

PONTIAC CITY COUNCIL

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It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."

47450 Woodward Pontiac, MI 48342

Phone: (248) 758-3200

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

71st Session of the 11th Council

February 7, 2023 at 6:00 P.M.

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

Meeting Agenda

Call to Order

Invocation

Pledge of Allegiance to the Flag of the United States

Moment of Silence

Roll Call

Authorization to Excuse Councilmembers from the Meeting

Amendments to and Approval of the Agenda

Approval of the Consent Agenda

- A. January 27, 2023 Communications, Engagement, and Operations Subcommittee Meeting Minutes
- B. January 27, 2023 Facilities and Property Subcommittee Meeting Minutes
- C. January 31, 2023 City Council Meeting Minutes

Special Presentation

- 1. Pontiac Public Library Upcoming Programming Activities
- 2. Pontiac Black History Featured Images Displayed at Pontiac City Hall

Recognition of Elected Officials

Agenda Address (Two Minutes Time Limit)

Agenda Items

Ordinance

- 3. Adoption of City of Pontiac Adult-Use Marihuana Business Ordinance (**Second Reading Postponed from January 31, 2023 City Council Meeting**)

Resolutions

City Clerk

- 4. Resolution to authorize the City Clerk to publish a proposed budget amendment to transfer \$15,000 in funding out of the General Fund Balance GL account 101-000-390.000 and transfer \$15,000 into 101-215-902.005 Public Notices

Grants

5. Resolution to authorize the City Clerk to publish the proposed budget amendment to increase budgeted revenues in the amount of \$392,500 to account 208-000-532-000 UWOCST, and appropriations in the amount of \$135,000 to account 208-756-702-000 UWOCST Salaries and Wages, \$18,500 to account 208-756-745-000 UWOCST Recreation Supplies, \$108,500 to account 208-756-779-020 UWOCST Programming, \$65,000 to account 208-756-819-000 UWOCST Contractual Temp/PT Labor, \$5,500 to account 208-756-957-002 UWOCST Training Expense, and \$25,000 to account 208-756-977-008 UWOCST Special Equipment
6. Resolution to authorize Mayor Tim Greimel to execute the United Way of Southeastern Michigan (UWSEM) Master Grant Agreement 2022-2023
7. Resolution to authorize the City Clerk to publish the proposed budget amendment to increase budgeted revenues in the amount of \$294,000 to account 212-000-532-000 OCSCMG Federal Grant Others, and appropriations in the amount of \$150,000 to account 212-813-818-000 OCSCMG – Other Professional Services (Ruth Peterson Senior Center) and \$144,000 to account 212-814-818-000 OCSCMG – Other Professional Service (Bowen Senior Center)
8. Resolution to approve the Agreements for Local Fiscal Recovery Fund Distribution between Oakland County and the City of Pontiac for Oakland County Senior Center Matching Grant Program

Planning

9. Resolution to approve Carlisle Wortman and Associates as a consultant for Plan Review on a temporary basis for an additional three (3) months.
10. Resolution to authorize the City Clerk to publish the proposed budget amendment for Budget Year 2022-23 to transfer \$35,000 from GL account 101-721-702-000 for Salaries and Wages to GL account 101-721-818-000 for Other Professional Services for Planning Consulting Services

Purchasing

11. Resolution approving Real Estate Services for DPW Facility Search

Treasury

12. Resolution to approve Multi-Bank Securities Inc., MBS, to the City of Pontiac's Investment Policy Authorized List of Financial Institutions for investments purposes

Public Comment (Three Minutes Time Limit)

Communications

City Council

13. Pontiac Community Foundation is hiring part-time drivers for the M1 Mobility initiative starting at \$20 per hour. Inquire at hr@pontiaccommunityfoundation.org or (248) 246-6606.
14. Residents who are behind in paying their water bills or facing a service shut-off can get help from a partnership between the Oakland county Water Resources Commission and OLSHA. Those who qualify could get up to \$1,500 in payments on their water bills and stop a shut-off plan. This program is temporary and expires on September 30, 2023. Schedule an appointment with OLHSA to sign up by calling (248) 209-2600 or emailing info@olhsa.org
15. "I am Pontiac! Summer Internship Program for Young People Ages 16-24 Required Info Session, February 1, 2023 at 4:00 pm (virtual) or February 11, 2023 at 9:00 am (in-person) or February 15, 2023 at 5:30 pm (in-person). These are 8-week paid internships through Oakland County Michigan Works. Contact (248) 276-1777 or pontiacmichiganworks@goodwilldetroit.org for more information.

16. Accent Pontiac Winter Showcase, February 8, 2023 at 5:30pm, held at the Flagstar Strand Theatre, 12 N. Saginaw Street in Downtown Pontiac, free admission
17. Pontiac Public Library Black History Month Essay Contest, for students ages 7 to 12 it is a 4:00-5:00 word essay and for students 13-17 an 800-1,000 word essay on your favorite African American author from the past or present; the deadline for submissions is February 10, 2023 and can be submitted in-person at the Library, or by email to jcampeau@pontiaclibrary.org
18. Water Assistance Day at OLHA is February 10, 2023 from 9:30 am to 3:30 pm at the OLSHA Pontiac office. Available by appointment only; contact ChristineW2@olsha.org or BarbaraJ@olsha.org to schedule an appointment. Find out more if you need help paying your water bill.
19. Toons & Cereal Art Exhibition Opening, February 12, 2023 from 12:00 to 4:00 pm, held at Burlingham Lounge, 17 W. Lawrence Street Downtown Pontiac. Curated by Lint Pocket, including live mural painting and a cereal bar. Exhibit runs February 12 through 28.
20. Pontiac Eastside Community Meeting (District Seven), February 13, 2023 from 7:00pm to 9:00pm, held at Prospect Missionary Baptist Church, 351 Prospect Street in Pontiac, contact Council President Mike McGuinness for more information
21. Valentine's Day Concert Feathering Alexander Zonjic, James Lloyd, Penny Wells, Kris Kurzawa, Mike Harrington, and Jeff Canady, February 14, 2023 with doors at 6:30 pm and concert at 7:30 pm, held at Pontiac Little Arts Theatre, 47 N. Saginaw Street, Downtown Pontiac. Tickets \$40 per person; contact Phyllis at (419) 280-1073 for more information.
22. February Wine Dinner at alley Cat Cafe, February 16, 2023 at 6:30 pm, held at Alley Cat Café, 31 N. Saginaw Street, Downtown Pontiac. Five course meal with intentionally paired wines, tickets \$75 per person.
23. Confidence in our Stories: 2023 African American Read-In, February 16, 2023 from 6:00pm to 8:00pm, held at the Pontiac Public Library, 60 E. Pike Street in Downtown Pontiac, featuring authors Derrick Barnes and Vanessa Brantley Newton, contact contact@pucc.org and jcampeau@pontiaclibrary.org for more information
24. Call to Action: Improving Summer Opportunities for Youth, February 17, 2023 at 10:00 am (doors open at 9:30 am), held at Pontiac's Little Arts Theatre, 47 N. Saginaw Street, Downtown Pontiac. Organized by Pontiac Collective Impact Partnership, visit www.pontiaccollectiveimpact.org for more information.
25. "Straight Ahead" Women in Jazz Event, February 17, 2023 at 7:30 pm, held at Pontiac's Little Arts theatre, 47 N. Saginaw Street, Pontiac 48342. Tickets are free for Pontiac residents, \$8 for non-residents available at etix.com.
26. Third Tuesdays Global Music Jam at the PLAT, February 21, March 21, April 18 and May 16, 2023 at 6:00pm, held at Pontiac's Little Arts Theatre, 47 N. Saginaw Street in Downtown Pontiac, Oakland University Professors Mark Stone and Patrick Fitzgibbon lead a jam session of various musicians, from students to professional area musicians, creating a world music experience
27. Councilwoman Melanie Rutherford Presents "Come on Sis Let's Talk About Mental Health", February 19, 2023 from 2:00 to 5:00 p.m. held at the Crofoot Pike Room, 1S. Saginaw Street, Pontiac 48342 contact (248) 758-3017 or comeonsis79@gmail.com for more information
28. Pontiac Creative Arts Center Black History Month Exhibit of Artist Bryant Tillman's Work "The Anthropocene" Opening Reception, February 25, 2023 from 6:00 pm to Midnight, held at the Pontiac Creative Arts Center, 47 Williams Street, Pontiac 48341; Free Admission; the Artwork Will Remain on Exhibit

through March 26, 2023

29. WeCare Neighborhood Association Meeting, March 3, 2023 at 6:00 pm, held at Shiloh Baptist Church, 474 University Drive, Pontiac 48342. The following meeting, at the same time and location, is April 7, 2023.
30. Flagstar Strand Theatre Gala, March 4, 2023 at 4:00pm, benefiting Strand Art (START) Children's Theatre and performance opportunities for Pontiac youth, tickets \$175 or \$325 per couple, held at the Flagstar Strand Theatre, 12 N. Saginaw Street in Downtown Pontiac. Visit flagstarstrand.com/gala for more information.
31. Accent Pontiac "Music for the Soul" Benefit, March 5, 2023 at 4:00 pm, held at the Flagstar Strand Theatre, 12 N. Saginaw Street in Downtown Pontiac, tickets \$30, VIP Tickets \$100
32. Jack and Jill of America, Inc. Oakland County Chapter Academic Incentive for 2023 High School Seniors, award amounts of up to \$2,000. Application deadline is March 15, 2023. Apply online at <https://bit.ly/jjoc2023> and send questions to jjocacademicincentive@gmail.com
33. Oakland County Financial Empowerment Arts Contest is open to all Oakland County public high school students, and the deadline for entries to be submitted is March 17, 2023 at 4:00 p.m. Art submission may include 2-D (drawing, painting, photography, mixed media, and illustration) and video. Cash prizes will be awarded. Contact the Oakland County Treasurer's Office for more information, including at [oakgov.com / treasurer](http://oakgov.com/treasurer)
34. Identify Your Dream Foundation "Strike Out Violence" Bowling Fundraiser march 19, 2023 from 1:00 to 4:00 pm, held at Classic Lanes, 2145 Avon Industrial Drive in Rochester Hills. Entry cost is \$25, visit www.identifyyourdream.org for more information.
35. Pontiac Regional Chamber of Commerce "Prosperity Pontiac" Annual Event, March 29, 2023
36. Pontiac Community Foundation 5-Year Anniversary Celebration, May 19, 2023
37. Save the Date: Pontiac Collective Impact Partnership Youth Expo set for June 10, 2023

Mayor's Office

38. Pontiac Parks and Recreation Presents Pontiac Princess Daddy and Daughter Dance, February 11, 2023 from 5:00 to 7:00 pm, held at the Lafayette Grande Ballroom, 1 Lafayette Street Pontiac 48342; tickets are \$30 a couple for residents, \$40 a couple for non-residents; Online Payments are now available!!! Hurry, the deadline to buy tickets is February 8, 2023!!! Purchase in person at City Hall Treasury Office (during business hours) or online by clicking: <http://bit.ly/3Jx2eEk>, then click - Register Here! Tickets can also be purchased on February 7, 2023 (only) between 5 and 6 p.m. For more information, call (248) 758-3039. Please share with your family, friends and social media connections! See you there!
39. Pontiac Resource Fair for Current and Future Homeowners, February 18, 2023 from 11:00 am to 2:00 pm at the Bowens Center, 52 Bagley, Pontiac, MI 48341.

Closing Comments

Mayor Greimel (Seven Minutes Time Limit)
Clerk and City Council (Three Minutes Time Limit)

Adjournment

#3

ORDINANCE

CITY OF PONTIAC
ORDINANCE NO. # _____

AN ORDINANCE TO ALLOW ADULT-USE MARIHUANA ESTABLISHMENTS TO OPERATE IN THE CITY OF PONTIAC PURSUANT TO THE MICHIGAN REGULATION AND TAXATION OF MARIHUANA ACT, INITIATED LAW 1 OF 2018, MCL 333.27951 ET SEQ.; TO PROVIDE FOR STANDARDS AND PROCEDURES TO PERMIT AND REGULATE ADULT-USE MARIHUANA ESTABLISHMENTS; TO PROVIDE FOR THE IMPOSITION OF PERMIT APPLICATION FEES AND RENEWAL FEES; AND TO IMPOSE CONDITIONS FOR THE OPERATION OF ADULT-USE MARIHUANA ESTABLISHMENTS.

THE CITY OF PONTIAC ORDAINS:

ARTICLE _____. ADULT-USE MARIHUANA BUSINESS LICENSING

Sec. 01. Title.

The title of this ordinance shall be the "City of Pontiac Adult-Use Marihuana Business Ordinance."

Sec. 02. Purpose and Intent.

A. Purpose. The purpose of this Ordinance is to establish standards and procedures for the issuance, regulation, renewal, suspension, and revocation of business licenses for adult-use marihuana establishments in accordance with the Michigan Regulation and Taxation of Marihuana Act, Initiated Law 1 of 2018, MCL 333.27951 et seq. ("MRTMA") so as to protect the public health, safety, and welfare of residents of the City by setting forth the manner in which adult-use marihuana businesses can be operated in the City. Further the purpose of this Ordinance is to:

(1) Protect the health, welfare and safety of the public through reasonable regulations on adult-use marihuana business operations as it relates to noise, odor, air and water quality, food safety, public safety, security for the establishments and its personnel, and other health and safety concerns;

(2) Protect residential zoned properties and neighborhoods by limiting the location and the concentration of types of Marijuana Businesses to specific areas of the City;

(3) Establish application and license fees to defray and recover the City's costs for administering and enforcing this ordinance;

(4) Recognize that the City of Pontiac has been identified by the State of Michigan's Cannabis Regulatory Agency as a city that has been disproportionately impacted by marihuana prohibition and enforcement and that social equity in the marihuana industry is necessary to address the historical disproportionate impact of marihuana prohibition and enforcement upon Pontiac residents and to positively impact the Pontiac community;

(5) Minimize the adverse effects from growing, processing, dispensing and storage of marihuana;

(6) Minimize the adverse effects from excessive consumption and use of marihuana;

(7) Coordinate with state laws and regulations addressing Marihuana Businesses; and

(8) To restrict the issuance of Marihuana Business permits only to those individuals and entities that demonstrate an intent and ability to fully comply with this Ordinance and the laws of the City and the State of Michigan.

B. Legislative Intent. This ordinance authorizes the establishment of adult-use marihuana businesses within the City of Pontiac consistent with the provisions of MRTMA, subject to the following:

(1) Use, distribution, cultivation, production, possession, and transportation of marihuana remains illegal under federal law, and marihuana remains classified as a "controlled substance" by federal law. Nothing in this ordinance is intended to promote or condone the production, distribution, or possession of marihuana in violation of any applicable law. Nothing in this ordinance is intended to grant immunity from any criminal prosecution under state or federal law. This ordinance does not protect the owners of properties on which a marihuana commercial operation is occurring from prosecution or from having their property seized by federal law enforcement authorities.

(2) This ordinance is to be construed to protect the public health, safety and welfare over commercial adult-use marihuana business interests. The operation of a permitted adult-use marihuana business in the City is a revocable privilege and not a right in the City. Nothing in this ordinance is to be construed to grant a property right for an individual or business entity to engage, obtain, or have renewed a City-issued permit to engage in the use, distribution, cultivation, production, possession, transportation or sale of adult-use marihuana as a commercial enterprise

in the City. The City determines that the commercialization of marihuana is a "closely regulated industry" as that term is used in U.S. Supreme Court jurisprudence.

(3) Any individual or business entity which purports to have engaged in the use, distribution, cultivation, production, possession, transportation or sale of marihuana as a commercial enterprise in the City without obtaining the required authorization required by this ordinance is deemed to be an illegally established nuisance, and as such is not entitled to legal nonconforming status under this ordinance, the City zoning ordinance, or state statutory or common law.

(4) Nothing in this ordinance is intended to grant immunity from criminal or civil prosecution, penalty or sanction for the cultivation, manufacture, possession, use, sale, distribution or transport of marihuana in any form that is not in strict compliance with the MRTMA and the Marihuana Tracking Act, and all applicable administrative rules promulgated by the State of Michigan regarding the commercialization of marihuana. Strict compliance with all applicable state laws and regulations is a requirement for the issuance or renewal of any permit issued under this ordinance, and noncompliance with any applicable state law or regulation is grounds for the revocation or nonrenewal of any permit issued under this ordinance.

C. Indemnification of the City.

(1) By accepting a permit issued pursuant to this ordinance, the holder waives and releases the City, its officers, elected officials, and employees from any liability for injuries, damages or liabilities of any kind that result from any arrest or prosecution of marihuana business owners, operators, employees, clients or customers for a violation of state or federal laws, rules or regulations.

(2) By accepting a permit issued pursuant to this ordinance, the holder agrees to indemnify, defend and hold harmless the City, its officers, elected officials, employees, and insurers, against all liability, claims or demands arising on account of any claim of diminution of property value by a property owner whose property is located in proximity to a licensed operating marihuana business arising out of, claimed to have arisen out of, or in any manner connected with the operation of a marihuana business or any claim based on an alleged injury to business or property by reason of a claimed violation of the federal Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. § 1964(c).

D. Reservation.

(1) The City of Pontiac shall not waive or constrain, in any manner, the right and prerogative of the City of Pontiac to reject any and all applications, to reject an application not accompanied with the required documentation or data required by the application, or to reject an application which is any way incomplete, irregular, not responsive or not responsible.

(2) The City of Pontiac shall not waive or constrain, in any manner, the right and prerogative of the City of Pontiac to amend or repeal this ordinance in any manner, including, but not limited to, the complete prohibition of any type of adult-use marihuana business or limiting the number and types of adult-use marihuana businesses authorized to operate in the City.

(3) Nothing in this ordinance is to be construed to grant or grandfather any marihuana business a vested right, license, permit or privilege for continued operations within the City.

Sec. 03. Definitions.

Unless defined by this ordinance, any term used in this Section that is defined by the MRTMA, or the Administrative Rules promulgated by the Michigan Department of Licensing and Regulatory Affairs addressing marihuana shall have the definition given in MRTMA and in the Rules.

As used in this Section, the following terms shall have the meanings indicated:

"Applicant" means a person who applies for a City-issued permit to operate a Marihuana Business in accordance with the terms of this Ordinance and the City zoning ordinance. With respect to disclosures in an application for a permit issued pursuant to this Ordinance for purposes of ineligibility for a permit and the transfer of an interest in an issued permit, the term "applicant" includes a managerial employee of the applicant, any person who holds any direct or indirect ownership interest in the Marihuana Business, and the following true parties of interest for each type of applicant:

- (1) For an individual or sole proprietorship: the proprietor and spouse.
- (2) For a partnership and limited liability partnership: all partners and their spouses.
- (3) For a limited partnership and limited liability limited partnership: all general and limited partners, and their spouses.

- (4) For a limited liability company: all members and managers, and their spouses.
- (5) For a privately held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, and their spouses.
- (6) For a publicly held corporation: all corporate officers or persons with equivalent titles and their spouses, all directors and their spouses, and all stockholders, and their spouses.
- (7) For a multilevel ownership enterprise: any entity or person that receives or has the right to receive gross or net profits from the enterprise during any full or partial calendar or fiscal year.
- (8) For a nonprofit corporation: all individuals and entities with membership or shareholder rights in accordance with the articles of incorporation or the bylaws and their spouses.
- (9) For a trust: all trustees, any individual or body able to control and direct affairs of the trust, and any beneficiary who receives or has the right to receive the gross or net profit distributions of the trust during any full or partial calendar or fiscal year, and their spouses.

"Application" means the form(s) provided by the City, accompanied with the nonrefundable application fee per each permit requested.

"City" means the City of Pontiac, Michigan.

"Class A marihuana grower" means a grower licensed to grow not more than 100 marihuana plants.

"Class A Microbusiness" means a marihuana establishment authorized to operate at a single location and cultivate not more than 300 mature marihuana plants; package marihuana; purchase marihuana concentrate and marihuana-infused products from licensed marihuana processors; sell or transfer marihuana and marihuana-infused products to individuals 21 years of age and older; and transfer marihuana to a safety compliance facility for testing.

"Class B marihuana grower" means a grower licensed to grow not more than 500 marihuana plants.

"Class C marihuana grower" means a grower licensed to grow not more than 2,000 marihuana plants.

"Co-Locate" or "Co-Location" means any combination of growers, processors, retailers, social equity retailers, designated consumption, and Class A microbusiness establishments that may operate as separate marihuana businesses at the same physical location.

"Cultivate" means to propagate, breed, grow, harvest, dry, cure, or separate parts of the marihuana plant by manual or mechanical means.

"Department" means the State of Michigan Department of Licensing and Regulatory Affairs (LARA), including without limitation, the Cannabis Regulatory Agency, or its successor agency.

"Designated Consumption Establishment " means a marihuana-related business authorized to permit individuals 21 years of age and older to consume marihuana products on the licensed commercial premises located in the C-2 Downtown Overlay District No. 3.

"Disqualifying conviction" means a conviction that makes an applicant ineligible to receive a license under MRTMA and the Rules.

"Equivalent License" means any of the following state operating licenses when held by a single licensee:

- (1) Grower licenses of any class under both the Medical Marihuana Facilities Licensing Act, MCL 333.27101 et. seq. ("MMFLA") and MRTMA.
- (2) Processor licenses under both the MMFLA and MRTMA.
- (3) Secure transporter licenses under both the MMFLA and MRTMA.
- (4) Safety compliance facility licenses under both the MMFLA and MRTMA.
- (5) A provisioning center license under the MMFLA and a retailer establishment license under the MRTMA.

"Grower" means a licensee establishment that cultivates, dries, trims, or cures and packages marihuana for sale or transfer to a processor, retailer, or another grower.

"Industrial Hemp" means the term as defined at MCL 333.27953 (c).

"License" means a license that is issued by the Department under MRTMA that allows the licensee to operate an adult-use marihuana establishment in the City.

"Marihuana" means the term as defined at MCL 333.27953. For purposes of this Ordinance marihuana does not include industrial hemp.

"Marihuana accessories" means the term as defined at MCL 333.27953 (g).

"Marihuana concentrate" means the resin extracted from any part of the plant of the genus cannabis.

"Marihuana Business" means the following adult-use marihuana establishments, whether operated for profit or not for profit: (a) grower, (b) safety compliance facility, (c) processor, (d) retailer, (e) social-equity retailer, (f) secure transporter, (g) Class A microbusiness, (h) designated consumption establishment, (i) marihuana event organizer or (j) temporary marihuana event.

"Marihuana establishment" means a location at which a permittee is permitted to operate under this Ordinance and MRTMA.

"Marihuana Event Organizer" means a person licensed to apply for a temporary marihuana event license.

