Salt Barn	DPW	1,000,000	Y	6
Hazard Pay - DPW Workers	DPW	150,000	Y	5
Storm Drain Maintenance/Repair	DPW	1,250,000	Y	6
Street Repairs/Water & Sewer	DPW/Mayor	7,000,000	Y	6
Repairs and Renovation at City parks	DPW	2,000,000	Y	1,3

Total Project Requests		26,840,000		
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**DR. DEIRDRE WATERMAN**  
**MAYOR**  
**CITY OF PONTIAC**

April 30, 2021

**MAYOR'S PROPOSED BUDGET FOR FISCAL YEARS 2022-2026**

Dear Honorable Council Members and Citizens of Pontiac:

As Mayor of the City of Pontiac and in accordance with the Michigan Uniform Budget Act, (PA 2 of 1968 as amended) and Article V, Chapter 1 of the City of Pontiac Charter, I am submitting for your consideration the proposed budgets for fiscal years 2022, 2023, 2024, 2025 and 2026. The fiscal year for the five budgets begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>. As mandated by the State of Michigan, all funds are structurally balanced and are based on estimated revenues, expenditures, and available fund balances.

The total proposed budget for FY 2021 for the City of Pontiac is \$93,080,801. This represents an increase of \$2,729,661 from the current Amended Budget for FY 2021. Current financial projections indicate that the total General Fund balance will remain at a very solid level of \$19,367,645 by the end of FY 2021, of which \$15,457,645 is unassigned fund balance. It should be noted that based on current projections for FY 2021 and with this FY 2022 Recommended Budget, all funds are expected to meet or exceed the City's Fund Balance Policies.

During this current fiscal year we have been able to achieve a number of important fiscal achievements which has helped to lower costs for this proposed budget and for projected budgets going forward. This includes our closing on the purchase of the Phoenix Center that was finalized earlier this year through a public-private partnership. This partnership has allowed us to eliminate certain costs from the City's budget such as those associated with the repair and maintenance of the Phoenix Center garage.

Additionally, during FY 2021 we have seen major steps taken around the issue of retiree health care. In March 2021, the IRS signed off on the settlement between the City and retirees for forming of a new VEBA to provide health care benefits for the City's retirees. The creation and funding of this new VEBA is expected to cover the costs and projected liabilities for retiree health care. Thus, this proposed budget does not call for the City to incur any costs to the new VEBA for retiree health care.

For the FY 2022 general fund budget, we have continued to monitor and consider the impact of COVID-19 on both the city's state shared revenue and income tax revenue. For state shared revenue, we have used the State's most recent estimate of state shared revenue for the upcoming fiscal year. For income tax revenue and the impact of the COVID-19, we have closely tracked the collection of income tax receipts. Additionally, we have taken steps to factor in the impact on projected income tax refunds tied largely to more employees working from home as a result of the COVID-19 pandemic. Both the projected income tax revenue and the projected tax refunds have taken these factors into account.

The proposed general fund budget for FY 2022 reflects total revenues of \$45,966,614 and total expenditures of \$44,675,610 for a projected surplus of \$1,291,004. Included in the projected revenues is \$5.8 million expected to be received from the federal American Rescue Plan. A breakdown of these revenue and expense figures can be seen below:

an additional DPU unit with the Oakland County Sheriff. This is specifically designed to target and address crime around the City and to help assure the City maintains an adequate level of law enforcement staffing. We also are proposing to add a traffic patrol unit with the Oakland County Sheriff to help address road and traffic safety across the City.

This budget also provides funding for projects in our city parks. As we optimistically look forward to the ending of the COVID-19 pandemic, we want to provide increased recreational outlets at our parks for City residents. Likewise, we are providing funding for the acquisition of new vehicles for the Department of Public Works. This funding will significantly improve DPW's ability to address the vital public works needs across the City such as grass cutting, snow removal and street repairs.

In closing, I would like to express my appreciation to the employees of the City of Pontiac who have all continued to greatly contribute to our City during this challenging time with the COVID-19 pandemic. I would also like to commend the staffs of the Departments and Divisions, the Executive staff and Finance department for their contributions in the preparation of this year's annual budget.

Lastly, I look forward to working with the City Council President and Council members as we move forward with this budget process. Through a cooperative effort I am confident we can continue to build on the City's continued path toward economic recovery and fiscal stability.

Respectfully submitted,

Dr. Delirdre Waterman  
Mayor