"Marihuana-Infused Product" means a topical formulation, tincture, beverage, edible substance, or similar product containing marihuana and other ingredients and that is intended for human consumption.

"Marihuana Tracking Act" or "MTA" means Public Act 282 of 2016, MCL 333.27901, et seq., as amended and all future amendments.

"Michigan Regulation and Taxation of Marihuana Act" or "MRTMA" means, Initiated law 1 of 2018, MCL 333.27951, et. seq., as amended and all future amendments.

"Permit" means the permit issued pursuant to this ordinance authorizing the operation of a Marihuana Business in the City.

"Permittee" means a person who receives and holds a permit to operate a Marihuana Business issued by the City under this ordinance.

"Person" means an individual, sole proprietorship, partnership, limited partnership, limited liability limited partnership, corporation, limited liability company, trust, or other legal entity, and includes persons within the definition of "applicant" as that term is used in this Ordinance.

"Processor" means a person licensed to purchase or obtain marihuana from a grower establishment and who processes the marihuana and sells or transfers it in packaged form to a retailer, class A microbusiness, or another processor. A processor is not prohibited from handling, processing, marketing or brokering industrial hemp pursuant to the Industrial Hemp Research and Development Act.

"Retailer" means a licensee that obtains marihuana from marihuana establishments and sells or otherwise transfers marihuana to marihuana establishments and to individuals who are 21 years of age or older in accordance with MRTMA.

"Rules" means the unified administrative rules promulgated and from time to time amended by the Department to implement the MMFLA and MRTMA.

"Safety Compliance Facility" means a person licensed to test marihuana, including certification for potency and the presence of contaminants.

"Secure Transporter" means a person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.

"School" means and includes buildings and grounds used for school purposes to provide instruction to children and youth in grades pre-kindergarten through 12 by a public, private, denominational, or parochial school.

"Social Equity-Qualified Business" mean a marihuana establishment operated by an applicant that qualifies for the benefits offered under the social equity program administered by either the Department or the City.

"Stakeholder" means, with respect to a trust, the trustee and beneficiaries; with respect to a limited liability company, all members and managers; with respect to a corporation, whether profit or non-profit, all stockholders, directors, corporate officers or persons with equivalent titles; and with respect to a partnership or limited liability partnership, all general and limited partners.

"State" means the State of Michigan.

"State Operating License" means a license that is issued by the Department under MRTMA that allows the licensee to operate an adult-use marihuana establishment, as specified in the license.

"Temporary Marihuana Event" means a license held by a marihuana event organizer for an event where the onsite sale or consumption of marihuana products, or both, are authorized at the location indicated on the state license during the dates indicated on the state license.

Sec. 04. Creation of Marihuana Business Commission; Composition; Quorum

(a) There is hereby created a Marihuana Business Commission. There shall be four (4) members of the Marihuana Business Commission. The membership shall elect from among its members a chairman, vice-chairman, and secretary.

(b) A quorum of the Marihuana Business Commission shall consist of three (3) members.

Sec. 05. Marihuana Business Commission Membership; Qualifications; Term; Vacancies; Compensation.

(a) Members of the Marihuana Business Commission shall be residents of the city, and shall be chosen so far as reasonably practicable in such a manner as to represent a cross-section of the community.

(b) Members of the Marihuana Business Commission shall be appointed by the mayor to serve at the pleasure of the mayor for a term of three (3) years. Reappointment of a member to serve an additional consecutive term is subject to council approval.

(c) If a vacancy occurs on the Marihuana Business Commission, the mayor shall appoint a new member to fill the vacancy.

(d) Members of the Marihuana Business Commission shall serve without pay.

Sec. 06. Marihuana Business Commission Powers and Duties.

The Marihuana Business Commission shall review and decide all appeals that are forwarded to it by the clerk under this ordinance. The Marihuana Business Commission shall review all appeals de novo. The Marihuana Business Commission shall only overturn a decision or finding of the clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material,

substantial, and competent facts on the whole record considered by the clerk in arriving at such decision or finding.

Sec. 07. Marihuana Business Commission Rules and Regulations; Meetings.

(a) The Marihuana Business Commission shall adopt such rules and regulations as it deems necessary to govern its proceedings and deliberations.

(b) The rules and regulations adopted by the Marihuana Business Commission shall be subject to approval by the council.

(c) The Marihuana Business Commission shall maintain a written record of its proceedings and actions which shall be available for public inspection, showing the action of the commission and the vote of each member upon each question considered. All meetings of the commission shall be held in conformance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

Sec. 08. Marihuana Business Rules and Regulations.

(a) In addition to the Rules promulgated by the Department and the statutes of the State of Michigan, the operations of a Marihuana Business shall be conducted in accordance with the provisions of this ordinance and the City Code of Ordinances, including the zoning ordinance.

(b) Retailer establishments and Social Equity Retailer establishments located outside of the C-2 Downtown Adult-Use Marihuana Business Overlay District shall be closed for business, and no sale or other distribution of marihuana in any form shall occur upon the premises, between the hours of 10:00 p.m. and 7:00 a.m.

(c) Delivery of a marihuana product for sale or transfer to marihuana customers by Retailer Establishments and Social Equity Retailer Establishments is permitted in strict compliance with Department Rules.

(d) Drive-thru windows at Retailer Establishments and Social Equity Retailer Establishments are prohibited.

Sec. 09. Licensing of Adult-Use Marihuana Businesses.

(a) Number of permitted adult-use Marihuana Businesses.

Type of Establishment

Grower	No limit
Processor	No limit
Secure transporter	No limit
Retailer	18
Social Equity Retailer	6
Class A Microbusiness	5
Safety compliance facility	No limit
Designated Consumption Establishment-North of Huron Street	3
Designated Consumption Establishment-South of Huron Street	3
Marihuana event organizer	No limit
Temporary marihuana event	No limit

Sec. 10. City Marihuana Business Permit and Annual Fee Required.

(a) No person shall establish or operate a Marihuana Business located in the City without first meeting all of the requirements set forth in this Ordinance, obtaining a permit from the City Clerk, and obtaining a State Operating License. Permits and State Operating Licenses shall be kept current and publicly displayed within the business. Failure to maintain or display current state licenses and City permits is a violation of this ordinance. A Marihuana Business operating without a City permit under this Ordinance or without a State license is declared to be a public nuisance.

(b) There shall be an initial application fee of \$5,000.00 and an annual nonrefundable renewal of permit fee of \$5,000.00 to defray the administrative and enforcement costs associated with marihuana businesses located in the City.

(c) The City permit fee requirement set forth in this ordinance shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by the Department and any other state regulatory agency, or by City ordinance, including, by way of example, and not limited to, any applicable fees for site plan review, zoning review, inspections, or building permits.

(d) A separate permit is required for each Marihuana Business located at a premises from which an adult-use marihuana commercial business is operated. Operation of a grower, processor, retailer establishment or social equity retailer establishment, Class A microbusiness, and

designated consumption establishment at the same location is authorized, provided that each establishment is separately licensed and permitted. Operation of a retailer establishment or social equity retailer establishment, Class A microbusiness and a designated consumption establishment at the same location as a grower or processing establishment facility is authorized when in conformity with the City zoning ordinance.

(e) Within thirty (30) days of approval of the applicant's application, the applicant will start all necessary requirements as required by the City to obtain their certificate of occupancy, including, without limitation, complying with all applicable building department, fire department, code and inspection requirements, including the approval of the site plan.

(f) All Marihuana Business permits shall be effective for one (1) year of its original date of issuance by the City and must be renewed annually.

(g) The conditional permittee has one (1) year to complete its site plan upon the approval of the issuance of the Marihuana Business conditional permit. The Community Development Director may extend the completion of the site plan up to an additional six months, provided the applicant demonstrates good cause for the extension.

Sec. 11. Location Criteria.

- (a) No marihuana business is eligible to receive a permit unless at the time the application for the marihuana business operating permit is submitted, the location of the proposed business operation complies with the requirements set forth in the City zoning ordinances as required for the specific type of marihuana commercial business for which the permit is being sought. No Adult-Use Marihuana Retailers shall be permitted outside of the Adult-Use Marihuana Business Overlay Districts, as set forth in the City zoning ordinance, as amended.
- (b) Mobile marihuana businesses and limited contact transaction operations, except for curbside service in a designated area at a marihuana sales location in compliance with applicable Department-issued rules and the City zoning ordinance, are prohibited.
- (c) A permittee shall not operate a marihuana business at any location in the City other than at the address provided in the application on file with the City Clerk.

Sec. 12. General Permit Application Requirements.

(a) An applicant seeking a permit pursuant to the provisions of this ordinance and licensure by the state under MRTMA must submit an application in writing to the City Clerk on forms provided by the City Clerk. At the time of application, the application must be accompanied by a nonrefundable application fee of \$5,000.00 to defray the costs incurred by the City for processing of the application. In addition, the applicant shall present copies of government-issued photographic identification to accompany the application.

(b) An application shall be complete and made under the penalty of perjury and shall contain all of the following:

(1) The applicants, all of its stakeholders, and the proposed manager's full name, date of birth, residential and business address, email address, and telephone numbers including emergency contact information, and a copy of a government-issued photographic identification card of the applicant and all stakeholders:

(a) If the applicant is an individual or sole proprietorship, the proprietor and their spouse, if any, shall provide their name, address, date of birth, business address, business telephone number, email address, social security number, and, if applicable, federal tax identification (EIN) number.

(b) If the applicant is not an individual or sole proprietorship, the applicant shall provide information regarding the business entity, including, without limitation, the name and address of the entity, website address (if any), type of business organization, proof of registration with, or a certificate of good standing from, the State of Michigan, or other state or foreign jurisdiction, as applicable, and the names, dates of birth, residential and business addresses, email addresses, phone numbers of each applicant, each stakeholder and their spouses, and the federal tax identification number of the business entity.

(2) The identity of every person having an ownership or beneficial interest in the applicant with respect to which the license is sought, including the ownership structure of the entity that identifies the ownership percentage held by each stakeholder; provided, however, a social equity-qualified business entity who is an applicant must be able to demonstrate

51% or more ownership by qualifying social-equity applicants, including ownership structure of the entity that identifies the ownership percentage held by each stakeholder.

(3) If the applicant is not an individual, the articles of incorporation or organization, federal tax identification number and confirmation letter, and the limited liability company's operating agreement, the corporation's shareholder agreement and bylaws, and the partnership agreement for a partnership or limited partnership, as applicable.

(4) A copy of the applicant's notice of prequalification status issued by the Department to operate an adult-use marihuana establishment. If the applicant does not have adult-use prequalification status from the Department, the application will not be processed by the City.

(5) The name and address of the proposed Marihuana Business and any additional contact information deemed necessary by the City Clerk, including the following:

(a) A copy of the deed reflecting the applicant's ownership of the proposed permitted premises, or a purchase agreement or option to purchase the proposed permitted premises as applicable; or

(b) A copy of the lease reflecting the right of the applicant to possess, or an agreement or option reflecting the applicant's right to lease, the proposed permitted premises, and a notarized statement from the owner of such property authorizing the use of the property for a marihuana business as applicable.

(6) For the applicant and every stakeholder, affirmation that each is at least 21 years of age.

(7) A criminal history background report of the applicant's criminal history from the Internet Criminal History Access Tool (ICHAT) or a Michigan State Police criminal history report for applicants residing in Michigan. For applicants who reside in any other state, federal or foreign jurisdiction, or who have resided in any other state, federal or foreign jurisdiction within 5 years prior to the date of the application provide a certified state, federal or foreign jurisdiction sponsored or authorized criminal history report. The applicant is responsible for all charges incurred in requesting and receiving the criminal

history report and the report must be dated within thirty (30) days of the date of the application.

(8) Written consent authorizing the City to obtain a criminal history report from the Michigan State Police, the Federal Bureau of Investigation, or other applicable state, federal or foreign jurisdiction law enforcement or police agency, to ascertain whether the applicant and stakeholders have any disqualifying convictions or convictions involving dishonesty, theft, fraud, or controlled substances.

(9) A current organization chart that includes position descriptions and the names of each person holding such position, which shall include date of birth, address, copy of photo identification, and email address for any operator, manager, or employee if other than the applicant.

(10) A complete list of all marihuana related business permits and licenses held by applicant.

(11) An attested disclosure whether the applicant or operator has ever had a business license revoked or suspended, and if revoked or suspended, the reason for such revocation or suspension and copies of the orders of revocation or suspension.

(12) An attestation that no applicant or stakeholder is ineligible from holding a state license to operate a marihuana commercial business.

(13) An attestation that the applicant consents to inspections, examinations, searches and seizures required or undertaken pursuant to enforcement of this ordinance.

(14) A statement that no applicant is in default to the City for any property tax, special assessment, utility charges, fines, fees or other financial obligation owed to the City.

(15) For the applicant and for each stakeholder a resume that includes a business history and any prior experience with a marihuana-related business.

(16) The proposed business plan of the applicant, which shall include without limitation, the following:

(a) A description of the type of the proposed adult-use marihuana commercial operation and its physical address; and

(b) A staffing plan which describes the anticipated or actual number of employees, including an estimate of the number and type of jobs that the business is expected to create, a proposed living wage or salary (at least 200 percent of the Federal Poverty Level for a family of two, at its hourly basis) for all employees pursuant to MCL 125.3501, MCL 125.3502, MCL 125.3504, article VII, § 34 Construction of constitution and law concerning counties, townships, cities, villages and article VII, § 22 Charters, resolutions, ordinances; enumeration of powers of the Michigan Constitution, and a health and welfare benefits package to be paid for such jobs, unless otherwise prohibited by state law, and the goals and objectives to recruit, hire and promote residents of the City; and

(c) A staff training and education plan that the applicant will provide to employees; and

(d) The financial structure, source of financing, development and build-out budget and projected initial operating budget of the proposed Marihuana Business; and

(e) Short and long-term goals and objectives; and

(f) An explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents to be achieved by the establishment facility, a proposed living wage or salary (at least 200 percent of the Federal Poverty Level for a family of two, at its hourly basis) for all employees pursuant to MCL 125.3501, MCL 125.3502, MCL 125.3504, article VII, § 34 Construction of constitution and law concerning counties, townships, cities, villages and article VII, § 22 Charters, resolutions, ordinances; enumeration of powers of the Michigan Constitution, and a health and welfare benefits package to be paid for such jobs, unless otherwise prohibited by state law, including plans for community outreach and worker training programs;

(g) If co-location of Marihuana Businesses is proposed, provide an explanation of the integration of such businesses, including a drawing showing the relationship between the businesses being co-located, including floor area and the separation provided between such

facilities, including identification of any points of entry, ingress or egress, and controls at each location; and

(h) A neighborhood communication/education plan and strategies; and

(i) Any charitable plans and strategies whether through financial donations or volunteer work.

(17) A lighting plan showing the lighting outside of the marihuana business for security purposes and compliance with applicable City outdoor lighting requirements;

(18) A security plan, including, but not limited to, lighting, alarms, barriers, recording/monitoring devices, safes, and/or security guard arrangements proposed for the establishment facility and premises. The security plan must contain the specification details of each item of security equipment.

(19) A to-scale diagram of the proposed licensed premises, no larger than 11 inches by 17 inches, showing, without limitation, building floor plan and layout, all entryways, doorways, or passageways, and means of public entry and exits to the proposed licensed premises, loading zones, available on-site parking spaces, including handicapped accessible spaces, fencing at the premises, and all areas in which marihuana will be stored, grown, manufactured or dispensed;

(20) Any proposed elevation drawings, and photographs or other depiction of materials to be visible on the exterior of the proposed Marihuana Business.

(21) A proposed marketing, advertising, and business promotion plan for the proposed Marihuana Business.

(22) A description of planned tangible capital investment in the City for each proposed Marihuana Business.

(23) A social equity plan that (a) promotes and encourages participation and ownership in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement, and that (b) positively impacts local residents.

(24) A depiction of any proposed signage, text or graphic materials to be shown on the exterior of the proposed Marihuana Business.

(25) A sanitation plan designed to protect against any marihuana being ingested on the premises by any person or animal, describing how the waste and byproduct will be stored and disposed of, and how any marihuana will be rendered unusable upon disposal. The sanitation plan shall include a copy of the proposed contract or letter of intent between the Applicant and sanitation waste provider.

(26) A proposed inventory and recordkeeping plan that will track payment method, amount of payment, time of sale, product quantity, and other product descriptors and compliance with the requirements of the Department.

(27) Proof of financial responsibility in the form of a commitment or letter of intent to issue an insurance policy covering the business and naming the City of Pontiac, its elected and appointed officials, employees, and agents, as additional insured parties, primary and non-contributory available for the payment of any damages arising out of an act or omission of the applicant or its stakeholders, agents, employees, or subcontractors, in the amount of:

- a. at least Two Million Dollars (\$2,000,000) for property damage;
- b. at least Two Million Dollars (\$2,000,000) for injury to one (1) person; and
- c. at least Two Million Dollars (\$2,000,000) for injury to two (2) or more person resulting from the same occurrence.

The insurance policy underwriter must have a minimum A.M. Best Company insurance ranking of B+, consistent with state law. The policy shall provide that the City shall be notified by the insurance carrier thirty (30) days in advance of any cancellation or reduction in coverages.

(28) A signed acknowledgement that the applicant understands that all matters related to marihuana cultivation, possession, dispensing, testing, transporting, distribution and use are subject to federal and state laws and regulations, and that the approval of a permit hereunder does not exonerate or excuse the applicant from abiding by the

provisions and requirements and penalties associated therewith. Further, the applicant completely releases and forever discharges the city and its respective employees, agents, facilities, insurers, indemnors, successors, heirs and/or assigns from any and all past, present or future claims, demands, obligations, actions, causes of action, wrongful death claims, rights, damages, costs, losses of services, expenses and compensation of any nature whatsoever, whether based on a tort, contract or other theory or recovery, which the applicant or its stakeholders may now have, or which may hereafter accrue or otherwise be acquired, on account of, or may in any way arise out of the applicant or stakeholders' application for a permit and, if issued a permit, the applicant or stakeholders' operation of a Marihuana Business.

(29) A scaled location area map that identifies the relative locations of, and distances from, Schools, childcare centers, public parks ~~containing playground equipment~~, and religious institutions, as measured along the centerline of the street or streets of address between two fixed points on the centerline determined by projecting straight lines, at right angles to the centerline, from the primary point of ingress to the school, childcare center, ~~or religious institution, or, for a public park, from the playground equipment~~ nearest to contemplated location, and from the primary point of ingress to the contemplated location.

(30) If the applicant is applying for a permit to operate a Retailer, a Social Equity Retailer, a Class A Microbusiness, a Designated Consumption Establishment, or a Temporary Marihuana Event, a description of drug and alcohol awareness programs to be provided by the applicant to customers and the public.

(31) If the applicant is applying for a permit to operate a grower, a cultivation plan that includes a description of the cultivation methods to be used. Outdoor grows are prohibited.

(32) If the applicant is applying for a permit to operate a grower, a chemical and pesticide storage plan that complies with the requirements of the Department.

(33) An applicant for a Marihuana Secure Transporter license shall provide copies of the vehicle registration for all commercial motor vehicles that will be used to transport marihuana or marihuana-infused products. A secure transporter must provide proof of no-fault automobile insurance with a company licensed to do business in Michigan with

limits of liability not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage.

(34) Any other information requested by the City Clerk considered to be relevant to the processing or consideration of the application.

(c) An applicant may apply for multiple Marihuana Business permits of the same or different nature, except that Class A Microbusiness applicants may not hold an ownership interest in a grower, processor, retailer, or social equity retailer, and social equity retailer permits are limited to social equity qualified applicants. No person who holds an ownership interest in a safety compliance facility or in a secure transporter may hold an ownership interest in a grower, a processor, a retailer, a social equity retailer, or a Class A microbusiness.

Sec. 13. Marihuana Business Permit Application Process.

(a) Upon receipt of a completed application meeting the requirements of this ordinance and payment of the permit application fee, the Clerk shall refer a copy of the application to the fire department and the Community Development Department, the planning division, and other affected departments for review and compliance with the City Code.

(b) No application for a permit shall be approved unless:

(1) The fire department and the Community Development Department and other affected departments have inspected the proposed location for compliance with all state and local building, electrical, fire, mechanical and plumbing requirements.

(2) The Community Development Department, the planning division, and other affected departments have confirmed that the proposed location complies with the zoning ordinance.

(3) The proposed Marihuana Business has been issued a certificate of occupancy and, if necessary, a building permit.

(4) The City Treasurer confirms the applicant and each stakeholder and the proposed location of the Marihuana Businesses are not in default to the City.

(c) ~~After this ordinance becomes effective, the Clerk shall begin accepting adult-use Marihuana Business applications within 60 days.~~ After sixty (60) days from the effective date of this ordinance, the Clerk shall begin accepting adult-use Marihuana Business applications for a permit

to operate a grower, processor, secure transporter, safety compliance facility, marihuana event organizer, and temporary marihuana event.

(d) The Clerk shall award a conditional permit to any applicant for a permit to operate a grower, processor, secure transporter, safety compliance facility, marihuana event organizer, and temporary marihuana event, upon the determination by the Clerk that the application is complete, the applicant receives the City and State of Michigan approvals required in this ordinance, and the applicant meets all of the requirements of this ordinance and the City Code, including the zoning ordinance. If the City Clerk identifies, or is informed of, a deficiency in an application, the applicant has two (2) weeks to correct the deficiency after notification by the City Clerk. The Clerk will grant a final permit if the applicant obtains final site plan approval and special land use approval within 6 months of receiving a conditional permit, and obtains an operating permit from the City and an operating license from the Department within 18 months after the conditional permit is granted and enters into a written agreement with the City confirming that the marihuana establishment will operate in accordance with the business plans, building plans, design standards, social equity plans and all other operational standards described by the applicant in the application materials submitted. The agreement shall further provide that if the establishment breaches the agreement, then the City may revoke authorization of the establishment following notice and a public hearing, and that in such event, the City shall be entitled to injunctive relief barring further operation of the establishment in the City. An extension of 6 months to obtain an operating permit from the City and an operating license from the Department may be granted in the discretion of the Clerk upon a showing of good cause for the delay.

(e) Retailer, Social Equity Retailer, Class A Microbusiness and Designated Consumption Establishment Applications. After sixty (60) days from the effective date of this ordinance, the Clerk shall set a 21-day application window period during which applicants may apply for a Retailer, Social Equity Retailer (limited to Social Equity Qualified applicants), Class A Microbusiness and Designated Consumption Establishment permits. After the 21-day application window closes, the Clerk shall assess, evaluate, score and rank all applications for permits to operate a Retailer, Social Equity Retailer, Class A Microbusiness and Designated Consumption Establishment submitted during the twenty-one (21) day application window period. The Clerk shall review all submitted applications for completeness.

(f) In its application assessment, evaluation, scoring, ranking, and deliberations related to permits to operate a Retailer, Social Equity Retailer, Class A Microbusiness, and Designated Consumption Establishment, the Clerk shall assess, evaluate, score, and rank each application based upon a point-based scoring and ranking procedure which shall be approved by City Council resolution, developed by the Clerk consistent with the requirements, conditions, and provisions of this ordinance in each of the following categories:

(1) The content and sufficiency of the information required to be in the application under this ordinance. Applicant must have submitted all required materials for each category in a professional, organized manner with clear and accurate labeling of all required items. Failure to clearly and accurately label and organize the application materials will result in the deduction of points. The maximum number of scoring points in this category shall be five (5) points.

(2) Whether the proposed Marihuana Business will have a detrimental impact on the surrounding area and neighborhood including the distance of the establishment to properties zoned or used residentially; traffic patterns, traffic mitigation and resident safety; plans for litter control, loitering, noise mitigation, odor mitigation. Applicant shall submit a traffic impact study by a professional traffic engineer. Applicant shall submit a sanitation plan designed to protect against any marihuana being ingested on the premises by any person or animal, describing how the waste and byproduct will be stored and disposed of, and how any marihuana will be rendered unusable upon disposal. The sanitation plan shall include a copy of the proposed contract between the Applicant and sanitation waste provider. Applicant shall submit an odor control plan satisfying the criteria in Sec. 15 of this ordinance. The maximum number of scoring points in this category shall be twenty (20) points.

(3) Neighborhood Communication/Education Plan on behalf of the proposed Marihuana Business. The plan should include meetings, at least once per year, with the neighborhood organizations, residents and general public, and to provide a contact for on-going public information, questions and concerns. Written notice to all property owners within 1500 feet of the marihuana business location, neighborhood organizations and City Clerk shall be provided. In addition, to other methods of notice, the written notice shall be sent by mail at

least two (2) weeks before the public meeting. The maximum number of scoring points in this category shall be ten (10) points.

(4) Whether the applicant or its stakeholders have made, or plan to make, significant physical investment and improvements to the building where the proposed Marihuana Business is to be located, including the applicant's financial structure, source of financing, development and build-out budget and projected initial operating budget of the proposed Marihuana Business and proposed tangible capital investment; the current and proposed condition of the proposed location; and the applicant's ownership stake in the physical location of the establishment. The maximum number of scoring points in this category shall be ten (10) points.

(5) Whether the applicant and all of its stakeholders have a record of acts that are not detrimental to the public health, security, safety, morals, good order, or general welfare prior to the date of the application; applicant shall demonstrate and document a history of regulatory compliance with all federal, state and local laws and regulations, and shall disclose all complaints, judgments, convictions, administrative and regulatory decisions, permit and license suspensions, revocations and fines, rendered by any federal, state and local government agencies, including but not limited to wage and hour laws, anti-discrimination and civil rights laws, and occupational, health and safety laws. The maximum number of scoring points in this category shall be ten (10) points.

(6) Whether the applicant has disclosed and documented sufficient financial resources and total amount of capitalization to develop, operate and maintain a Retailer, Social Equity Retailer, Class A Microbusiness or Designated Consumption Establishment, and demonstrates the requisite business experience to execute, the submitted business plan and other plans required by this ordinance. The applicant should disclose and document sources and total amount of capitalization to operate and maintain a Retailer establishment, a Social Equity Retailer, Class A Microbusiness and Designated Consumption Establishment, and include a CPA attested financial statement, a valid pro forma for three years, proof of financial responsibility in the form of a commitment or letter of intent to issue an insurance policy satisfying the criteria in Sec. 12 (b)(27) of this ordinance, attest that the applicant and any of its owners have not filed bankruptcy in the last seven (7) years, have not had liens placed upon financial accounts or property by the Internal Revenue Service or

state Treasuries, and has filed personal and/or corporate income tax returns for the past five (5) years. The maximum number of scoring points in this category shall be twenty (20) points.

(7) Description of staffing plan that includes the number and type of full-time and part-time positions the applicant intends to create; the proposed living wage or salary (at least 200 percent of the Federal Poverty Level for a family of two, at its hourly basis) for all employees pursuant to MCL 125.3501, MCL 125.3502, MCL 125.3504, article VII, § 34 Construction of constitution and law concerning counties, townships, cities, villages and article VII, § 22 Charters, resolutions, ordinances; enumeration of powers of the Michigan Constitution, the applicant intends to pay employees, unless otherwise prohibited by state law; whether the applicant has articulated plans and strategies to recruit, hire and mentor for career advancement, a percentage of diverse residents from the City of Pontiac, including those residents who are veterans, low income and/or have a prior controlled substance record (excluding distribution of a controlled substance to a minor); a staff training and education plan that the applicant will provide to employees; an explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents to be achieved by the establishment; short and long-term goals and objectives; and whether the applicant has articulated plans to provide employee health and welfare benefit plans, including, but not limited to, sick leave, maternity leave, and paternity leave. The applicant shall maintain and provide data to the City Clerk supporting its staffing plan which shall be considered at the time of renewal of any permit issued pursuant to this ordinance to determine compliance. The maximum number of scoring points in this category shall be ten (10) points.

(8) Planned philanthropic initiatives and community improvement programs aimed at the City of Pontiac, which may include a \$1,000 donation to a fund administered by the City used to promote social equity in the City of Pontiac, a negatively impacted community, by promoting advocacy around criminal justice issues related to marihuana prohibition, supporting youth who have been negatively impacted by the war on drugs as it relates to the prohibition of marihuana, and community education and outreach on adult-use marihuana in general. The maximum number of scoring points in this category shall be ten (10) points.

(9) Whether the applicant received conditional approval for a medical marihuana provisioning center permit pursuant to City of Pontiac's Medical Marihuana Facilities Ordinance, Article XXX, Section 26.1491 et seq., is not currently in default of compliance with Article XXX, and has received site plan approval from the City's Community Development Department and has started construction of the medical marihuana provisioning center subject to receipt of a valid building permit from the City not less than 30 days prior to the application for Marihuana Retailer or Social Equity Retailer permit. The maximum number of scoring points in this category shall be twenty (20) points.

(10) Whether the applicant has rehabilitated and/or redeveloped within three (3) years before the submittal of the application under this ordinance, or will rehabilitate and/or redevelop, an existing building by demolishing and rebuilding or completely renovating a building that has been vacant or had been vacant as registered with the City for one (1) year or more. The maximum number of scoring points in this category shall be ten (10) points.

(11) Whether the applicant has rehabilitated and/or redeveloped within three (3) years before the submittal of the application under this ordinance, or will rehabilitate and/or redevelop, an existing building by demolishing and rebuilding or completely renovating a building that has been cited as blighted or dangerous or had been cited as blighted or dangerous (as such term is defined in the City's Code of Ordinances). The maximum number of scoring points in this category shall be ten (10) points.

(12) Whether an applicant proposes a social equity plan that promotes and encourages social equity participation and ownership in the marihuana industry by persons who reside in disproportionately impacted communities in those Michigan communities designated by the State of Michigan, who have been disproportionately impacted by marijuana prohibition and enforcement, and to positively impact those communities, in accordance with MCL 333.27958(1)(j). The maximum number of scoring points in this category shall be fifteen (15) points.

(13) Whether an applicant demonstrates social equity participation and greater than 50% ownership by persons who reside in disproportionately impacted communities in those Michigan communities designated by the State of Michigan, who have been disproportionately impacted by marijuana prohibition and enforcement, and to positively

impact those communities, in accordance with MCL 333.27958(1)(j). The maximum number of scoring points in this category shall be fifteen (15) points.

(g) Overall scoring and ranking shall be conducted and applied by the Clerk on the basis of assigned points from zero (0) points to one hundred and sixty five (165) points with the lowest overall total score as zero (0) points and the highest possible total score being one hundred and sixty five (165) points.

(h) At the conclusion of the twenty-one (21) day application period, the Clerk shall begin processing applications for permits to operate retailer establishments, awarding conditional permits to the eighteen (18) highest scoring applicants. In the event of an evaluation scoring tie, which causes there to be more than eighteen (18) applicants who achieve scores sufficient to qualify for a permit, the scoring-tied applicants will be entered into a random draw and the tie will be resolved through a blind lottery drawing to determine which applicant will receive recommendation for approval. Those applications randomly selected shall be eligible to receive a permit to operate a Retailer. In the event that the number of Retailer permits falls below the maximum number authorized under this ordinance, the clerk shall not be required to score applicants. Instead, the clerk shall evaluate applications in the order that they are submitted and shall award permits for Retailers to an applicant who submits a complete application, receives the approvals required in this section, and meets the requirements of this ordinance. However, in no event shall the number of Retailer permits exceed the maximum number authorized under this ordinance.

(i) At the conclusion of the twenty-one (21) day application period, the Clerk shall begin processing applications for permits to operate Class A Microbusinesses, awarding conditional permits to the five (5) highest scoring applicants. In the event of an evaluation scoring tie, which causes there to be more than five (5) applicants who achieve scores sufficient to qualify for a permit, the scoring-tied applicants will be entered into a random draw and the tie will be resolved through a blind lottery drawing to determine which applicant will receive recommendation for approval. Those applications randomly selected shall be eligible to receive a permit to operate a Class A Microbusiness. In the event that the number of Class A Microbusiness permits falls below the maximum number authorized under this ordinance, the Clerk shall not be required to score applicants. Instead, the Clerk shall evaluate applications in the order that they are submitted and shall award permits for Class A Microbusinesses to an applicant who submits a complete

application, receives the approvals required in this section, and meets the requirements of this ordinance. However, in no event shall the number of Class A Microbusiness permits exceed the maximum number authorized under this ordinance.

(j) At the conclusion of the twenty-one (21) day application period, the Clerk shall begin processing applications for permits to operate Designated Consumption Establishments, awarding conditional permits to the three (3) highest scoring applicants for the North of Huron locations. In the event of an evaluation scoring tie, which causes there to be more than three (3) applicants who achieve scores sufficient to qualify for a permit, the scoring-tied applicants will be entered into a random draw and the tie will be resolved through a blind lottery drawing to determine which applicant will receive recommendation for approval. Those applications randomly selected shall be eligible to receive a permit to operate a Designated Consumption Establishment. In the event that the number of Designated Consumption Establishment permits falls below the maximum number authorized under this ordinance, the Clerk shall not be required to score applicants. Instead, the Clerk shall evaluate applications in the order that they are submitted and shall award permits for Designated Consumption Establishment to an applicant who submits a complete application, receives the approvals required in this section, and meets the requirements of this ordinance. However, in no event shall the number of Designated Consumption Establishment permits exceed the maximum number authorized under this ordinance.

(k) At the conclusion of the twenty-one (21) day application period, the Clerk shall begin processing applications for permits to operate Designated Consumption Establishments, awarding conditional permits to the three (3) highest scoring applicants for the South of Huron locations. In the event of an evaluation scoring tie, which causes there to be more than three (3) applicants who achieve scores sufficient to qualify for a permit, the scoring-tied applicants will be entered into a random draw and the tie will be resolved through a blind lottery drawing to determine which applicant will receive recommendation for approval. Those applications randomly selected shall be eligible to receive a permit to operate a Designated Consumption Establishment. In the event that the number of Designated Consumption Establishment permits falls below the maximum number authorized under this ordinance, the Clerk shall not be required to score applicants. Instead, the Clerk shall evaluate applications in the order that they are submitted and shall award permits for Designated Consumption Establishment to an applicant who submits a complete application, receives the approvals required in this section, and meets

the requirements of this ordinance. However, in no event shall the number of Designated Consumption Establishment permits exceed the maximum number authorized under this ordinance.

(l) At the conclusion of the twenty-one (21) day application period, the Clerk shall begin processing applications for permits to operate Social Equity Retailer establishments, awarding conditional permits to the six (6) highest scoring applicants. In the event of an evaluation scoring tie, which causes there to be more than six (6) applicants who achieve scores sufficient to qualify for a permit, the scoring-tied applicants will be entered into a random draw and the tie will be resolved through a blind lottery drawing to determine which applicant will receive recommendation for approval. Those applications randomly selected shall be eligible to receive a permit to operate a Social Equity Retailer. In the event that the number of Social Equity Retailer permits falls below the maximum number authorized under this ordinance, the clerk shall not be required to score applicants. Instead, the clerk shall evaluate applications in the order that they are submitted and shall award permits for Social Equity Retailers to an applicant who submits a complete application, receives the approvals required in this section, and meets the requirements of this ordinance. However, in no event shall the number of Social Equity Retailer permits exceed the maximum number authorized under this ordinance.

(m) The Clerk will grant a final permit to a retailer, social equity retailer, Class A microbusiness and designated consumption establishment if the applicant obtains final site plan approval and special land use approval within 6 months of receiving a conditional permit, obtains an operating permit from the City and an operating license from the Department within 18 months after the conditional permit is granted, and enters into a written agreement with the City confirming that the marihuana establishment will operate in accordance with the business plans, building plans, design standards, social equity plans and all other operational standards described by the applicant in the application materials submitted. The agreement shall further provide that if the establishment breaches the agreement, then the City may revoke authorization of the establishment following notice and a public hearing, and that in such event, the City shall be entitled to injunctive relief barring further operation of the establishment in the City. An extension of 6 months to obtain an operating permit from the City and an operating license from the Department may be granted in the discretion of the Clerk upon a showing of good cause for the delay.

(n) Nothing in this section is intended to confer a property or other right, duty, privilege or interest in a permit of any kind or nature whatsoever, including, but not limited to, any claim of entitlement.

(o) The Clerk may engage professional expert consultant assistance in performing the Clerk's duties and responsibilities under this Ordinance.

Sec. 14. Social Equity Retailers

(a) The City has created a permit process to allow state social equity qualifiers to apply for and be awarded social equity retailer permits in zoning districts designated in the City zoning ordinance. The City shall permit six (6) ~~five (5)~~ social equity retailer licenses for social equity applicants, including franchisees, who demonstrate and document 51% or more ownership by social equity qualifying applicants, including ownership structure of the entity that identifies the ownership percentage held by each stakeholder.

(b) Social equity applicants for social equity retailer permits may apply for other available adult-use permits including retailer establishment permits, except they may not apply for a Class A microbusiness, safety compliance facility or secure transporter permit.

Sec. 15. Odor Control.

(a) No Marihuana Business, permittee, person, tenant, occupant, licensee, landlord or property owner shall permit the release of marihuana odors from any origin to cause obvious odors emanating from the premises in which they derived and interfere with the reasonable and comfortable use and enjoyment of another's property. Whether or not a marihuana odor interferes with the reasonable and comfortable use and enjoyment of another's property shall be determined by the objective standards of a reasonable person of normal sensitivity.

(b) Marihuana Businesses shall use sufficient procedures to prevent smoke, odor, debris, dust, fluids and other substances from escaping the premises of the Marihuana Business. If any smoke, odor, debris, dust, fluids or other substances leave the Marihuana Business in a detectable amount sufficient to interfere with the reasonable and comfortable use and enjoyment of adjacent property, or that causes damage to property, the permittee for the Marihuana Business and the owner of the premises shall be jointly and severally liable for such conditions and shall be responsible for immediate, full cleanup and correction of such condition. The permittee shall properly dispose of all such materials, and other substances in a safe, sanitary, and secure manner in compliance with all federal and state laws and regulations, and this chapter.

1. A plan for ventilation of the Marihuana Business that describes the ventilation systems that will be used to prevent any odor of marihuana off the premises of the business. Such plan shall also include all ventilation systems used to control the environment for the plants and describe how such systems operate with the systems preventing any odor leaving the premises. For marihuana infused products, such plan shall also include all ventilation systems used to mitigate noxious gases or other fumes used or created as part of the production process.

2. Cultivated, produced, or distributed by a Marihuana Business. A Marihuana Business shall be ventilated so that the odor of marihuana cannot be detected by a person with a normal sense of smell at the exterior of the Marihuana Business or at any adjoining use or property.

3. Sufficient measures and means of preventing smoke, odor, debris, dust, fluids and other substances from exiting a Marihuana Business must be provided at all times. In the event that any odors, debris, dust, fluids or other substances exit a marihuana establishment, the owner of the subject premises and the permittee shall be jointly and severally liable for such conditions and shall be responsible for immediate, full clean-up and correction of such condition. The Marihuana Business shall properly dispose of all such materials, items and other substances in a safe, sanitary and secure manner and in accordance with all applicable federal, state and local laws and regulations.

Sec. 16. Social Equity

(a) ~~A permittee~~ Any person or entity receiving more than \$10,000.00 in contract value or benefit from the City must use good-faith efforts in hiring employees who have been negatively impacted by marihuana prohibition. Adult-use recreational marihuana businesses should use good-faith efforts to hire and retain 25 percent of its employees who are low income or live in the City of Pontiac.

Sec. 17. Class A Microbusinesses

(a) A Class A microbusiness is subject to all applicable provisions in this Ordinance related to growers, processors, and retailers.

(b) All Class A Microbusinesses, shall comply with all applicable requirements of the City of Pontiac's zoning ordinance except where otherwise specified in this Ordinance.

(c) All Class A Microbusinesses shall be classified as Special Land Uses in the permitted zoning districts.

(d) A masonry screen wall shall be provided along all property lines abutting property that is zoned for residential use, subject to the requirements of the Pontiac Code of Ordinances.

(e) Class A Microbusinesses are prohibited if the location is within 1,000 feet from any pre-existing School; (i) The distance separation requirement set forth above shall be measured from nearest property line of the Business Location to the nearest property line of the parcel on which the listed use is located, regardless of ownership of property or Permittee. ~~A Class A Microbusiness shall not operate on the same parcel as any other Marihuana Business.~~

Sec. 18. Designated Consumption Establishments.

(a) All Designated Consumption Establishments shall comply with all applicable requirements of the City of Pontiac's zoning ordinance.

(b) Designated Consumption Establishments shall be limited to C-2 Downtown Adult-Use Marihuana Business Overlay District as identified in the City zoning ordinance and on the City Zoning Map, with three Designated Consumption Establishments permitted north of Huron Street and three Designated Consumption Establishments permitted south of Huron Street.

(c) Designated Consumption Establishments shall be classified as Special Land Uses in the permitted zoning districts.

(d) A masonry screen wall shall be provided along all property lines abutting property that is zoned for residential use, subject to the requirements of the Pontiac Code of Ordinances.

(e) Designated Consumption Establishments are prohibited if the location is within 1,000 feet from any pre-existing School; (i) The distance separation requirement set forth above shall be

measured from nearest property line of the Business Location to the nearest property line of the parcel on which the listed use is located, regardless of ownership of property or Permittee.

(f) A Designated Consumption Establishment shall:

(1) Install and maintain an operable ventilation and filtration system to remove smoke to the outside of the building and eliminate odor at the property line of the premises;

(2) Prominently display a sign near the entrance of the business which carries the following warning:

WARNING: Marihuana use by pregnant or breastfeeding women, or by women planning to become pregnant, may result in fetal injury, preterm birth, low birth weight, or developmental problems for the child.

Sec. 19. Marihuana Business Co-Location and Stacking.

(a) Separate Marihuana Business grower, processor, retailer, Class A microbusiness, and designated consumption establishment uses, shall be permitted to operate at the same location subject to permit approval for each use from the City. Establishments operating at the same location must have permit approval for each Marihuana Business type and use described above.

(b) Consistent with the MRTMA and the Rules, applicants for Class C grower permits shall be allowed to stack and receive multiple Class C grower permits, and to operate under each permit in a single establishment.

Sec. 20. Transfer of Location Prohibited; Transfer of Ownership and Assets.

(a) Transfer of Location Prohibited. Permittees may not transfer a permit issued under this ordinance to a different location.

(b) Transfer of Ownership or Assets. Permittees may apply to the Clerk to transfer ownership or assets of a permittee's business and the permit issued under this ordinance to a different individual or entity, subject to receiving in advance written approval from the Clerk and the Department pursuant to the MRTMA and the Rules. In order to request City approval to transfer ownership or assets and a permit to a different individual or entity, the permittee must make a written request to the Clerk, indicating the current permittee and the proposed permittee. The proposed permittee shall submit a complete application to the Clerk, and the Clerk shall grant the request so long as the proposed permittee meets all requirements outlined in this Ordinance and

the Department authorizes the transfer pursuant to the MRTMA and the Rules. A sale or transfer of an ownership interest of a social equity applicant shall be at a price no less than fair market value and the buyer or transferee shall be qualified as a social equity applicant.

(c) With submission of a complete transfer of ownership or assets application, the proposed permittee for an ownership or asset transfer shall pay a nonrefundable application fee of \$5,000.00, in order to offset costs of the City associated with review of the proposed permittee's qualifications for a permitted marihuana business operation.

Sec. 21. Permits Generally

(a) Permittees shall report any material change in the required information to the Clerk within twenty four (24) hour and shall report any non-material change in the required information to the Clerk within ten (10) business days of the change. Failure to do so may result in a fine, suspension or revocation of the license.

(b) Permit approval shall not be effective, and no Marihuana Business may operate, unless the Marihuana Business has obtained a State License, the site of the proposed use and proposed structure for the Marihuana Business has zoning approval for such use, and the proposed final site plan and special land use has been approved by the Planning Commission.

Sec. 22. Term of Marihuana Business Permit.

(a) Approval of a permit shall be for a period of one calendar year subject to continued compliance with this ordinance, the City Code, MRTMA and the Rules.

(b) Each permit for that current year shall be displayed in a conspicuous spot in the location.

(c) A permittee shall remove any expired permit on display and replace it with the current permit. A permittee shall not attempt nor act in any fraudulent manner in regard to the display of any permit.

Sec. 23. Closing of Marihuana Business.

(a) A permittee that closes a Marihuana Business must comply with the requirements issued by the Michigan Cannabis Regulatory Agency.

(b) Within thirty (30) days of a permittee ceasing operations, written notification must be provided to the City Clerk.(c) The permittee shall furnish to the City a current forwarding address, phone number and email for all permittees.

(d) The permittee shall surrender its Marihuana Business permit to the City upon the expiration of the thirty (30) days' notice to the City.

Sec. 24. Annual Marihuana Business Permit Renewal.

(a) Application for a permit renewal shall be made in writing to the Clerk at least 30 days prior to the expiration of an existing permit. Failure to submit a completed application for renewal of an existing permit along with the required renewal fee to the City Clerk on or before the license expiration date shall be grounds for the revocation or suspension of a permit. Any authorized establishment that has not timely submitted a renewal application as required herein shall suspend all business operations until such time as a renewal permit has been obtained.

(b) An application for permit renewal shall be made under oath on forms provided by the Clerk.

(c) An application for permit renewal shall be accompanied by a renewal fee of \$5,000.00 for each permit to help defray administrative and enforcement costs of the City associated with the operation of the Marihuana Business.

(d) Upon receipt of a completed application for renewal of a permit meeting the requirements of this ordinance and payment of the permit renewal fee, the Clerk shall refer a copy of the renewal application to the fire department and the Community Development Department, planning division, and other appropriate City departments and officials for review.

(e) No application for a permit renewal shall be approved unless:

(1) The fire department and the Community Development Department, planning division, and other appropriate departments have, within the past calendar year, inspected the proposed location for compliance with all state and local building, electrical, fire, mechanical and plumbing requirements.

(2) The Community Development Department, planning division, and other relevant departments have confirmed that the location complies with the zoning ordinance.

(3) The permittee possesses the necessary State Operating Licenses in good standing with the Department.

(4) The applicant has operated the Marihuana Business in accordance with the conditions and requirements of this ordinance and the City Code.

(5) The permittee has not been determined to be a public nuisance.

(6) An explanation, with supporting factual data, that the operations of the business have been consistent with the plans submitted with its application for a permit, including the staffing plan and proof of an insurance policy covering the business and naming the City of Pontiac, its elected and appointed officials, employees, and agents, as additional insured parties, primary and non-contributory available for the payment of any damages arising out of an act or omission of the applicant or its stakeholders, agents, employees, or subcontractors, in the amount of:

- a. at least Two Million Dollars (\$2,000,000) for property damage;
- b. at least Two Million Dollars (\$2,000,000) for injury to one (1) person; and
- c. at least Two Million Dollars (\$2,000,000) for injury to two (2) or more person resulting from the same occurrence.

The insurance policy underwriter must have a minimum A.M. Best Company insurance ranking of B+, consistent with state law. The policy shall provide that the City shall be notified by the insurance carrier thirty (30) days in advance of any cancellation or reduction in coverages.

(7) An explanation, with supporting factual data, of the efforts and success achieved by the social equity plan of the business to promote and encourage participation in the marihuana industry by local residents that have been disproportionately impacted by marihuana prohibition and enforcement, and the positive impact of the social equity plan on local residents.

(9) The City Treasurer has confirmed that the applicant and each stakeholder is not in default to the City for any property tax, special assessment, utility charges, fines, fees or other financial obligation owed to the City.

(10) The City has reviewed the application and determined that the applicant has satisfied the requirements of this Ordinance with respect to the criminal background check and security plan.

(11) Unless the applicant shows good cause, the applicant shall demonstrate to the City Clerk that the applicant was open and conducting business for a minimum of twenty (20) hours per week during each and every week of the prior year. The term "good cause" shall mean substantial grounds, such as an emergency, fire damage, or other unforeseeable circumstances that prevented the applicant from conducting business for a minimum of twenty (20) hours per week during each and every week of the prior year. Economic or financial decisions, or inability to secure capital or financial resources that prevented an applicant from conducting business for a minimum of twenty (20) hours per week during the prior year shall not be good cause.

(f) If written approval is given by each department or entity identified in this section, and the Clerk determines that the applicant has satisfied subsections (a), (b), (c), (d) and (e) of this Section, then the Clerk shall renew the permit of the applicant.

Sec. 25. Denial, Nonrenewal, Suspension, or Revocation of Marihuana Business Permit; Basis for Action; Appeal.

(a) Each Marihuana Business within the City for which a permit is granted shall be operated and maintained in accordance with all applicable City, State and federal laws, rules, and regulations. Any permit issued under this Ordinance may be revoked or suspended by the City after written notice and an administrative hearing if a City official finds and determines that grounds for revocation or suspension exist. Any grounds for revocation or suspension of a permit must be provided to the permittee at least ten (10) days prior to the date of the hearing by first class mail to the address given on the application or any address provided to the Clerk in writing subsequent to the filing of an application. The Clerk shall notify an applicant of the reasons for denial of an application for a permit, for permit renewal, or for suspension or revocation of a permit,

or any adverse decision under this ordinance and provide the applicant or permittee an administrative hearing with the opportunity to be heard.

(b) In addition to any other reasons set forth in this ordinance, the City may refuse to issue a permit, may refuse to grant renewal of a permit, and may suspend or revoke a permit pursuant to Pontiac City Ordinance sections 1-24 or for any of the following reasons:

(1) A violation of any provision of this Ordinance, including, but not limited to, the failure to provide the information required by this Ordinance;

(2) Any disqualifying conviction or pattern of convictions by the permittee or any stakeholder of the permittee including any conviction of any felony or any misdemeanor involving controlled substances, theft, or dishonesty by the applicant, permittee, stakeholder, or any person holding an ownership interest in the licensee;

(3) Failure of the permittee to obtain or maintain a State License or approval pursuant to MRTMA and MMFLA;

(4) Commission of fraud or misrepresentation or the making of a false statement by the applicant, permittee, or any stakeholder of the applicant or permittee, while engaging in any activity for which this Ordinance requires a permit;

(5) The Marihuana Business is determined by the City to have become a public nuisance or otherwise is operating in a manner detrimental to the public health, safety or welfare;

(6) Failure of the permittee to maintain the property causing a blighted or other condition in violation of any City ordinance, including but not limited to, Ord. No. 2355, 8-9-18, or in violation of any state law, including but not limited to, MCL 125.538 to 125.542.

(7) Any default in the payment of any charges, taxes, or fees, to the City if not cured upon thirty (30) days following notice sent by electronic means or mail to the address of the Marihuana Business. This cure period does not apply to scoring of initial applications for Retailer, Social Equity Retailer, Class A Microbusiness and Designated Consumption Establishment permits;

(8) Violation of any State law applicable to Marihuana Businesses.

(9) Failure to obtain or maintain a certificate of occupancy from the Building Department;

(10) Failure of the permittee to obtain or maintain a permit or to renew a permit from the City Clerk; or

(11) The establishment facility's approved site plan is determined to be in substantial violation by the City.

(c) Appeal of denial of an application, denial of renewal, or revocation or suspension of a permit: Any applicant or permittee aggrieved by the denial, non-renewal, suspension or revocation of a permit or adverse decision under this ordinance may appeal to the Clerk, by filing with the Clerk, within fourteen (14) days after notice of the action complained of has been mailed or e-mailed to the applicant or to permittee's last known address on the records of the Clerk, a written statement setting forth fully the grounds for the appeal. The Clerk shall appoint a hearing officer to hear and evaluate the appeal and make a written recommendation and report to the Clerk. The Clerk shall review the report and recommendation of the hearing officer and issue a written decision. The Clerk's decision may be appealed to the Marihuana Business Commission by filing an appeal in writing to the Marihuana Business Commission no later than thirty (30) days after the Clerk's decision. The review on appeal of a denial, non-renewal, suspension, or revocation or adverse action shall be by the Marihuana Business Commission pursuant to this ordinance. The Marihuana Business Commission shall overturn a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and/or not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding. Any decision by the Marihuana Business Commission on an appeal shall be final for purposes of judicial review. The Clerk may engage professional consultants to assist with the review and scoring of applications under this section.

(d) Following the denial of a permit to an applicant for a retailer permit, social equity retailer permit, Class A microbusiness permit or designated consumption establishment permit, and any subsequent appeal during the recommendation and issuance process, the Clerk may move to recommend the application with the next highest number of scoring points as determined in the application process to be awarded a permit.

(e) The City Clerk shall notify the Michigan Cannabis Regulatory Agency of all renewal applications which are renewed or denied, and all permits that are suspended or revoked.

(f) A permittee whose renewal application is denied, must submit a new application as a new applicant.

Sec. 26. Penalties; temporary suspension of a permit.

(a) The City may require an applicant or permittee of a Marihuana Business to produce documents, records, or any other material pertinent to the investigation of an applicant or permittee or to an alleged violation of this Ordinance or state law and rules. Failure to provide the required material may be grounds for application denial, or permit suspension or revocation.

(b) Any person in violation of any provision of this Ordinance, including the operation of a Marihuana Business without a permit shall be responsible for a civil infraction and shall be subject to a civil fine and costs. Increased civil fines may be imposed for a repeat violation. As used in this Ordinance "repeat violation" shall mean a second or any subsequent infraction of the same requirement or provision committed by a person or establishment within any twenty-four (24) month period. Unless otherwise specifically provided in this Ordinance, the penalty schedule is as follows:

- (1) Five Hundred Dollars (\$500), plus costs, for the first violation;
- (2) One Thousand Dollars (\$1,000), plus costs, for a repeat violation;
- (3) Three Thousand Dollars (\$3,000), plus costs for any repeat violation that continues for more than one day.

(c) The City may temporarily suspend a Marihuana Business permit without a prior hearing if the City finds that public safety or welfare requires emergency action affecting the public health, safety, or welfare. The City shall cause the temporary suspension by issuing a suspension notice in connection with institution of proceedings for notice and a hearing.

(d) If the City temporarily suspends a permit without a prior hearing, the permittee is entitled to a hearing within thirty (30) days after the suspension notice has been served on the permittee or posted on the permitted premises. The hearing shall be limited to the issues cited in the suspension notice.

(e) If the City does not hold a hearing within thirty (30) days after the date the suspension was served on the permittee or posted on the permitted premises, then the suspended permit shall be automatically reinstated and the suspension vacated.

(f) The penalty provisions herein are not intended to foreclose any other remedy or sanction that might be available to, or imposed by the City, including criminal prosecution.

Sec. 27. Severability Clause.

Should any word, phrase, sentence, paragraph, or section of this Ordinance be held invalid or unconstitutional, the remaining provisions of this ordinance shall remain in full force and effect.

Sec. 28. Effective Date.

This Ordinance shall become effective: (a) 30 days following the date of adoption, (b) the effective date of the amendment to ordinance #2360 (removing the prohibition of marihuana establishments); or (c) the effective date of the zoning code text amendments permitting Adult-Use Marihuana Business land uses, whichever is later.

Sec. 29. Publication.

CONSENT AGENDA A

**PONTIAC CITY COUNCIL
COMMUNICATIONS, ENGAGEMENT AND OPERATIONS
SUBCOMMITTEE**

January 27, 2023 Meeting Minutes

Meeting held at Pontiac City Hall, 47450 Woodward Avenue, Pontiac, Michigan
in the City Council Conference Room.

In attendance:

Council members: Chairman, Councilman Mikal Goodman, President Michael McGuinness and Pro Tem William Carrington

Mayor: Tim Greimel

Deputy Mayor: Khalfani Stephens

IT: Ken Martin and Cody MacPhee

Cable Director: Phil Brown

Members of the Public

Legislative Counsel: Monique Sharpe

The meeting started at 4:05 p.m.

AGENDA

- Uses of Subcommittees as Policy Workshops and Recommending Bodies
- What would this look like if implemented as a strategy moving forward?
- News Media Interactions
- Future Media Studio (Initial Discussion)
- Other Effective Uses of Dedicated Funding

- Standing Updates:
 - Communications Director Updates
 - City Communications, Branding and Marketing Updates
 - Cable Department Updates

- I.T. Updates
 - Microsoft 365 Update
 - Website Update
 - PR/Event Position Updates
 - Upcoming City Events
- Items for Future Consideration by the Subcommittee
- Public Comment: There was a member of the public (Regina) with a request for public comment.
- Adjournment: The meeting ended at 5:25 p.m.

CONSENT AGENDA B

**Pontiac City Council
Facilities & Property Subcommittee
January 27, 2023 Meeting Minutes**

*Meeting held at Pontiac City Hall, 47450 Woodward Avenue, Pontiac, Michigan
in the City Council Conference Room.*

Present: Councilwoman Melanie Rutherford (Chair), Council President Mike McGuinness, Council President Pro Tem William Carrington. Legislative Counsel Monique Sharpe. Mayor Tim Greimel. Deputy Mayor Khalfani Stephens. Department of Public Works Interim Director Al Cooley, Community Development Director Rachel Loughrin, Building Official Larry Domski,

Meeting Called to Order at 3:00 p.m.

AGENDA ITEMS DISCUSSED

- I. List of City owned Properties**
- II. Facilities Condition Assessment**
 - a. The status of the facilities condition assessment
 - b. The cost of the assessment
- III. The current DPW yard facility**
 - a. The Current lease expiration
 - b. Plans for a new location
 - c. Buying vs leasing
- IV. Youth Recreation Center**
 - a. The fairness of the offer
 - b. The amount of the offer
 - c. The status of a Research consultant
 - d. Discussion of requirements during the 60-day due diligence period
 - 1. Environment studies
 - 2. Surveys
 - 3. Testing
- V. Senior Center Improvements**
 - a. Status of the current work being performed
 - 1. The status of the exercise room upgrades
 - 2. The status of Bowens Senior Center computer room upgrades
 - 3. The status of resolving Bowens Senior Center entrance sidewalk, support beams
- VI. Cemeteries**
 - a. The status of contract negotiations with Covenant

- b. The status of Request for Proposal (RFP) for Buckland Memorial Chapel roof repairs at Oak Hill Cemetery
- c. The status of the Request for Proposal for roadway improvements at Ottawa Park Cemetery and expected date of completion

VII. 500 W. Huron

- a. The status of the single-story buildings at one time owned by the City of Pontiac on W. Huron St. across from Pontiac General Hospital.
 - 1. The status of the current ownership.
 - 2. Plans for clean-up

VIII. University Drive Facility

- a. The plan for the derelict city-owned building on University Drive at the M-59 junction and a time-frame for when the blight behind the building will be cleaned up

IX. Perdue School

- a. The plan to address the city-owned, massive, blighted vacant building

X. City Hall

- a. The status of resurfacing the City Hall parking lot.
- b. The time line for the project

XI. Staffing Capacity

- a. Is there adequate staffing to handle baseline needs of the city facilities and properties
- b. The status of expanded janitorial staffing for City Hall and the Senior Centers

XII. Events at City Properties

- a. Whether the City of Pontiac's current insurance coverage includes special events that take place on City properties such as the Harvest Festival or Winter Festival

XIII. Public Comments: There were no requests for public comment.

XIV. Adjournment: The meeting was adjourned at 3:55 p.m.

CONSENT AGENDA C

**Official Proceedings
Pontiac City Council
70th Session of the Eleventh Council**

Call to order

A Meeting of the City Council of Pontiac, Michigan was called to order at the City Hall Council Chambers, 47450 Woodward Ave Pontiac, MI 48342 on Tuesday, January 31, 2023 at 6:08 p.m. by Council President Mike McGuinness.

Invocation – Pastor Lauren Kelsey, First Presbyterian Church

Pledge of Allegiance to the Flag of the United States

Moment of Silence

Roll Call

Members Present – William Carrington, Mikal Goodman, Kathalee James, Mike McGuinness, Brett Nicholson and William Parker, Jr.

Mayor Greimel was present
A quorum was announced.

Excuse Councilmembers

23-45 **Motion to excuse Councilwoman Melanie Rutherford for personal reasons.** Move by Councilperson Parker and second by Councilperson Goodman.

Ayes: Carrington, Goodman, James, McGuinness, Nicholson and Parker

No: None

Motion Carried

Amendments to and Approval of the Agenda

Motion to approve the agenda. Moved by Councilperson Nicholson and second by Councilperson Carrington.

Ayes: Goodman, James, McGuinness, Nicholson, Parker and Carrington

No: None

Motion Carried

Consent Agenda

23-46 **Resolution to approve the consent agenda for January 31, 2023.** Moved by Councilperson Parker and second by Councilperson Carrington.

WHEREAS, the City Council has reviewed the consent agenda for January 31, 2023.
NOW, THEREFORE, BE IT RESOLVED that the City Council approves the consent agenda for January 31, 2023 including January 23, 2023 Law and the Courts Subcommittee Meeting Minutes, January 23, 2023 Parks, Recreation and Public Works Subcommittee Meeting Minutes and January 24, 2023 City Council Meeting Minutes.

Ayes: James, McGuinness, Nicholson, Parker, Carrington and Goodman

No: None

Resolution Passed

Special Presentation

Celebrating Jack Cady's Career with the City of Pontiac and his Retirement

Resolution

City Council

23-47

Resolution Celebrating Jack Cady's Lengthy Service to the City of Pontiac. Moved by Councilperson Parker and second by Councilperson Carrington.

Whereas, Mr. Jack Cady began his career working for the City of Pontiac, Michigan on September 22, 1969 and, following retirement from direct City employment, worked for Nowak and Fraus where he was engaged to handle projects for the City of Pontiac including direct support within Pontiac City Hall; and, Whereas, Mr. Cady has invested countless hours in the pursuit of strengthening the City of Pontiac through so many public works and engineering projects spanning fifty years; and Whereas, during his service to the City of Pontiac, many challenging issues and difficult decisions arose, and his positive impact has been felt throughout every neighborhood and every thoroughfare in Pontiac; and

Whereas, Mr. Cady's employment with Nowak and Fraus is concluding after many years, and his tenure serving Pontiac is coming to an end; now,

Therefore, Be It Resolved, the Pontiac City hereby celebrates the decades of selfless public service of Mr. Jack Cady; and further

Resolved, the City Council expresses our gratitude to the many years of impactful service of Mr. Cady, and acknowledges how his hard work has resulted in thousands of Pontiac citizens having a safer life; and further

Resolved, the City Council wishes Mr. Cady and his family the very best as they mark the conclusion of his time working for the City of Pontiac.

Ayes: McGuinness, Nicholson, Parker, Carrington, Goodman and James

No: None

Resolution Passed

Special Presentation Continues

Emergency Housing Needs and Currently Available Local Resources – Kimber Bishop-Yanke, Chair
Oakland County Task Force on Poverty and Homelessness

Agenda Address

1. Norman Elam addressed item #4
2. Carlton Jones addressed item #4
3. Dr. Deirdre Waterman addressed item #4
4. Justin addressed item #4
5. Jenn Zielinski addressed item #4
6. Chuck Johnson addressed item #4
7. Gloria Miller addressed item #3
8. Larry Jasper addressed items #3 & #4

Agenda Items

Ordinance Proposed Amendments

Motion to approve proposed amendment #1 to Adult-Use Marihuana Business

Ordinance. Moved by Councilperson Nicholson and second by Councilperson Goodman.

1. Change the word "facility" to establishment in Sec. 10(d) on p. 12; Sec. 12 (b)(16)(f) on p. 16; Sec. 12 (b)(18) on p. 17 and Sec. 25 (b)(11) on p. 38.

January 31, 2023 Draft

The reason is that facility has a technical meaning in the Medical Marihuana Facilities Licensing Act and the City wants to distinguish medical facilities from adult use establishments. Only safety compliance facilities are referred to as facilities in both the medical (MMFLA) and adult use (MRTMA) statutes.

All other adult use license types are referred to as “establishments.” The word “facility” appears in those four sections in its commonly used manner and we should avoid any potential for confusion between its technical meaning and common usage.

Ayes: Nicholson, Parker, Carrington, Goodman, James and McGuinness

No: None

Motion Carried

Motion to approve proposed amendment #2 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson James and second by Councilperson Carrington.

2. Amend Sec. 12 (b) (29) to eliminate the reference to a scaled location area map that identifies the relative locations of, and distances from, public parks containing playground equipment and provide that the measurement for buffering distances from public parks should be based on public parks without a reference to playground equipment.

Sec. 12 (b)(29) is proposed to be amended to read:

“(29) A scaled location area map that identifies the relative locations of, and distances from, Schools, childcare centers, public parks ~~containing playground equipment~~, and religious institutions, as measured along the centerline of the street or streets of address between two fixed points on the centerline determined by projecting straight lines, at right angles to the centerline, from the primary point of ingress to the school, childcare center, or religious institution, or ~~for a~~ public park, ~~from the playground equipment~~ nearest to contemplated location, and from the primary point of ingress to the contemplated location.”

Ayes: Parker, Carrington, Goodman, James, McGuinness and Nicholson

No: None

Motion Carried

Motion to approve proposed amendment #3 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Parker and second by Councilperson Goodman.

3. Sec. 13 (c) at pp. 20-21 is proposed to be amended to read:
“(c) After sixty (60) days from the effective date of this ordinance, the Clerk shall begin accepting adult-use Marihuana Business applications for a permit to operate a grower, processor, secure transporter, safety compliance facility, marihuana event organizer, and temporary marihuana event.”

The other limited license types -- Retailer, Social Equity Retailer, Class A Microbusiness and Designated Consumption Establishment -- have a 21-day application window set by the Clerk after the 60 days in Sec. 13 (e).

Ayes: Carrington, Goodman, James, McGuinness, Nicholson and Parker

No: None

Motion Carried

Motion to approve proposed amendment #4 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Carrington and second by Councilperson Parker.

4. Sec. 13 (f) at p. 22 is proposed to be amended to provide that the point-based scoring and ranking procedure “shall be approved by City Council resolution...”

“(f) In its application assessment, evaluation, scoring, ranking, and deliberations related to permits to operate a Retailer, Social Equity Retailer, Class A Microbusiness, and Designated Consumption Establishment, the Clerk shall assess, evaluate, score, and rank each application based upon a point-based scoring and ranking procedure which shall be approved by City Council resolution, consistent with the requirements, conditions, and provisions of this ordinance in each of the following categories:”

Ayes: Carrington, Goodman, James, McGuinness, Nicholson and Parker

No: None

Motion Carried

Motion to approve proposed amendment #5 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Carrington and second by Councilperson Nicholson.

5. Sec. 13 (f)(2) at p. 22 is proposed to be amended to incorporate the sanitation plan and odor plan required as part of the application into an existing scoring category on whether the business will have a detrimental impact on the surrounding area. The added language is underscored.

“(2) Whether the proposed Marihuana Business will have a detrimental impact on the surrounding area and neighborhood including the distance of the establishment to properties zoned or used residentially; traffic patterns, traffic mitigation and resident safety; plans for litter control, loitering, noise mitigation, odor mitigation. Applicant shall submit a traffic impact study by a professional traffic engineer. Applicant shall submit a sanitation plan designed to protect against any marihuana being ingested on the premises by any person or animal, describing how the waste and byproduct will be stored and disposed of, and how any marihuana will be rendered unusable upon disposal. The sanitation plan shall include a copy of the proposed contract between the Applicant and sanitation waste provider. Applicant shall submit an odor control plan satisfying the criteria in Sec. 15 of this ordinance. The maximum number of scoring points in this category shall be twenty (20) points.”

Ayes: Goodman, James, McGuinness, Nicholson, Parker and Carrington

No: None

Motion Carried

Motion to approve proposed amendment #6 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Parker and second by Councilperson Nicholson.

6. Sec. 13 (f) (4) at p. 23 is proposed to be amended to incorporate some additional application requirements into the existing scoring category about significant physical investments and improvements. The added language is underscored.

“(4) Whether the applicant or its stakeholders have made, or plan to make, significant physical investment and improvements to the building where the proposed Marihuana Business is to be located, including the applicant’s financial structure, source of financing, development and build-out budget and projected initial operating budget of the proposed Marihuana Business and proposed tangible capital investment; the current and proposed condition of the proposed location; and the applicant’s ownership stake in the physical location of the establishment. The maximum number of scoring points in this category shall be ten (10) points.”

Ayes: James, McGuinness, Nicholson, Parker, Carrington and Goodman

No: None

Motion Carried

Motion to approve proposed amendment #7 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Parker and second by Councilperson Nicholson.

7. Sec. 13 (f)(6) at p. 23 is proposed to be amended to include the proof of a commitment to issue an insurance policy satisfying the criteria required by the ordinance as part of the scoring criteria on financial resources and capitalization. The added language is underscored.

“(6) Whether the applicant has disclosed and documented sufficient financial resources and total amount of capitalization to develop, operate and maintain a Retailer, Social Equity Retailer, Class A Microbusiness or Designated Consumption Establishment, and demonstrates the requisite business experience to execute, the submitted business plan and other plans required by this ordinance. The applicant should disclose and document sources and total amount of capitalization to operate and maintain a Retailer establishment, a Social Equity Retailer, Class A Microbusiness and Designated Consumption Establishment, and include a CPA attested financial statement, a valid pro forma for three years, proof of financial responsibility in the form of a commitment or letter of intent to issue an insurance policy satisfying the criteria in Sec. 12 (b)(27) of this ordinance, attest that the applicant and any of its owners have not filed bankruptcy in the last seven (7) years, have not had liens placed upon financial accounts or property by the Internal Revenue Service or state Treasuries, and has filed personal and/or corporate income tax returns for the past five (5) years. The maximum number of scoring points in this category shall be twenty (20) points.”

Ayes: McGuinness, Nicholson, Parker, Carrington, Goodman and James

No: None

Motion Carried

Motion to approve proposed amendment #8 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Nicholson and second by Councilperson Parker.

8. Sec. 13 (f)(7) at p. 24 is proposed to be amended to add to the staffing plan scoring criteria additional elements that are required as part of the application. The added language is underscored.

“(7) Description of staffing plan that includes the number and type of full-time and part-time positions the applicant intends to create; the proposed living wage or salary (at least 200 percent of the Federal Poverty Level for a family of two, at its hourly basis) for all employees pursuant to MCL 125.3501, MCL 125.3502, MCL 125.3504, article VII, § 34 Construction of constitution and law concerning counties, townships, cities, villages and article VII, § 22 Charters, resolutions, ordinances; enumeration of powers of the Michigan Constitution, the applicant intends to pay employees, unless otherwise prohibited by state law; whether the applicant has articulated plans and strategies to recruit, hire and mentor for career advancement, a percentage of diverse residents from the City of Pontiac, including those residents who are veterans, low income and/or have a prior controlled substance record (excluding distribution of a controlled substance to a minor); a staff training and education plan that the applicant will provide to employees; an explanation, with supporting factual data, of the economic benefits to the City and the job creation for local residents to be achieved by the establishment; short and long-term goals and objectives; and whether the applicant has articulated plans to provide employee health and welfare benefit plans, including, but not limited to, sick leave, maternity leave, and paternity leave. The applicant shall maintain and provide data to the City Clerk supporting its staffing plan which shall be considered at the time of renewal of any permit issued pursuant to this ordinance

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to determine compliance. The maximum number of scoring points in this category shall be ten (10) points.”

Ayes: Nicholson, Parker, Carrington, Goodman, James and McGuinness

No: None

Motion Carried

Motion to approve proposed amendment #9 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Carrington and second by Councilperson Nicholson.

9. Sec. 13 (f) (10) at p. 25 is proposed to add back “or more” which was inadvertently deleted when adding in the amendments approved last week. The added language is underscored.
“(10) Whether the applicant has rehabilitated and/or redeveloped within three (3) years before the submittal of the application under this ordinance, or will rehabilitate and/or redevelop, an existing building by demolishing and rebuilding or completely renovating a building that has been vacant or had been vacant as registered with the City for one (1) year or more. The maximum number of scoring points in this category shall be ten (10) points.”

Ayes: Parker, Carrington, Goodman, James, McGuinness and Nicholson

No: None

Motion Carried

Motion to approve proposed amendment #10 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Parker and second by Councilperson James.

10. Sec. 14 (a) at p. 29 on Social Equity Retailers is proposed to be amended to change the number of permits from five to six so that it conforms with the number allowed. The amended language is underscored.
“(a) The City has created a permit process to allow state social equity qualifiers to apply for and be awarded social equity retailer permits in zoning districts designated in the City zoning ordinance. The City shall permit six (6) social equity retailer licenses for social equity applicants, including franchisees, who demonstrate and document 51% or more ownership by social equity qualifying applicants, including ownership structure of the entity that identifies the ownership percentage held by each stakeholder.”

Ayes: Carrington, Goodman, James, McGuinness, Nicholson and Parker

No: None

Motion Carried

Motion to approve proposed amendment #11 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Nicholson and second by Councilperson Goodman.

11. Sec. 16 (a) at p. 30 is proposed to be amended to replace “Any person or any \$10,000 in contract value or benefit from the City” with a “permittee.” The amended language is underscored.
(a) “A permittee must use good-faith efforts in hiring employees who have been negatively impacted by marihuana prohibition. Adult-use recreational marihuana businesses should use good-faith efforts to hire and retain 25 percent of its employees who are low income or live in the City of Pontiac.”

Ayes: Carrington, Goodman, James, McGuinness, Nicholson and Parker

No: None

Motion Carried

Motion to approve proposed amendment #12 to Adult-Use Marihuana Business Ordinance. Moved by Councilperson Nicholson and second by Councilperson James.

12. Sec. 17 (e) on p. 31 is proposed to be amended to eliminate the sentence that prohibited a Class A Microbusiness from operating on the same parcel as another type of Marihuana Business. "A Class A Microbusiness shall not operate on the same parcel as any other Marihuana Business" was deleted. The proposed amended section after the deletion reads as follows:
"(e) Class A Microbusinesses are prohibited if the location is within 1,000 feet from any pre-existing School; (i) The distance separation requirement set forth above shall be measured from nearest property line of the Business Location to the nearest property line of the parcel on which the listed use is located, regardless of ownership of property or Permittee."

Ayes: Goodman, James, McGuinness, Nicholson, Parker and Carrington

No: None

Motion Carried

Motion to postpone for one week the Adoption of City of Pontiac Adult-use Marihuana Business Ordinance. (Second Reading Postponed from January 24, 2023 City Council Meeting) Moved by Councilperson Goodman and second by Councilperson Carrington.

Ayes: James, McGuinness, Nicholson, Parker, Carrington and Goodman

No: None

Motion Carried

City Council

23-48

Resolution Acknowledging February as Black History Month. Moved by Councilperson Parker and second by Councilperson Goodman.

Whereas, in 1915, Dr. Carter Godwin Woodson, noted scholar and son of former slaves, who founded the Association for the Study of African American Life and History, initiated Black History Week, February 12, 1926, which was celebrated for many years by African Americans in the United States; and
Whereas: The month of February is observed nationally as Black History Month to recognize and celebrate their accomplishments Black Americans have made and continue to offer to this nation; and
Whereas: Black history Month acknowledges and honors numerous past and present educators, scientists, activists, pioneers, leaders, artists, inventors, entrepreneurs, and elders with special ceremonies and activities; and
Whereas, President Gerald R. Ford officially recognized Black history Month in 1976, calling upon the public to "seize the opportunity to honor the too-often neglected"; and
Whereas, since 1976, every President has adopted the month of February as Black History Month, an annual celebration of African American achievements and roles in U.S. History; and
Whereas, Black History Month is a time to reflect on the burdens of racial prejudice and explore, understand, and appreciate the identities and cultures across and within the African diaspora; and
Whereas, the City of Pontiac recognizes the injustices that African Americans have endured and commends the African American community for the continuous pursuit of overcoming those injustices and changing the course and nature of history; and
Whereas, we honor the prominent leaders and activists who have paved the way for equality and justice, calling our City's attention to the continued need to battle racism and to build an equitable society; now,
THEREFORE, BE IT RESOLVED, that the City of Pontiac declares February 2023 as Black History Month, and honors the contributions and sacrifices made in building pride in black history and educating all Americans, as well as many achievements and contributions made by African Americans to our economic, cultural, spiritual, and political development; and further

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RESOLVED, that we join other organizations throughout the state of Michigan and this country to use this occasion to raise awareness of the hardships African Americans have endured, celebrate the milestones that have been achieved, and continue the unrelenting pursuit of equality and justice for all hardships African Americans have endured, celebrate the milestones that have been achieved, and continue the unrelenting pursuit of equality and justice for all.

Ayes: McGuinness, Nicholson, Parker, Carrington, Goodman and James

No: None

Resolution Passed

Department of Public Works (DPW)

23-49 **Resolution to approve the Michigan Department of Transportation (MDOT) Annual Permit Performance.** Moved by Councilperson Carrington and second by Councilperson Nicholson.

RESOLVED WHEREAS, the (City of Pontiac) hereinafter referred to as the "MUNICIPALITY," periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain utilities or other facilities, or to conduct other activities, on, over, and under State Highway Right of Way at various locations within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the MUNICIPALITY agrees that:

1. Each party to this Resolution shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this Resolution, as provided by law. This Resolution is not intended to increase either party's liability for, or immunity from, tort claims, nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.
2. If any of the work performed for the MUNICIPALITY is performed by a contractor, the MUNICIPALITY shall require its contractor to hold harmless, indemnify and defend in litigation, the State of Michigan, the DEPARTMENT and their agents and employee's, against any claims for damages to public or private property and for injuries to person arising out of the performance of the work, except for claims that result from the sole negligence or willful acts of the DEPARTMENT, until the contractor achieves final acceptance of the MUNICIPALITY Failure of the MUNICIPALITY to require its contractor to indemnify the DEPARTMENT, as set forth above, shall be considered a breach of its duties to the DEPARTMENT.
3. Any work performed for the MUNICIPALITY by a contractor or subcontractor will be solely as a contractor for the MUNICIPALITY and not as a contractor or agent of the DEPARTMENT. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the MUNICIPALITY, or their subcontractors or any other person not a party to the PERMIT without the DEPARTMENT'S specific prior written consent and notwithstanding the issuance of the PERMIT. Any claims by any contractor or subcontractor will be the sole responsibility of the MUNICIPALITY.
4. The MUNICIPALITY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.

5. The MUNICIPALITY will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State Highway Right of Way resulting from the installation construction, operation and/or maintenance of the MUNICIPALITY'S facilities according to a PERMIT issued by the DEPARTMENT.

6. With respect to any activities authorized by a PERMIT, when the MUNICIPALITY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.

7. The incorporation by the DEPARTMENT of this Resolution as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.

8. This Resolution shall continue in force from this date until cancelled by the MUNICIPALITY or the DEPARTMENT with no less than thirty (30) days prior written notice provided to the other party. It will not be cancelled or otherwise terminated by the MUNICIPALITY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED that the following position(s) are authorized to apply to the DEPARTMENT for the necessary permit to work within State Highway Right of Way on behalf of the MUNICIPALITY.

Ayes: James, Nicholson, Parker, Carrington, Goodman, and McGuinness

No: None

Resolution Passed

23-50 **Resolution to approve correction to Legal Description for Alley Vacation.** Moved by Councilperson Goodman and second by Councilperson Nicholson.

WHEREAS, The City of Pontiac City Council vacated the said alley via Resolution No. 36-89 on January 17, 1989; and;

WHEREAS, The legal description attached to Resolution No. 36-89 was not completely clear as to the limits of the intended alley vacation;

NOW, THEREFORE IT IS RESOLVED: That the Legal Description of the above described Alley No. 2 vacation is hereby corrected to read as follows:

Alley No. 2 – Said Alley abutting Lots 30 through 48 of Merrimac Subdivision, and Lots 115 through 130 and Lots 131 through Lot 134 of Lakeside Park Subdivision.

Be It Further Resolved, that the City of Pontiac, pursuant to the provisions of State Law (Act 288, Public Acts of 1967, Section 257), for the use and benefit of the City of Pontiac, and any lawfully franchised utility company doing business in the City having the right to use public rights-of-way, their successors, licensees, or assigns and their agents and employees, does hereby reserve an easement for public utility purposes for the benefit of the City of Pontiac, and any lawfully franchised utility company doing business in the City having the right to use public rights-of-way, giving them the right to construct and maintain, and to repair, remove, replace, improve, and enlarge sewers, drains, or water or gas mains, cables, wires, conduits, poles and towers, and other supports and all the necessary appurtenances thereto, including braces, guys, anchors, manholes and transformers, and to enter upon said property at any time for the purpose of constructing, maintaining, repairing, removing, replacing, improving, enlarging, or inspecting same, and to trim or remove any trees or roots that may at any time interfere with or threaten to interfere with said public utility installation. Said reserved easement shall cover all of the above vacated alley.

Be It Further Resolved, that no building or structure shall be placed over and upon said easement without the express consent of the City of Pontiac, and any lawfully franchised utility company doing business in the City having the right to use public rights-of-way, or their successors, licenses, or assigns in writing from the Department of Public Works of the City after submission of complete plans for the proposed

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construction, and the issuance of a building permit for any such building or structure shall not constitute such consent. The non-use or limited use of this easement right by the holders thereof shall not prevent later use thereof to the full extent provided herein.

Be It Further Resolved, that a copy of this resolution be recorded with the Register of Deeds for Oakland County.

Ayes: Parker, Carrington, Goodman, James, McGuinness and Nicholson

No: None

Resolution Passed

Public Comment

1. Pastor Douglas Jones
2. Norman Elam
3. Christine Elam
4. Carlton Jones
5. Renee Beckley
6. Dr. Deirdre Waterman
7. Darlene Clark
8. Gloria Miller

Closed Session

23-51 **Resolution to proceed into Closed Session at 9:08 p.m. to consider attorney/client privileged communication in accordance with MCL 15.238(1)(h) and to consult with legal counsel regarding trial or settlement in connection with Oakland County Circuit Court, Case No. 2021-188116-NO (Casady and Sulis v City of Pontiac and Curbeo, Inc.), MCL 15.268 (1)(e).**

WHEREAS, the Michigan Open Meetings Act authorizes a public body to meet in Closed Session to consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have a detrimental financial effect on the litigating or settlement position of the public body.; and,

NOW THEREFOR BE IT RESOLVED, the City Council will proceed in Closed Session pursuant to Section 8(1) (e) of the Open Meetings Act, MCL 15.268(1)(e), to consult with its attorney regarding trial or settlement strategy in connection with Oakland County Circuit Court, Case No. 2021-188116-NO (Casady and Sulis v City of Pontiac, et al.) because an open meeting would have a detrimental financial effect on the City's litigating or settlement position.

Ayes: Carrington, Goodman, James, McGuinness, Nicholson and Parker

No: None

Resolution Passed

Motion to come out of Closed Session at 9:45 p.m. Moved by Councilperson Parker and second by Councilperson Nicholson.

Ayes: Carrington, Goodman, James, McGuinness, Nicholson and Parker

No: None

Motion Carried

Communications

City Council and Mayor's Office

Mayor, Clerk and Council Closing Comments

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Mayor Greimel, Councilman Brett Nicholson, Councilwoman Kathalee James, and Council President Pro-Tem William Carrington made closing comments.

Adjournment

Motion to adjourn the meeting. Moved by Councilperson Parker and second by Councilperson Nicholson.

Ayes: Goodman, James, McGuinness, Nicholson, Parker and Carrington

No: None

Motion Carried

Council President Mike McGuinness adjourned the meeting at 9:59 p.m.

Garland S. Doyle
City Clerk

DRAFT

#4

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Office of the City Clerk

TO: Honorable City Council

FROM: Garland S. Doyle, City Clerk

DATE: February 3, 2023

RE: Resolution to authorize the City Clerk to publish a proposed budget amendment to transfer \$15,000 in funding out of the General Fund Balance GL account 101-000-390.000 and transfer \$15,000 into 101-215-902.005 Public Notices

The City adopted a FY 2022-23 budget that allocated \$10,000 for General Fund GL Account 101-215-902.005 Public Notices. This account is used to pay for the publishing of public notices in a newspaper for public hearings and budget amendments as required by the City Charter and/or ordinances.

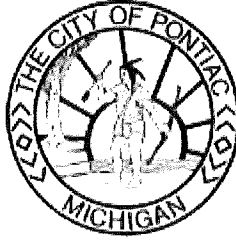
The following is a breakdown of what we have spent on publishing public notices from July 1, 2022 – December 31, 2022

Invoices	Budget Amendments	Public Hearing	Public Notices Total
July	\$402.25		\$402.25
August	\$857.50		\$857.50
September	\$910.25	\$1,907.75	\$2,818.00
October	\$481.75	\$1,028.50	\$1,510.25
November	\$1,339.00	\$481.75	\$1,820.75
December	\$2,986.50	\$455.25	\$3,441.75
Total	\$6,977.25	\$3,873.25	\$10,850.50

We are requesting an additional 15,000 in funding so will be able to continue publishing notices for the remainder of the fiscal year February – June 2023 and pay the invoices incurred in January 2023.

cc: Mayor Greimel
Deputy Mayor Stephens

Resolution of the Pontiac City Council



Resolution to authorize the City Clerk to publish a proposed budget amendment to transfer \$15,000 in funding out of the General Fund Balance GL account 101-000-390.000 and transfer \$15,000 into 101-215-902.005 Public Notices.

WHEREAS, the City of Pontiac timely approved the FY 2022-23 budget on June 22, 2022 and;

WHEREAS, 10,000 was allocated for General Fund GL Account 101-215-902.005 Public Notices in the FY 2022-23 budget and;

WHEREAS, expenditures for publishing public notices in the newspaper between July 1, 2022 – December 31, 2022 has exceeded \$10,000 and;

WHEREAS, without allocating additional funding the City will be unable to publish public notices for public hearing and budget amendments as required by the City Charter and/or ordinances.

NOW THEREFORE, BE IT RESOLVED that the City Council authorizes the City Clerk to publish the proposed budget amendment to transfer \$15,000 in funding out of the General Fund Balance GL account 101-000-390.000 and transfer \$15,000 into 101-215-902.005 Public Notices.

#5

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council

FROM: Alexandra Borngesser, Director of Grants & Philanthropy

DATE: February 7th, 2023

RE: Council resolution to authorize the City Clerk to publish the proposed budget amendment to increase budgeted revenues in the amount of \$392,500 to account 208-000-532.000-UWOCST, and appropriations in the amount of \$135,000 to account 208-756-702.000-UWOCST Salaries and Wages, \$18,500 to account 208-756-745.000-UWOCST Recreation Supplies, \$108,500 to account 208-756-779.020-UWOCST Programming, \$65,000 to account 208-756-819.000-UWOCST Contractual Temp/PT Labor, \$5,500 to account 208-756-957.002-UWOCST Training Expense, and \$25,000 to account 208-756-977.008-UWOCST Special Equipment.

The City of Pontiac was awarded funding in the amount of \$392,500 from the United Way of Southeast Michigan Out of School Time Grant Program to support youth recreation programming and staff time. The acceptance of this award was approved by the Pontiac City Council by way of formal resolution. Budgets for the aforementioned grant awards and their corresponding accounts are below.

GL NUMBER	DESCRIPTION	Budget Amendment
Fund 208 - YOUTH RECREATION MILLAGE		
Project UWOCST-United Way Out OF SCHOOL TIME LEARNING Program		
ESTIMATED REVENUES		
208-000-532.000-UWOCST	Federal grants others	\$ 392,500.00
APPROPRIATIONS		
208-756-702.000-UWOCST	Salaries & Wages	\$ 135,000.00
208-756-745.000-UWOCST	Recreation Supplies	\$ 18,500.00
208-756-779.020-UWOCST	PROGRAMMING	\$ 108,500.00
208-756-819.000-UWOCST	Contractual Temp/PT Labor	\$ 65,000.00
208-756-941.000-UWOCST	Services - Building & Land Rental	\$ 35,000.00
208-756-957.002-UWOCST	Training Expense	\$ 5,500.00
208-756-977.008-UWOCST	Special Equipment	\$ 25,000.00
TOTAL APPROPRIATIONS		\$ 392,500.00



Council resolution to authorize the City Clerk to publish the proposed budget amendment to increase budgeted revenues in the amount of \$392,500 to account 208-000-532.000-UWOCST, and appropriations in the amount of \$135,000 to account 208-756-702.000-UWOCST Salaries and Wages, \$18,500 to account 208-756-745.000-UWOCST Recreation Supplies, \$108,500 to account 208-756-779.020-UWOCST Programming, \$65,000 to account 208-756-819.000-UWOCST Contractual Temp/PT Labor, \$5,500 to account 208-756-957.002-UWOCST Training Expense, and \$25,000 to account 208-756-977.008-UWOCST Special Equipment.

WHEREAS, the City of Pontiac was awarded \$392,500 from the United Way of Southeast Michigan Out of School Time Grant Program; and,

WHEREAS, the grant award will support youth recreation programming and staff time; and,

WHEREAS, the funds from the grant will increase the budgeted revenue for the current fiscal year 2022-2023 in the amount of \$392,500 for grant income, and increase the appropriations in the amount of \$392,500, representing grant expenditures.

NOW THEREFORE, be it resolved that the City Council hereby authorizes the City Clerk to publish the proposed budget amendment for the Fiscal Year 2022-23 Budget as requested by the Administration to increase budgeted revenues in the amount of \$392,500 to account 208-000-532.000-UWOCST, and appropriations in the amount of \$135,000 to account 208-756-702.000-UWOCST Salaries and Wages, \$18,500 to account 208-756-745.000-UWOCST Recreation Supplies, \$108,500 to account 208-756-779.020-UWOCST Programming, \$65,000 to account 208-756-819.000-UWOCST Contractual Temp/PT Labor, \$5,500 to account 208-756-957.002-UWOCST Training Expense, and \$25,000 to account 208-756-977.008-UWOCST Special Equipment.

#6

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council

FROM: Alexandra Borngesser, Director, Grants and Philanthropy,

DATE: February 7th, 2023

RE: **Resolution to authorize Mayor Tim Greimel to execute the UWSEM Master Grant Agreement 2022-2023**

The City of Pontiac sought funding from the United Way of Southeast Michigan Out of School Time Grant Program to support youth recreation programming and staff time. The program currently serves children ages 3-18 in the City of Pontiac and includes classes and programs pertaining to art, sports, language, music, creative writing, and beyond. The programming is offered to Pontiac residents at no cost, and takes place at local schools, places of worship, partner facilities, and virtually.

Supplemental documents including a statement of work, budget, and grant agreement are attached for review. The following resolution will authorize the Mayor to execute the UWSEM Master Grant Agreement 2022-2023, and to accept the award in the amount of \$392,500.

Resolution on Following Page



CITY OF PONTIAC CITY COUNCIL

**RESOLUTION TO AUTHORIZE MAYOR TIM GREIMEL TO EXECUTE
THE UWSEM MASTER GRANT AGREEMENT 2022-2023**

WHEREAS, the City of Pontiac has been awarded \$392,500 from the United Way of Southeast Michigan Out of School Time Grant Program; and,

WHEREAS, the United Way of Southeast Michigan will serve as the grant maker, and is a subrecipient of ARPA funds awarded by Oakland County; and,

WHEREAS, the grant award will support youth recreation programming and staff time; and,

WHEREAS, the grant award does not have a matching requirement; and,

WHEREAS, the term of the Agreement ends December 31st, 2024.

NOW THEREFORE BE IT RESOLVED that the City Council hereby authorizes Mayor Tim Greimel to execute the UWSEM Master Grant Agreement 2022-2023 in acceptance of the \$392,500 grant award, and to submit and execute documents requested by UWSEM related to the grant award.

Attachment: UWSEM Master Grant Agreement 2022-2023 and Statement of Work

Application: 5728242303

City of Pontiac
Oakland County Out of School Time Learning Supports

Summary

ID: 5728242303

Status: Contract Open for Partner Signature

Last submitted: Jan 3 2023 02:25 PM (EST)

UWSEM Master Grant Agreement 2022-2023

Incomplete

UWSEM Master Grant Agreement 2022-2023

2022-2023 Master Grant Agreement Language

This Master Grant Agreement ("Agreement") is between United Way for Southeastern Michigan ("UWSEM"), a Michigan non-profit corporation at 3011 W. Grand Blvd., Suite 500, Detroit, Michigan 48202 and:

Partner Name: City of Pontiac

Partner Business Address: 47450 Woodward Ave Pontiac, Michigan 48342

1. Master Agreement Period

The effective period of this Master Grant Agreement is based upon UWSEM's funding year effective July 1, 2022, and ends on June 30, 2023 unless terminated sooner in accordance with the provisions of the Termination Options. Any Statement of Work ("SOW") entered into before the Master Grant Agreement End Date that contains a termination date after the Master Grant Agreement End Date may continue in effect until the termination date of the SOW, and the applicable provisions of this Agreement shall be automatically incorporated into and govern that SOW for the entire term of that SOW.

2. Grant Activities/Use of funds

Partner will use Grant Funds to improve the overall quality of life for people of Southeastern Michigan.

Partner will use the grant for the project described. Under sections 501 and 4945 of the Internal Revenue Code (the "Code"), the grant may not be used to carry on propaganda, to attempt to influence legislation, or participate in, intervene in, or attempt to influence the outcome of, political campaigns or elections. Additionally, under the applicable provisions of the Code, the grant funds may be used in furtherance of

the Partner's charitable purposes. The Partner agrees to:

1. Not use the Grant for purposes prohibited by the preceding two sentences,
2. Use the Grant in furtherance of the Partner's charitable purposes (as set for in its Articles of Incorporation and Application For Recognition of Exemption to the IRS) and
3. Promptly reimburse the UWSEM any Grant amounts not used to further its charitable purposes.

3. Grant Contingencies

Contingencies may be issued at any point during the Grant Period, the application or after the Grant has been awarded. Contingencies are defined as issues or concerns that arise during the master agreement period and was an unforeseen event period with written notification to the other party of the event or circumstance. Mutually, it will be determined if any contingencies arise that will need to be resolved before the agreement is able to continue with payment and deliverables outlined in this grant agreement.

4. Conditions

The Grant is made, and all proceeds of the Grant must be used, in accordance with all applicable procedures, including, without limitation the following stipulations. **Please read the following carefully:**

1. Type of Investment

The Grant is issued through the Community Investment Fund, which allows for funding to an agency, program, strategy, or collaborative that responds to UWSEM's mission to serve and create stronger communities. The total amount of funding available for each year is based on funds available from UWSEM'S Campaign funds that were raised the previous campaign year.

2. Governance

Partner agrees to maintain a responsible governing board or local advisory group whose members serve without pay, are representative of the community and meet at regular intervals. Information regarding governance and management of the organization (articles of incorporation, and written policies and procedures) will be made available to UWSEM upon request.

Partner agrees to comply with all Federal and State Statutes, and local laws relating to non-discrimination. Partner agrees to equitably offer opportunities for participation in programs, services, policy formulation, and staff employment to persons, notwithstanding, race, color, religion, age, sex, sexual orientation, gender identity, economic status, cultural heritage, national origin, and health or ability status.

3. Outcomes Based Funding

UWSEM's mission and business model reflect a focus on measuring outcomes for funded programs and strategies. Details regarding outcome alignment, revisions of outcomes, indicators and related data, and use of on-line data reporting tools are outlined in the SOW.

4. Termination Options

UWSEM reserves the right to terminate this Grant Agreement at any time in the event that UWSEM determines that the Partner has not performed in accordance with this Grant Agreement or satisfied the specific contingencies of the approved program, including in the event that, based on UWSEM's determination, in its sole discretion, that:

- 501 (c)(3) Partner loses its exemption from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended
- Partner is non-compliant with any federal, state or local laws and regulations; or
- Partner ceases program operations.

Partners may terminate this Grant Agreement by providing reasonable notice of their intent and rationale for doing so to UWSEM staff in writing.

In the event of a termination of this Grant Agreement, any funds that have not yet been paid to the Partner will be immediately forfeited.

5. Severability and Governing Law

In the event that any provision or any part of a provision of this Grant Agreement is finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to applicable laws by an authority having jurisdiction, such a determination shall not affect the legality or enforceability of the remaining provisions or parts of provisions, which shall remain in full force a defect as if the unenforceable provision or part were deleted. This Grant Agreement is governed by the laws of the State of Michigan.

6. Indemnification

To the extent permitted by law, Partner hereby agrees to indemnify, defend and hold harmless UWSEM, its trustees, officers, and employees, from and against, and in respect to, any and all losses, expenses, costs, obligations, liabilities and damages, including interest, penalties and reasonable attorney's fees and expenses, that may arise as a result of any negligent or willful acts or omissions of Partner or any of its agents or employees.

7. Scope of Work Changes

In the event that the Partner deems a change necessary to the requirements as set forth in the Master Grant Agreement or SOW, the Partner will consult with UWSEM regarding these changes in advance. Any proposed changes will be assessed to determine the reason(s) behind the need for a change and the potential impact to the project. No change to the Scope of Work will be made without explicit consent from UWSEM in the form of an amendment to this Grant Agreement.

8. Change Requests

UWSEM reserves the right to request any changes to the requirements and specifications of this Grant Agreement and the Scope of Work to be performed by the Partner under this Grant Agreement. During the course of ordinary business, it may become necessary for UWSEM to discontinue certain business practices or create additional services/deliverables covered by this Agreement.

9. Ownership of Deliverables and Data

All deliverables created by the Partner and delivered to in connection with this Grant Agreement (the "Deliverables") shall be owned by UWSEM and shall be considered works made for hire by the Partner for UWSEM under United States Copyright law. UWSEM shall own all United States and international copyrights, trademarks, patents, or other proprietary rights in the Deliverables. All data submitted to UWSEM in connection with this Grant Agreement ("the Data") is considered property of UWSEM.

Individual client confidentiality is protected and UWSEM will never disclose a clients' name or photo without prior consent and approval. Partner shall, in a timely manner, secure such consent and approval upon UWSEM's request. Partner agrees to execute and deliver any additional documents reasonably required to effectuate the intent of the parties with respect to the ownership of the Deliverables and/or the Data upon UWSEM's request.

10. Publicity and Marketing

Marketing

- All printed promotional materials including but not limited to brochures, programs, newsletters, press releases, educational materials, and announcements, which reference the funded program(s) must include mention of United Way for Southeastern Michigan as a funder and include the United Way for Southeastern Michigan logo. *Sample Credit Line: "(Name of program) is made possible with grant funding from United Way for Southeastern Michigan."*
 - *Logo and reference use approval must be obtained by UWSEM prior to printing. Please email creative to marketingrequests@liveunitedsem.org to obtain approval. Please include project name and creative type to be approved. UWSEM logos can be downloaded from <https://unitedwaysem.org/about-us/workplace-campaign/campaign-toolkit-resources/>*
- The use of the brand name United Way for Southeastern Michigan via digital (i.e. website, blogs, electronically distributed releases and social media) must hyperlink back to the website, www.unitedwaysem.org
- Prior approval is required from UWSEM to develop branding campaigns that promote any funded program. Please email marketingrequests@liveunitedsem.org and include detail of the request. Please submit a request at least two weeks prior to your deadline. UWSEM staff will reply within two business days.
- A United Way-branded decal should be prominently placed in the designated space of the funded program. The decal will be mailed to your organization.
- Should you have questions please send an email to MarketingRequests@liveunitedsem.org.

Public Relations

- All media-related communication that recognizes other funding sources must also recognize United Way for Southeastern Michigan as a funding source of the grant project.
- Acknowledgement of the funded partnership may be facilitated with the use of a credit line or United Way logo. (Logos may not be altered.) *Sample Credit Line: "(Name of program) is made possible with grant funding from United Way for Southeastern Michigan."*
- Should you have questions please send an email to MarketingRequests@liveunitedsem.org and UWSEM staff will reply within two business days.

Social Media

- United Way should be tagged in any mention of United Way-funded programs via social media (FB, Twitter, etc.) using the following social media handles:
 - **Facebook:** United Way for Southeastern Michigan
 - **Twitter:** @UnitedWaySEM
 - **LinkedIn:** United Way for Southeastern Michigan
 - **Instagram:** @UnitedWaySEM
- To uplift the partnership via social media, please share your social media handles and relevant hashtags with United Way by emailing MarketingRequests@liveunitedsem.org.
- For questions, contact MarketingRequests@liveunitedsem.org.

Crediting United Way for Southeastern Michigan

Acknowledgement of the United Way partnership may be facilitated by using the United Way for Southeastern Michigan logo and/or credit line.

- The logos provided to you must be produced as a unit without alteration.
- In addition to the use of the United Way for Southeastern Michigan logo, funding recipients may also use the following line of text (or reasonably similar wording) to credit United Way:
"This program is supported in part by a grant from United Way for Southeastern Michigan."

12. Acceptance of Grant

Signing this Grant Agreement indicates acknowledgement and acceptance of the terms outlined above and in all appendices.

13. Counterparts

This Grant Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In addition, signatures transmitted by facsimile or other electronic means shall be deemed the same as originals and shall be effective upon receipt.

As evidence of the Parties' mutual understand of and agreement with the terms herein, they have signed this Master Grant Agreement as the Issue Date of the Grant set forth above.

Acknowledgement

No Responses Selected

Partner Signatory

Name of Partner Signatory	(No response)
Title of Partner Signatory	(No response)
Date of Signature	(No response)

UWSEM Signatory

Danielle R. Hudson

Name of UWSEM Signatory	(No response)
Title of UWSEM Signatory	(No response)
Date of Signature	(No response)

UWSEM Signatory

A handwritten signature in black ink, appearing to read "Steve J. Schwartz", with a long horizontal line extending to the right.

Name of UWSEM Signatory	(No response)
Title of UWSEM Signatory	(No response)
Date of Signature	(No response)

Application: 5728242303

City of Pontiac
Oakland County Out of School Time Learning Supports

Summary

ID: 5728242303

Status: Contract Open for Partner Signature

Last submitted: Jan 3 2023 02:25 PM (EST)

OC: Statement of Work

Incomplete

OC: Statement of Work

Statement of Work

Contract ID: 5728242303

United Way for Southeastern Michigan ("UWSEM") has approved a Oakland County Out of School Time Learning Supports grant in the amount of \$ 392,500 ("Grant") to City of Pontiac of 47450 Woodward Ave Pontiac, Michigan 48342 ("Partner"). This Statement of Work ("SOW") is subject to the Master Grant Agreement ("Agreement") by and between UWSEM and partner in effect at the beginning of the spending period, as defined in section 2. Term of SOW. In the event of any inconsistency between the terms and conditions of the Agreement and the terms and conditions of this SOW, the Agreement will control. Partner shall provide the outcomes and Deliverables in accordance with the terms and provisions contained in this SOW and the Agreement. In consideration of the mutual promises contained herein, and for other good and valuable consideration, the parties hereto agree as follows:

1. Type of Investment

On March 11, 2021, the President of the United States signed the American Rescue Plan Act of 2021 ("ARPA") into law. Section 9901 of ARPA amended Title VI of the Social Security Act to add section 603, which establishes the Coronavirus Local Fiscal Recovery Fund ("LFRF").

These funds are made available from the Oakland County LFRF (Federal Award Identification Number or FAIN: SLFRP2640) and are considered federal financial assistance and have been assigned a Catalog of Federal Domestic Assistance (CFDA) or Assistance Listing Number of 21.027. Fund payments are considered to be federal financial assistance subject to the Single Audit Act (31

U.S.C. Sections 7501 – 7507) and the related provisions of the Uniform Guidance, 2 Code of Federal Regulations (CFR) Section 200.303 regarding internal controls, Section 200.330 – 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements.

2. Term of SOW

All funds received under this grant must be spent within the spending period of January 1, 2023 – December 31, 2024 . No extensions to the spending period will be granted.

3. Description of Services

As a result of missed learning opportunities for youth stemming from the COVID-19 pandemic, the Oakland County Executive and Board of Commissioners have allocated \$5 million in American Rescue Plan Act Local Fiscal Recovery Funds to establish the Out of School Time Learning Supports Grant Program. This program will offer grants to Oakland County non-profit organizations, school districts, public-school academies, and county, village, and township entities delivering out of school time learning supports and services with a goal of supporting Out of school time providers to continue programming and increase seats in expanded learning opportunities.

Funds through this award are being made available to help nonprofit organizations scale capacity to deliver learning support services to individuals impacted by the COVID-19 pandemic and to ensure operational continuity and expansion to meet growing demand for learning support services throughout the county. Oakland County recognizes the incredible strain the COVID-19 pandemic has put on both individual county residents as well as out of school time program providers. The funds allocated for this grant program are to be used expressly for the purpose of delivering out of school time learning support services to residents of Oakland County.

4. Outcomes and Deliverables

City of Pontiac is responsible for adhering to the program design, outputs and budget narrative provided in the application (which funding is contingent on), including, but not limited to, the outputs below.

- Total Participants Served: 3000

Outcome & Impact

Area of Impact: Long Term Tracking of Student of Success

Outcome Statement 1

Outcome Statement 2

Area of Impact: Behavioral Markers

The City of Pontiac currently experiences a high number of violent crimes, many of which are committed by youth. The City of Pontiac hopes that through improved, expanded, and increased youth recreation programming that the number of crimes committed by Pontiac youth is decreased.

Outcome Statement 1

Outcome Statement 2

Area of Impact: Developmental Markers

Outcome Statement 1

Outcome Statement 2

Area of Impact: Interest in Special Topics

Presently, the Pontiac Youth Recreation Program offers a limited scope of programming. By expanding the type of programming offered, the City hopes to inspire Pontiac Youth to engage with more nuanced interests such as robotics, language, arts, trades, and career readiness.

Outcome Statement 1

Outcome Statement 2

Area of Impact: Career Readiness

Outcome Statement 1

Outcome Statement 2

Area of Impact: Family Participant

Outcome Statement 1

Outcome Statement 2

Area of Impact

Academic Performance

Outcome Statement 1

Outcome Statement 2

Area of Impact

Social Emotional Development

Outcome Statement 1

The City of Pontiac currently experiences a high number of violent crimes, many of which are committed by youth. The City of Pontiac hopes that through improved, expanded, and increased youth recreation programming that the number of crimes committed by Pontiac youth is decreased.

Outcome Statement 2

Area of Impact

Other

Outcome Statement 1

Outcome Statement 2

5. Parties Responsibilities

A. Partner will be responsible for:

a. Partner Affirmations:

i. Partner affirms that any and all representations made to UWSEM in connection with this grant were accurate, truthful and complete and remain so. Partner acknowledges that all representations and information provided have been relied on by the UWSEM to provide funding under this Agreement. Partner shall promptly notify UWSEM, in writing, of the occurrence of any event or any material change in circumstances which would make any Partner representation or information untrue or incorrect or otherwise impair

Partner's ability to fulfill its obligations under this Agreement.

ii. Partner will comply with any federal, state, or local public health orders or mitigation recommendations regarding the COVID-19 pandemic which are in effect as of the date this Agreement is signed by both Parties.

iii. Partner may not use grant funds for expenses for which the Partner has received any other federal funds or emergency COVID-19 supplemental funding, whether it be state, federal, or private in nature, for the same expense. No portion of grant funds may be used for the purpose of obtaining additional Federal funds under any other law of the United States, except if authorized by law. Partner shall promptly notify UWSEM if it receives insurance proceeds or other disaster assistance (public or private) that duplicates the funding received under this Agreement. Grant funds may not be used to cover expenses that were reimbursed by insurance.

iv. Partner shall not carry out any activities under this Agreement that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) and in accordance with Section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 132 Stat. 3442), which amended Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155). If the Partner receives duplicate benefits from another source for projects related to this disaster, the Partner must refund the benefits provided by UWSEM to UWSEM. Duplication of benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.

v. Partner understands that the grant funds it receives under this Agreement are a subaward of County's LFRF funds, and that UWSEM is required to manage and monitor any subrecipient of LFRF funds. Therefore, Partner agrees to comply with any subrecipient monitoring requirements established by UWSEM or by Federal law.

vi. Partner affirms they have not received other material federal, state, county, foundation or philanthropic support sufficient to provide the same proposed Out of School Time programming in the community that are being funded under their

agreement with United Way. In accordance with 2 CFR 200.307, ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project.

vii. Partner affirms that above mentioned, funded services have not been otherwise paid for or reimbursed through other federal, state, county, foundation or philanthropic funding.

viii. Partner affirms they shall collect and pay its local, state, and federal taxes, including but not limited to, all employment taxes, sales taxes, personal property taxes, and real property taxes. Oakland County or UWSEM shall not be liable or required to reimburse Partner for any local, state, or federal tax of any kind.

b. Repayment/Remedies. Partner is subject to repayment to the UWSEM of an amount equal to the grant funds received by Partner in the event Partner has made material misrepresentations to the UWSEM in its Application, voluntary bankruptcy or insolvency proceeding are commenced against the Partner and not set aside within sixty (60) days, or the Partner fails to otherwise comply with the requirements of this Agreement. In the event UWSEM later determines the information Partner provided in conjunction with this Agreement, or that Partner was ineligible for the grant funds, or that Partner's use of the grant funds following receipt was contrary to this Agreement, Partner agrees to repay the grant funds to UWSEM in full. UWSEM further retains all rights and remedies allowed in law or equity, including seeking payment of its reasonable costs and expenses incurred enforcing its rights and remedies.

c. Tax Liability. UWSEM and Partner agree that to the extent that any part of the aforementioned funds are deemed to be taxable, that Partner agrees to be fully responsible for the payment of any taxes, including withholding payments, social security, or other funds which are required to be withheld. Partner agrees to provide UWSEM with all information and cooperation necessary to execute a completed 1099-G (attached to this exhibit); which UWSEM will file with the United States Internal Revenue Service. Partner acknowledges that Partner will consult with a tax professional regarding the tax implications, if any, of the grant funds, and/or hereby waives the option to do so.

d. Conflict of Interest. Pursuant to Public Act 317 and 318 of 1968, as amended (MCL 15.301, et seq. and MCL 15.321, et seq.), to avoid any real or perceived conflict of interest, Partner shall disclose to UWSEM the identity of all Partner Employees and all relatives of Partner Employees who: a) are employed by UWSEM or are elected or appointed officials of UWSEM, on the date this Agreement is executed; and b) becomes employed or appointed by UWSEM or becomes an elected official of County during the term of the Agreement.

e. Access to Records and Audit. Payments from ARPA funds are subject to 2 C.F.R. 200.303 regarding internal controls, 2 C.F.R. 200.331-333 regarding subrecipient monitoring and management, and 2 C.F.R. Part 200 Subpart F regarding audit requirements. Where applicable, these requirements are considered legally binding and enforceable under this Agreement. UWSEM reserves the right to use any legal remedy at its disposal including, but not limited to, disallowance of costs, withholding of funds or recoupment as may be necessary to satisfy requirements. Subawards or subcontracts, if any, shall contain a provision making them subject to all of the provisions in this exhibit. Partner shall maintain all records pertinent to the Agreement and any Amendments, including backup copies, for a period of five (5) years. The records shall be kept in accordance with generally accepted accounting practices, utilize adequate internal controls and shall maintain necessary documentation for all costs incurred, including documentation and an inventory of all equipment purchased with grant funds. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In addition to UWSEM, Oakland County, the U.S. Department of Treasury, or their authorized representatives, shall be provided the right to audit all records pertaining to the expenditure and use of grant funds. All records with respect to any matters covered by this Agreement shall be made available to UWSEM, Oakland County, the Federal awarding agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by Partner within 30 days after receipt by the Partner. Failure of Partner to comply with the audit requirements will constitute a violation of this Agreement.

Fund payments are considered "other federal financial assistance" under Title 2 C.F.R. 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and are subject to the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507 or program specific audit pursuant to 2 C.F.R. 200.501(a) when Partner

spends \$750,000 or more in federal awards during their fiscal year.

Fund payments are subject to 2 C.F.R. 200.303 regarding internal controls. Subrecipient must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the Subrecipient is managing the award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

Fund payments are subject to 2 C.F.R. 200.330 through 200.332 regarding Partner monitoring and management. Fund payments are subject to Subpart F regarding audit requirements. Failure of Partner to comply with the audit requirements will constitute a violation of this Agreement. Partner may be required to submit a copy of that audit UWSEM in accordance with the Uniform Guidance.

f. Compliance with Laws. Partner shall comply with all federal, state, and local laws, statutes, ordinances, regulations, and all requirements applicable to its activities under the Agreement and grant. This includes the following:

i. Partner must comply with 2 C.F.R. 200.303(e) and take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. 200.82, and other information UWSEM designates as sensitive or the Partner considers sensitive consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality.

ii. Partner must comply with 31 U.S.C. Chapter 38, Administrative Remedies for False Claims and Statements. Partner will not pass-through grant funds to an entity listed in the SAM Exclusions. SAM Exclusions is the list maintained by the General Services Administration that contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. SAM exclusions can be accessed at www.sam.gov.

iii. Partner must register at sam.gov.

iv. Partner must comply with Title VI of the Civil Rights Act of 1964, and any implementing regulations, which prohibits entities receiving Federal financial assistance from excluding from a program or activity, denying benefits or services, or otherwise discriminating against a person on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity). All applicable U.S. Department of Treasury Title VI regulations are incorporated into this Agreement and made a part of this Agreement.

B. UWSEM will be responsible for:

- i. Providing access to reasonable support from UWSEM staff to assist with applying for grants, outcome measurement, building partnerships, training opportunities and other types of technical assistance.
- ii. Respecting Partner's autonomy to determine its policies of operation and to administer its own internal affairs.
- iii. Utilizing trained volunteers and staff who sign both a conflict of interest and confidentiality statement in matters regarding the making of Community Investment funding decisions.

6. Reporting/Schedule (Performance Standards)

Data Collection: United Way for Southeastern Michigan will collect information through Survey Monkey Apply (SMA) on **output** and **budget**.

Reporting Dates Include:

- April 14, 2023
- July 14, 2023
- October 13, 2023
- January 12, 2024
- April 12, 2024
- July 12, 2024
- October 11, 2024
- January 17, 2025

All information and reports requested must be provided to UWSEM by the dates specified. Failure to provide timely information may result in payments being held.

Failure to meet deliverables or contingencies may result in an immediate hold on the partner allocation and forfeiture of the award for the remainder of the grant cycle.

Partners may be invited to participate in a collection of additional data collection efforts.

7. Payment Schedule and Budget

In an effort to expedite the transfer of funds to all partners, you are required to provide us with a

completed copy of the Electronic Payment Authorization Form to expedite payments. All funds will be disbursed electronically to the financial institution of choice, payable to the Partner. Any unused funds for the program year must be returned to UWSEM unless a special approval for extension has been authorized in writing from UWSEM.

United Way for Southeastern Michigan will distribute equal, quarterly payments (12.5% of total award) to partner following satisfactory review of required reporting, with the first payment being disbursed withing 30 days of fully executed contract.

Budget

Budget Categories	Projected Expenses (\$)	Project Expenses Narrative
Personnel	\$ 200000	Pontiac Youth Recreation Program Personnel
Fringe Benefits	\$0	The City of Pontiac will contribute employee fringe benefits
Contractual Services	\$ 101000	Contract staffing, one time rentals and maintenance contracts
Wrap Around Services to Participants	\$ 9000	n/a
Travel	\$0	travel is not something included in this program
Equipment	\$25000	Basketballs, Uniform, Golf balls , Bats, Tees E-Sports consoles
Supplies	\$9500	Tshirts, Crayons, Markers, Booklets, Games, Rackets
Occupancy	\$35000	Welcome, WBCC, New Hope, Destiny, UWM
Utilities	\$ 0	Utilities are provided by each venue
Evaluation	\$ 0	the cost of this is included in the contract staffing who perform

evaluation through surveys and
feedback

Professional Development and Training	\$5500
Other Program Costs	\$ 7500
Indirect/Administrative Costs	\$ 0
Total Award Amount	\$392,500

NPRCA

End of session events

The City of Pontiac will not include indirect costs associated with this grant award.

8. UWSEM Contact

Any notifications related to this Grant Agreement should be sent in writing to the following:

Contract Administration:

Steven Schwartz
Chief Financial Officer
United Way for Southeastern Michigan
3011 W. Grand Blvd., Suite 500
Detroit, MI 48202
Community.impact@liveunitedsem.org

Program Administration:

Sara Sanders
Manager, Expanded Learning Time
United Way for Southeastern Michigan
3011 W. Grand Blvd., Suite 500
Detroit, MI 48202
educationpartners@unitedwaysem.org

THIS SOW IS MADE AND ENTERED INTO BY BOTH PARTIES AS OF THE

SOW Effective Date.

Acknowledgement of Electronic Signatures

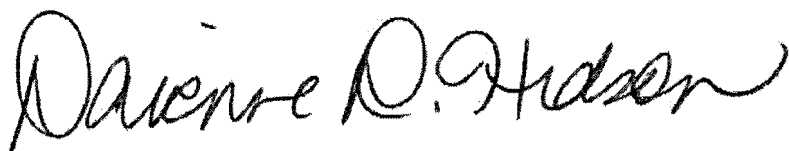
Please select the box below.

No Responses Selected

Partner Signatory

Name of Partner Signatory	(No response)
Title of Partner Signatory	(No response)
Date of Signature	(No response)

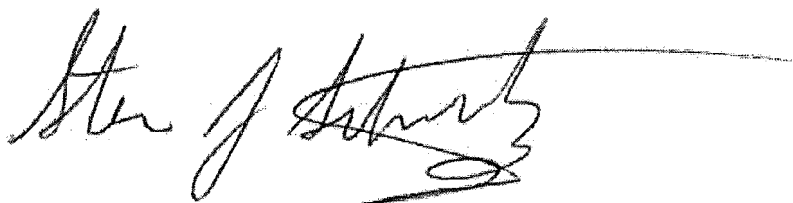
United Way for Southeastern Michigan Signatory



UWSEM Signatory

Name of Partner Signatory	(No response)
Title of Partner Signatory	(No response)
Date of Signature	(No response)

United Way for Southeastern Michigan Signatory



UWSEM Signatory

Name of Partner Signatory	(No response)
Title of Partner Signatory	(No response)
Date of Signature	(No response)

#7

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council

FROM: Alexandra Borngesser, Director of Grants & Philanthropy

DATE: February 7th, 2023

RE: **Council resolution to authorize the City Clerk to publish the proposed budget amendment to increase budgeted revenues in the amount of \$294,000 to account 212-000-532.000-OCSCMG Federal Grant Others, and appropriations in the amount of \$150,000 to account 212-813-818.000-OCSCMG – Other Prof Serv (Ruth Center) and \$144,000 to account 212-814-818.000-OCSCMG – Other Prof Serv (Bowen).**

The City of Pontiac has been awarded \$144,000 assigned to the Robert Bowens Center and \$150,000 assigned to the Ruth Peterson Center through the Oakland County Senior Center Matching Grant Program. Through negotiation with the County, the City's matching requirement for this grant award has been waived. The acceptance of this award was approved by the Pontiac City Council by way of formal resolution.



Council resolution to authorize the City Clerk to publish the proposed budget amendment to increase budgeted revenues in the amount of \$294,000 to account 212-000-532.000-OCSCMG Federal Grant Others, and appropriations in the amount of \$150,000 to account 212-813-818.000-OCSCMG – Other Prof Serv (Ruth Center) and \$144,000 to account 212-814-818.000-OCSCMG – Other Prof Serv (Bowen)

WHEREAS, the City of Pontiac was awarded \$144,000 assigned to the Robert Bowens Center and \$150,000 assigned to the Ruth Peterson Center through the Oakland County Senior Center Matching Grant Program; and,

WHEREAS, the grant will allow the city to renovate and update structurally deficient, unsafe and inaccessible senior facilities so they can be used and enjoyed by the older adult and disabled communities in safe, inclusive, and innovative ways for years to come; and,

WHEREAS, the matching requirement for this Grant Program has been waived by Oakland County; and,

WHEREAS, the Grant Program requires that the City of Pontiac certify compliance with all Grant Program requirements, including commitment to long-term maintenance and all project cost overruns.

WHEREAS, the funds from the grant will increase the budgeted revenue for the current fiscal year 2022-2023 in the amount of \$294,500 for grant income, and increase the appropriations in the amount of \$294,000, representing grant expenditures.

NOW THEREFORE, be it resolved that the City Council hereby authorizes the City Clerk to publish the proposed budget amendment for the Fiscal Year 2022-23 Budget as requested by the Administration to increase budgeted revenues in the amount of \$294,000 to account 212-000-532.000-OCSCMG Federal Grant Others, and appropriations in the amount of \$150,000 to account 212-813-818.000-OCSCMG – Other Prof Serv (Ruth Center) and \$144,000 to account 212-814-818.000-OCSCMG – Other Prof Serv (Bowen).

#8

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council

FROM: Alexandra Borngesser, Director of Grants & Philanthropy

DATE: February 7th, 2023

RE: **Council resolution to approve the Agreements for Local Fiscal Recovery Fund Distribution Between Oakland County and The City of Pontiac for the Oakland County Senior Center Matching Grant Program awards in the amount of \$144,000 for the Robert Bowens Center and \$150,000 for the Ruth Peterson Center**

The City of Pontiac has been awarded \$144,000 assigned to the Robert Bowens Center and \$150,000 assigned to the Ruth Peterson Center through the Oakland County Senior Center Matching Grant Program. Through negotiation with the County, the City's matching requirement for this grant award has been waived. The Department of Grants and Philanthropy kindly requests the formal acceptance of these awards by way of council resolution, authorizing the Mayor to execute the Agreements for Local Fiscal Recovery Fund Distribution Between Oakland County and The City of Pontiac.

The City of Pontiac is a low income community of color that continues to be disproportionately impacted by COVID-19. There is clear evidence that the pandemic has not affected all Americans equally. Prior to the COVID-19 pandemic, many senior citizens were already struggling with issues of isolation and loneliness. The City of Pontiac is the most vulnerable community in Oakland County, and senior citizens experience the adverse mental health effects associated with COVID-19 more intensely. Job loss, housing instability, food insecurity, and other risk factors intensified by the pandemic, disproportionately impact populations like senior citizens residing in disadvantaged communities like the City of Pontiac. The lingering effects of the pandemic also impact access to affordable services like food services and reliable transportation, which so many of our older residents depend on. All of the aforementioned factors continue to impact the City of Pontiac's population of senior citizens.

For many of the seniors who reside in Pontiac, the senior centers provide critical needs in the form of food distribution, care, and wellness. Throughout the most chaotic portion of the COVID-19 pandemic, the centers were the primary force behind providing warm meals to our aging and disabled communities. Currently, the Robert Bowens Center and Ruth Peterson Center are in urgent need of renovations so that these crucial services can continue to be provided to some of the most vulnerable residents in Pontiac. One of the primary factors in Pontiac's sustained growth is the overall health, wellbeing, and quality of life of the residents. The current condition of Pontiac senior centers is a barrier to providing quality of life services to our older adult community.

Currently, the Robert Bowens Center and Ruth Peterson Center are in dire need of infrastructure repair and updates. The funds from the Oakland County Senior Center Matching Grant Program will allow the city to renovate and update these structurally deficient, unsafe and inaccessible facilities so they can be used and enjoyed by the older adult and disabled communities in safe, inclusive, and innovative ways for years to come.



**Council resolution to approve the Agreements for Local Fiscal Recovery Fund Distribution
Between Oakland County and The City of Pontiac for the Oakland County Senior Center
Matching Grant Program**

WHEREAS, the City of Pontiac was awarded \$144,000 assigned to the Robert Bowens Center and \$150,000 assigned to the Ruth Peterson Center through the Oakland County Senior Center Matching Grant Program; and,

WHEREAS, the grant will allow the city to renovate and update structurally deficient, unsafe and inaccessible senior facilities so they can be used and enjoyed by the older adult and disabled communities in safe, inclusive, and innovative ways for years to come; and,

WHEREAS, the matching requirement for this Grant Program has been waived by Oakland County; and,

WHEREAS, the Grant Program requires that the City of Pontiac certify compliance with all Grant Program requirements, including commitment to long-term maintenance and all project cost overruns.

NOW THEREFORE, be it resolved that the Pontiac City Council hereby authorizes Mayor Tim Greimel to execute the Agreement for Local Fiscal Recover Fund Distribution between Oakland County and the City of Pontiac for the Oakland County Senior Center Matching Grant Program for the awards assigned to the Ruth Peterson Center and the Robert Bowens Center.



**1200 N. Telegraph Road
Pontiac, MI 48341-0475
Phone:(248) 858-0100
Fax:(248) 858-1572**

January 17, 2023

Linda Simpson
Ruth Peterson Community Center
990 Joslyn Rd
Pontiac, MI 48340

Dear Linda Simpson,

I am pleased to inform you that upon recommendation of the Healthy Aging Oakland County Ad Hoc Committee the Ruth Peterson Senior Center's application has been approved in the amount of \$150,000.

This funding has been awarded to assist senior centers with improvement such as capital, technology, infrastructure, and equipment improvements or professional development.

For execution, you will be receiving a separate email requesting a signature on your Interlocal Agreement. This email will come from Ken Dobson with additional instructions. Following approval by your governing authority as applicable, and execution of the agreement, please sign the agreement and email it to Mr. Dobson.

If you have any questions regarding the program or agreement, please feel to contact Barbara Winter, Senior Policy Analyst of the Board of Commissioners at (248) 821-3065 or at winterb@oakgov.com. In addition, please feel free to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Kristen Nelson". The signature is written in a cursive, flowing style.

Kristen Nelson
Oakland County Commissioner
Chair of the Healthy Aging Oakland County Ad Hoc Committee

**AGREEMENT FOR LOCAL FISCAL RECOVERY FUND DISTRIBUTION BETWEEN
OAKLAND COUNTY AND
City of Pontiac - Ruth Petersen Community Center**

This Agreement (the "Agreement") is made between Oakland County, a Municipal and Constitutional Corporation, 1200 North Telegraph Road, Pontiac, Michigan 48341 ("County"), and the City of Pontiac - Robert Bowens Community Center ("Public Body") 47450 Woodward Avenue, Pontiac, MI 48342. County and Public Body may be referred to individually as a "Party" and jointly as "Parties".

PURPOSE OF AGREEMENT. On March 11, 2021, the President of the United States signed the American Rescue Plan Act of 2021 ("ARPA") into law. Section 9901 of ARPA amended Title VI of the Social Security Act to add section 603, which establishes the Coronavirus Local Fiscal Recovery Fund. Oakland County has been allocated \$244,270,949 in Local Fiscal Recovery Fund ("LFRF") dollars under ARPA.

The United States Department of Treasury has issued an interim final rule, and other guidance for qualified uses of LFRF. Those qualified uses include supporting eligible investments in public health expenditures, addressing negative economic impacts caused by the public health emergency, replacing lost public sector revenue, providing premium pay for essential workers, and investing in water, sewer and broadband infrastructure. The County has determined that the distribution of funds in accordance with this Agreement is a qualified use of LFRF funds pursuant to the interim rule and other applicable Department of Treasury guidance.

The Oakland County Board of Commissioners approved amended Miscellaneous Resolution #22-280 and assigned \$5,000,000 in ARPA LFRF funds to support Oakland Together Senior Initiatives, a grant program to provide Oakland County local governments and nonprofit senior organizations with financial assistance for senior center enhancements, such as capital, technology, infrastructure, equipment improvements, and/or professional development.

County and Public Body enter into this Agreement pursuant to the Urban Cooperation Act of 1967, 1967 Public Act 7, MCL 124.501 *et seq.*, for the purpose of County distributing a portion of its LFRF funds to Public Body.

In consideration of the mutual promises, obligations, representations, and assurances in this Agreement, the Parties agree to the following:

1. **DEFINITIONS.** The following words and expressions used throughout this Agreement, whether used in the singular or plural, shall be defined, read, and interpreted as follows:
 - a. **Agreement** means the terms and conditions of this Agreement and any other mutually agreed to written and executed modification, amendment, exhibit and attachment.
 - b. **Claims** mean any alleged losses, claims, complaints, demands for relief or damages, lawsuits, causes of action, proceedings, judgments, deficiencies, liabilities, penalties, litigation, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are incurred by or asserted against County or Public Body, or for which County or Public Body may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the state constitution, any federal or state statute, rule, regulation, or any alleged violation of federal or state common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.

- c. **County** means Oakland County, a Municipal and Constitutional Corporation, including, but not limited to, all of its departments, divisions, the County Board of Commissioners, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, volunteers, and/or any such persons' successors.
 - d. **Day** means any calendar day beginning at 12:00 a.m. and ending at 11:59 p.m.
 - e. **Public Body** means the City of Pontiac - Ruth Petersen Community Center including, but not limited to, its council, its Board, its departments, its divisions, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, subcontractors, attorneys, volunteers, and/or any such persons' successors.
 - f. **Public Body Employee** means any employees, officers, directors, members, managers, trustees, volunteers, attorneys, representatives of Public Body, licensees, concessionaires, contractors, subcontractors, independent contractors, agents, and/or any such persons' successors or predecessors (whether such persons act or acted in their personal, representative or official capacities), and/or any persons acting by, through, under, or in concert with any of the above who use or have access to the funds provided under this Agreement. "Public Body Employee" shall also include any person who was a Public Body Employee at any time during the term of this Agreement but, for any reason, is no longer employed, appointed, or elected in that capacity.
2. **GRANT.** Subject to the terms and conditions of this Agreement, and in reliance upon the Public Body's affirmations set forth below, the County agrees to make, and the Public Body agrees to accept, the grant funds.
- a. County will distribute \$150,000 in grant funds to Public Body for the project scope attached and incorporated into this Agreement as **Exhibit A**.
 - b. PUBLIC BODY UNIQUE ENTITY IDENTIFIER (OR DUNS NUMBER): ECVJEM17LPN1.
 - c. FEDERAL AWARD IDENTIFICATION NUMBER (FAIN): SLFRP2640
 - d. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER: 21.027
 - e. FEDERAL AWARD DATE: May 28, 2021
 - f. SUBAWARD PERIOD OF PERFORMANCE START AND END: January 1, 2023 until December 31, 2026.
 - g. AWARD IS NOT FOR RESEARCH & DEVELOPMENT (R&D): Funds cannot be used for research and development related expenditures.
 - h. INDIRECT COST RATE FOR FEDERAL AWARD: Indirect costs are not eligible for this Agreement.
 - i. CONTACT PERSON FOR COUNTY/PASS THROUGH ENTITY: Kenneth Dobson, unless another person is designated in writing by the County.
 - j. DEFINED USE OF FUNDS: All grant funds must be expended in accordance with this Agreement and the guidelines for ARPA funds.

3. **PUBLIC BODY'S RESPONSIBILITIES.**

- a. Public Body's grant match requirements, if any, are detailed in **Exhibit B**, which is attached hereto and incorporated as part of this Agreement.

- b. Public Body shall invoice the County for the grant amount listed in 2.a. after this Agreement is executed.
- c. Public Body shall submit to Oakland County quarterly reporting on the grant funds, including:
 - 1. Project progress reports, including completion of deliverables included in project scope;
 - 2. Accounting of incurred expenses and grant funds expended; and
 - 3. Any other relevant information or records, to be determined by County.
- d. Public Body shall submit to Oakland County a final report by the end of the Agreement or within 30 days after final project completion, whichever date is sooner, on the grant funds, including:
 - 1. Project completion report;
 - 2. Full accounting of its expenditure of grant funds;
 - 3. Certification of its use of grant funds and fulfillment of the terms of the Agreement; and
 - 4. Any other relevant information or records, to be determined by County.
- e. Public Body shall respond to and be responsible for Freedom of Information Act requests relating to Public Body's records, data, or other information.
- f. Public Body must comply with any other reporting requirements regarding the grant funds and/or this Agreement, as determined by the County.

4. COUNTY'S RESPONSIBILITIES.

- a. County shall designate in writing a department, individual, or other entity to oversee the reporting requirements set forth in Section 3 above to ensure timely reporting, accurate accounting, and verification of final certification.
- b. County shall pay the invoice provided by the Public Body within 30 days of receiving it from the Public Body.

5. PUBLIC BODY AFFIRMATIONS.

- a. Public Body affirms that any and all representations made to County in connection with its application and this grant were accurate, truthful and complete and remain so. Public Body acknowledges that all representations and information provided have been relied on by the County to provide funding under this Agreement. Public Body shall promptly notify County, in writing, of the occurrence of any event or any material change in circumstances which would make any Public Body representation or information untrue or incorrect or otherwise impair Public Body's ability to fulfill its obligations under this Agreement.
- b. Public Body will comply with any federal, state, or local public health orders or mitigation recommendations regarding the COVID-19 pandemic which are in effect as of the date this Agreement is signed by both Parties.
- c. Public Body may not use grant funds for expenses for which the Public Body has received any other federal funds or emergency COVID-19 supplemental funding, whether it be state, federal, or private in nature, for the same expense. No portion of grant funds may be used for the purpose of obtaining additional Federal funds under any other law of the United States, except if authorized by law. Public Body shall promptly notify County if it receives insurance proceeds or other disaster assistance (public or private) that duplicates the funding received under this Agreement. Grant funds may not be used to cover expenses that were reimbursed by insurance.

- d. Public Body shall not carry out any activities under this Agreement that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) and in accordance with Section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 132 Stat. 3442), which amended Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155). If the Public Body receives duplicate benefits from another source for projects related to this disaster, the Public Body must refund the benefits provided by the County to the County. Duplication of benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.
 - e. Public Body shall use all grant funds it receives under this Agreement by December 31, 2026. Any grant funds not used by that date must be returned to County.
 - f. Public Body understands that the grant funds it receives under this Agreement are a subaward of County's LFRF funds, and that County is required to manage and monitor any subrecipient of LFRF funds. Therefore, Public Body agrees to comply with any subrecipient monitoring requirements established by County or by Federal law.
6. **REPAYMENT REMEDIES.** Public Body is subject to repayment to the County of an amount equal to the grant funds received by Public Body in the event Public Body has made material misrepresentations to the County in its application, voluntary bankruptcy or insolvency proceeding are commenced against the Public Body and not set aside within sixty (60) days, or the Public Body fails to otherwise comply with the requirements of this Agreement. In the event County later determines the information Public Body provided in conjunction with this Agreement, or that Public Body was ineligible for the grant funds, or that Public Body's use of the grant funds following receipt was contrary to this Agreement, Public Body agrees to repay the grant funds to County in full. County further retains all rights and remedies allowed in law or equity, including seeking payment of its reasonable costs and expenses incurred enforcing its rights and remedies.
7. **TAX LIABILITY.** County and Public Body agree that to the extent that any part of the aforementioned funds are deemed to be taxable, that Public Body agrees to be fully responsible for the payment of any taxes, including withholding payments, social security, or other funds which are required to be withheld. Public Body agrees to provide County with all information and cooperation necessary to execute a completed 1099-G form; which County will file with the United States Internal Revenue Service. Public Body acknowledges that Public Body will consult with a tax professional regarding the tax implications, if any, of the grant funds, and/or hereby waives the option to do so. Public Body further agrees to indemnify and hold County harmless for the payment of any tax or withholding payments, including any penalty assessed it may owe under this Agreement.
8. **CONFLICT OF INTEREST.** Pursuant to Public Act 317 and 318 of 1968, as amended (MCL 15.301, *et seq.* and MCL 15.321, *et seq.*), to avoid any real or perceived conflict of interest, Public Body shall disclose to County the identity of all Public Body Employees and all relatives of Public Body Employees who: a) are employed by the County or are elected or appointed officials of the County, on the date this Agreement is executed; and b) becomes employed or appointed by the County or becomes an elected official of County during the term of the Agreement.
9. **ACCESS TO RECORDS AND AUDIT.** Payments from ARPA funds are subject to 2 C.F.R. 200.303 regarding internal controls, 2 C.F.R. 200.331-333 regarding subrecipient monitoring and

management, and 2 C.F.R. Part 200 Subpart F regarding audit requirements. Where applicable, these requirements are considered legally binding and enforceable under this Agreement. Oakland County reserves the right to use any legal remedy at its disposal including, but not limited to, disallowance of costs, withholding of funds or recoupment as may be necessary to satisfy requirements. Subawards or subcontracts, if any, shall contain a provision making them subject to all of the provisions in this Agreement.

Public Body shall maintain all records pertinent to the Agreement and any amendments, including backup copies, for a period of five (5) years. The records shall be kept in accordance with generally accepted accounting practices, utilize adequate internal controls and shall maintain necessary documentation for all costs incurred, including documentation and an inventory of all equipment purchased with grant funds. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In addition to County, the U.S. Department of Treasury, or their authorized representatives, shall be provided the right to audit all records pertaining to the expenditure and use of grant funds. All records with respect to any matters covered by this Agreement shall be made available to County, the Federal awarding agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by Public Body within 30 days after receipt by the Public Body. Failure of Public Body to comply with the audit requirements will constitute a violation of this Agreement.

Fund payments are considered "other federal financial assistance" under Title 2 C.F.R. 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and are subject to the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507 or program specific audit pursuant to 2 C.F.R. 200.501(a) when Public Body spends \$750,000 or more in federal awards during their fiscal year.

Fund payments are subject to 2 C.F.R. 200.303 regarding internal controls. Subrecipient must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the Subrecipient is managing the award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

Fund payments are subject to 2 C.F.R. 200.330 through 200.332 regarding Public Body monitoring and management. Fund payments are subject to Subpart F regarding audit requirements. Failure of Public Body to comply with the audit requirements will constitute a violation of this Agreement. Public Body may be required to submit a copy of that audit to the County in accordance with the Uniform Guidance.

10. **COMPLIANCE WITH LAWS.** Public Body shall comply with all federal, state, and local laws, statutes, ordinances, regulations, and all requirements applicable to its activities under the Agreement and grant. This includes the following:

- a. Public Body must comply with 2 C.F.R. 200.303(e) and take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. 200.82, and other information County designates as sensitive or the Public Body considers sensitive consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality.

- b. Public Body must comply with 2 C.F.R. 200.322 if it is passing through grant funds/issuing subawards to other entities.
- c. Public Body must comply with 31 U.S.C. Chapter 38, Administrative Remedies for False Claims and Statements. Public Body will not pass-through grant funds to an entity listed in the SAM Exclusions. SAM Exclusions is the list maintained by the General Services Administration that contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. SAM exclusions can be accessed at www.sam.gov.
- d. Public Body must register at sam.gov.
- e. Public Body must comply with Title VI of the Civil Rights Act of 1964, and any implementing regulations, which prohibits entities receiving Federal financial assistance from excluding from a program or activity, denying benefits or services, or otherwise discriminating against a person on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity). All applicable U.S. Department of Treasury Title VI regulations are incorporated into this Agreement and made a part of this Agreement.

11. **DURATION OF INTERLOCAL AGREEMENT.**

- a. This Agreement shall be effective when executed by both Parties with resolutions passed by the governing bodies of each Party. The approval and terms of this Agreement shall be entered in the official minutes of the governing bodies of each Party. An executed copy of this Agreement and any amendments shall be filed by the County Clerk with the Secretary of State.
- b. This Agreement shall remain in effect until December 31, 2026, or until cancelled or terminated by any of the Parties pursuant to the terms of the Agreement. Public Body shall comply with the record keeping, reporting, audit response, and fund return requirements of this Agreement after the termination of this Agreement.

12. **ASSURANCES.**

- a. **Responsibility for Claims.** Each Party shall be responsible for any Claims made against that Party by a third party, and for the acts of its employees arising under or related to this Agreement.
- b. **Responsibility for Attorney Fees and Costs.** Except as provided for in Sections 7 and 14, in any Claim that may arise from the performance of this Agreement, each Party shall seek its own legal representation and bear the costs associated with such representation, including judgments and attorney fees.
- c. **No Indemnification.** Except as otherwise provided for in this Agreement, neither Party shall have any right under this Agreement or under any other legal principle to be indemnified or reimbursed by the other Party or any of its agents in connection with any Claim.
- d. **Costs, Fines, and Fees for Noncompliance.** Public Body shall be solely responsible for all costs, fines and fees associated with any misuse of the grant funds and/or for noncompliance with this Agreement by Public Body Employees.
- e. **Reservation of Rights.** This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties. Nothing in this Agreement shall be construed as a waiver of governmental immunity for either Party.
- f. **Authorization and Completion of Agreement.** The Parties have taken all actions and

secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each Party have legal authority to sign this Agreement and bind the Parties to the terms and conditions contained herein.

13. TERMINATION OR CANCELLATION OF AGREEMENT.

- a. County may terminate or cancel this Agreement at any time if it determines that Public Body has expended the grant funds in violation of ARPA requirements or this Agreement. If County terminates or cancels this Agreement, Public Body shall be liable to repay County the amount of money expended in violation of ARPA requirements or this Agreement. County may utilize the provisions in Section 14 to recoup the amount of money owed to County by Public Body.
- b. Public Body may terminate or cancel this Agreement at any time. If Public Body terminates or cancels this Agreement, it shall immediately return to County any and all grant funds it has received.
- c. If either Party terminates or cancels this Agreement, they shall provide written notice to the other Party in the manner described in Section 21.

14. SETOFF OR RETENTION OF FUNDS

- a. In any case where Public Body is required to return an amount of money to County under this Agreement, Public Body agrees that unless expressly prohibited by law, County or the Oakland County Treasurer, at their sole option, shall be entitled to set off from any other Public Body funds that are in County's possession for any reason, including but not limited to, the Oakland County Delinquent Tax Revolving Fund ("DTRF"), if applicable. Any setoff or retention of funds by County shall be deemed a voluntary assignment of the amount by Public Body to County. Public Body waives any Claims against County or its Officials for any acts related specifically to County's offsetting or retaining of such amounts. This paragraph shall not limit Public Body's legal right to dispute whether the underlying amount retained by County was actually due and owing under this Agreement.
- b. Nothing in this Section shall operate to limit County's right to pursue or exercise any other legal rights or remedies under this Agreement or at law against Public Body to secure payment of amounts due to County under this Agreement. The remedies in this Section shall be available to County on an ongoing and successive basis if Public Body becomes delinquent in its payment. Notwithstanding any other term and condition in this Agreement, if County pursues any legal action in any court to secure its payment under this Agreement, Public Body agrees to pay all costs and expenses, including attorney fees and court costs, incurred by County in the collection of any amount owed by Public Body.

15. DELEGATION OR ASSIGNMENT. Neither Party shall delegate or assign any obligations or rights under this Agreement without the prior written consent of the other Party.

16. NO THIRD-PARTY BENEFICIARIES. Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation, and/or any other right in favor of any other person or entity.

17. NO IMPLIED WAIVER. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement.

No waiver by either Party shall subsequently affect its right to require strict performance of this Agreement.

18. **SEVERABILITY**. If a court of competent jurisdiction finds a term or condition of this Agreement to be illegal or invalid, then the term or condition shall be deemed severed from this Agreement. All other terms, conditions, and provisions of this Agreement shall remain in full force.
19. **PRECEDENCE OF DOCUMENTS**. In the event of a conflict between the terms and conditions of any of the documents that comprise this Agreement, the terms in the Agreement shall prevail and take precedence over any allegedly conflicting terms and conditions.
20. **CAPTIONS**. The section and subsection numbers, captions, and any index to such sections and subsections contained in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning. The numbers, captions, and indexes shall not be interpreted or be considered as part of this Agreement. Any use of the singular or plural, any reference to gender, and any use of the nominative, objective or possessive case in this Agreement shall be deemed the appropriate plurality, gender or possession as the context requires.
21. **NOTICES**. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by express delivery service, certified mail, or first-class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (i) the date of actual receipt; (ii) the next business day when notice is sent express delivery service or personal delivery; or (iii) three days after mailing first class or certified U.S. mail.
 - a. If Notice is sent to County, it shall be addressed and sent to: Oakland County Executive, 2100 Pontiac Lake Rd., Waterford, MI, 48328, and the Chairperson of the Oakland County Board of Commissioners, 1200 North Telegraph Road, Pontiac, MI, 48328.
 - b. If Notice is sent to Public Body, it shall be addressed to: 47450 Woodward Avenue, Pontiac, MI 48342.
22. **GOVERNING LAW/CONSENT TO JURISDICTION AND VENUE**. This Agreement shall be governed, interpreted, and enforced by the laws of the State of Michigan. Except as otherwise required by law or court rule, any action brought to enforce, interpret, or decide any Claim arising under or related to this Agreement shall be brought in the 6th Judicial Circuit Court of the State of Michigan, the 50th District Court of the State of Michigan, or the United States District Court for the Eastern District of Michigan, Southern Division, as dictated by the applicable jurisdiction of the court. Except as otherwise required by law or court rule, venue is proper in the courts set forth above.
23. **SURVIVAL OF TERMS**. The Parties understand and agree that all terms and conditions of this Agreement that require continued performance, compliance, or effect beyond the termination date of the Agreement shall survive such termination date and shall be enforceable in the event of a failure to perform or comply.
24. **ENTIRE AGREEMENT**.
 - a. This Agreement represents the entire agreement and understanding between the Parties regarding the grant funds, and supersedes all other oral or written agreements between the Parties.
 - b. The language of this Agreement shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

IN WITNESS WHEREOF, Tim Greimel, Mayor, City of Pontiac hereby acknowledges that he/she has been authorized by a resolution of the Pontiac City Council, a certified copy of which is attached, to execute this Agreement on behalf of Public Body and hereby accepts and binds Public Body to the terms and conditions of this Agreement.

EXECUTED: _____
Tim Greimel, Mayor, City of Pontiac

DATE: _____

WITNESSED: _____

DATE: _____

IN WITNESS WHEREOF, David Woodward, Chairperson, Oakland County Board of Commissioners, hereby acknowledges that he has been authorized by a resolution of the Oakland County Board of Commissioners to execute this Agreement on behalf of Oakland County, and hereby accepts and binds Oakland County to the terms and conditions of this Agreement.

EXECUTED: _____
David Woodward, Chairperson
Oakland County Board of Commissioners

DATE: _____

WITNESSED: _____
Oakland County Board of Commissioners
County of Oakland

DATE: _____

EXHIBIT A

Ruth Peterson Senior Center	
Item	
Demolition	
Asbestos Abatement	
Concrete Work (inc. removal and replacement)	
Masonry	
Cold Formed Metal Framing	
Drywall, Insulation, Ceilings	
Storefront Doors/sidelights, frames and Hardware	
Steel Doors, Frames, Hardware	
Resilient Flooring, Wall Base, Floor/Wall Tile	
Electrical and Lighting	
Mechanical	
Paint and Misc	
General Conditions OH+P	
Contingency (Mandatory)	

EXHIBIT B

Matching requirement has been waived.



1200 N. Telegraph Road
Pontiac, MI 48341-0475
Phone: (248) 858-0100
Fax: (248) 858-1572

January 17, 2023

Deborah Findley
Robert Bowens Senior Center
52 Bagley St
Pontiac, MI 48341

Dear Deborah Findley,

I am pleased to inform you that upon recommendation of the Healthy Aging Oakland County Ad Hoc Committee the Robert Bowens Senior Center's application has been approved in the amount of \$144,000.

This funding has been awarded to assist senior centers with improvement such as capital, technology, infrastructure, and equipment improvements or professional development.

For execution, you will be receiving a separate email requesting a signature on your Interlocal Agreement. This email will come from Ken Dobson with additional instructions. Following approval by your governing authority as applicable, and execution of the agreement, please sign the agreement and email it to Mr. Dobson.

If you have any questions regarding the program or agreement, please feel to contact Barbara Winter, Senior Policy Analyst of the Board of Commissioners at (248) 821-3065 or at winterb@oakgov.com. In addition, please feel free to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink that reads "Kristen Nelson". The signature is written in a cursive, flowing style.

Kristen Nelson
Oakland County Commissioner
Chair of the Healthy Aging Oakland County Ad Hoc Committee

**AGREEMENT FOR LOCAL FISCAL RECOVERY FUND DISTRIBUTION BETWEEN
OAKLAND COUNTY AND
City of Pontiac - Robert Bowens Community Center**

This Agreement (the "Agreement") is made between Oakland County, a Municipal and Constitutional Corporation, 1200 North Telegraph Road, Pontiac, Michigan 48341 ("County"), and the City of Pontiac - Robert Bowens Community Center ("Public Body") 47450 Woodward Avenue, Pontiac, MI 48342. County and Public Body may be referred to individually as a "Party" and jointly as "Parties".

PURPOSE OF AGREEMENT. On March 11, 2021, the President of the United States signed the American Rescue Plan Act of 2021 ("ARPA") into law. Section 9901 of ARPA amended Title VI of the Social Security Act to add section 603, which establishes the Coronavirus Local Fiscal Recovery Fund. Oakland County has been allocated \$244,270,949 in Local Fiscal Recovery Fund ("LFRF") dollars under ARPA.

The United States Department of Treasury has issued an interim final rule, and other guidance for qualified uses of LFRF. Those qualified uses include supporting eligible investments in public health expenditures, addressing negative economic impacts caused by the public health emergency, replacing lost public sector revenue, providing premium pay for essential workers, and investing in water, sewer and broadband infrastructure. The County has determined that the distribution of funds in accordance with this Agreement is a qualified use of LFRF funds pursuant to the interim rule and other applicable Department of Treasury guidance.

The Oakland County Board of Commissioners approved amended Miscellaneous Resolution #22-280 and assigned \$5,000,000 in ARPA LFRF funds to support Oakland Together Senior Initiatives, a grant program to provide Oakland County local governments and nonprofit senior organizations with financial assistance for senior center enhancements, such as capital, technology, infrastructure, equipment improvements, and/or professional development.

County and Public Body enter into this Agreement pursuant to the Urban Cooperation Act of 1967, 1967 Public Act 7, MCL 124.501 *et seq.*, for the purpose of County distributing a portion of its LFRF funds to Public Body.

In consideration of the mutual promises, obligations, representations, and assurances in this Agreement, the Parties agree to the following:

1. **DEFINITIONS.** The following words and expressions used throughout this Agreement, whether used in the singular or plural, shall be defined, read, and interpreted as follows:
 - a. **Agreement** means the terms and conditions of this Agreement and any other mutually agreed to written and executed modification, amendment, exhibit and attachment.
 - b. **Claims** mean any alleged losses, claims, complaints, demands for relief or damages, lawsuits, causes of action, proceedings, judgments, deficiencies, liabilities, penalties, litigation, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are incurred by or asserted against County or Public Body, or for which County or Public Body may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the state constitution, any federal or state statute, rule, regulation, or any alleged violation of federal or state common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.

- c. **County** means Oakland County, a Municipal and Constitutional Corporation, including, but not limited to, all of its departments, divisions, the County Board of Commissioners, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, volunteers, and/or any such persons' successors.
 - d. **Day** means any calendar day beginning at 12:00 a.m. and ending at 11:59 p.m.
 - e. **Public Body** means the City of Pontiac - Robert Bowens Community Center including, but not limited to, its council, its Board, its departments, its divisions, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, subcontractors, attorneys, volunteers, and/or any such persons' successors.
 - f. **Public Body Employee** means any employees, officers, directors, members, managers, trustees, volunteers, attorneys, representatives of Public Body, licensees, concessionaires, contractors, subcontractors, independent contractors, agents, and/or any such persons' successors or predecessors (whether such persons act or acted in their personal, representative or official capacities), and/or any persons acting by, through, under, or in concert with any of the above who use or have access to the funds provided under this Agreement. "Public Body Employee" shall also include any person who was a Public Body Employee at any time during the term of this Agreement but, for any reason, is no longer employed, appointed, or elected in that capacity.
2. **GRANT.** Subject to the terms and conditions of this Agreement, and in reliance upon the Public Body's affirmations set forth below, the County agrees to make, and the Public Body agrees to accept, the grant funds.
- a. County will distribute \$144,000 in grant funds to Public Body for the project scope attached and incorporated into this Agreement as **Exhibit A**.
 - b. PUBLIC BODY UNIQUE ENTITY IDENTIFIER (OR DUNS NUMBER): ECVJEM17LPN1.
 - c. FEDERAL AWARD IDENTIFICATION NUMBER (FAIN): SLFRP2640
 - d. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER: 21.027
 - e. FEDERAL AWARD DATE: May 28, 2021
 - f. SUBAWARD PERIOD OF PERFORMANCE START AND END: January 1, 2023 until December 31, 2026.
 - g. AWARD IS NOT FOR RESEARCH & DEVELOPMENT (R&D): Funds cannot be used for research and development related expenditures.
 - h. INDIRECT COST RATE FOR FEDERAL AWARD: Indirect costs are not eligible for this Agreement.
 - i. CONTACT PERSON FOR COUNTY/PASS THROUGH ENTITY: Kenneth Dobson, unless another person is designated in writing by the County.
 - j. DEFINED USE OF FUNDS: All grant funds must be expended in accordance with this Agreement and the guidelines for ARPA funds.
3. **PUBLIC BODY'S RESPONSIBILITIES.**
- a. Public Body's grant match requirements, if any, are detailed in **Exhibit B**, which is attached hereto and incorporated as part of this Agreement.

- b. Public Body shall invoice the County for the grant amount listed in 2.a. after this Agreement is executed.
- c. Public Body shall submit to Oakland County quarterly reporting on the grant funds, including:
 - 1. Project progress reports, including completion of deliverables included in project scope;
 - 2. Accounting of incurred expenses and grant funds expended; and
 - 3. Any other relevant information or records, to be determined by County.
- d. Public Body shall submit to Oakland County a final report by the end of the Agreement or within 30 days after final project completion, whichever date is sooner, on the grant funds, including:
 - 1. Project completion report;
 - 2. Full accounting of its expenditure of grant funds;
 - 3. Certification of its use of grant funds and fulfillment of the terms of the Agreement; and
 - 4. Any other relevant information or records, to be determined by County.
- e. Public Body shall respond to and be responsible for Freedom of Information Act requests relating to Public Body's records, data, or other information.
- f. Public Body must comply with any other reporting requirements regarding the grant funds and/or this Agreement, as determined by the County.

4. COUNTY'S RESPONSIBILITIES.

- a. County shall designate in writing a department, individual, or other entity to oversee the reporting requirements set forth in Section 3 above to ensure timely reporting, accurate accounting, and verification of final certification.
- b. County shall pay the invoice provided by the Public Body within 30 days of receiving it from the Public Body.

5. PUBLIC BODY AFFIRMATIONS.

- a. Public Body affirms that any and all representations made to County in connection with its application and this grant were accurate, truthful and complete and remain so. Public Body acknowledges that all representations and information provided have been relied on by the County to provide funding under this Agreement. Public Body shall promptly notify County, in writing, of the occurrence of any event or any material change in circumstances which would make any Public Body representation or information untrue or incorrect or otherwise impair Public Body's ability to fulfill its obligations under this Agreement.
- b. Public Body will comply with any federal, state, or local public health orders or mitigation recommendations regarding the COVID-19 pandemic which are in effect as of the date this Agreement is signed by both Parties.
- c. Public Body may not use grant funds for expenses for which the Public Body has received any other federal funds or emergency COVID-19 supplemental funding, whether it be state, federal, or private in nature, for the same expense. No portion of grant funds may be used for the purpose of obtaining additional Federal funds under any other law of the United States, except if authorized by law. Public Body shall promptly notify County if it receives insurance proceeds or other disaster assistance (public or private) that duplicates the funding received under this Agreement. Grant funds may not be used to cover expenses that were reimbursed by insurance.

- d. Public Body shall not carry out any activities under this Agreement that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) and in accordance with Section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-254; 132 Stat. 3442), which amended Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155). If the Public Body receives duplicate benefits from another source for projects related to this disaster, the Public Body must refund the benefits provided by the County to the County. Duplication of benefits occurs when Federal financial assistance is provided to a person or entity through a program to address losses resulting from a Federally-declared emergency or disaster, and the person or entity has received (or would receive, by acting reasonably to obtain available assistance) financial assistance for the same costs from any other source (including insurance), and the total amount received exceeds the total need for those costs.
 - e. Public Body shall use all grant funds it receives under this Agreement by \$250,000. Any grant funds not used by that date must be returned to County.
 - f. Public Body understands that the grant funds it receives under this Agreement are a subaward of County's LFRF funds, and that County is required to manage and monitor any subrecipient of LFRF funds. Therefore, Public Body agrees to comply with any subrecipient monitoring requirements established by County or by Federal law.
6. **REPAYMENT REMEDIES.** Public Body is subject to repayment to the County of an amount equal to the grant funds received by Public Body in the event Public Body has made material misrepresentations to the County in its application, voluntary bankruptcy or insolvency proceeding are commenced against the Public Body and not set aside within sixty (60) days, or the Public Body fails to otherwise comply with the requirements of this Agreement. In the event County later determines the information Public Body provided in conjunction with this Agreement, or that Public Body was ineligible for the grant funds, or that Public Body's use of the grant funds following receipt was contrary to this Agreement, Public Body agrees to repay the grant funds to County in full. County further retains all rights and remedies allowed in law or equity, including seeking payment of its reasonable costs and expenses incurred enforcing its rights and remedies.
7. **TAX LIABILITY.** County and Public Body agree that to the extent that any part of the aforementioned funds are deemed to be taxable, that Public Body agrees to be fully responsible for the payment of any taxes, including withholding payments, social security, or other funds which are required to be withheld. Public Body agrees to provide County with all information and cooperation necessary to execute a completed 1099-G form; which County will file with the United States Internal Revenue Service. Public Body acknowledges that Public Body will consult with a tax professional regarding the tax implications, if any, of the grant funds, and/or hereby waives the option to do so. Public Body further agrees to indemnify and hold County harmless for the payment of any tax or withholding payments, including any penalty assessed it may owe under this Agreement.
8. **CONFLICT OF INTEREST.** Pursuant to Public Act 317 and 318 of 1968, as amended (MCL 15.301, *et seq.* and MCL 15.321, *et seq.*), to avoid any real or perceived conflict of interest, Public Body shall disclose to County the identity of all Public Body Employees and all relatives of Public Body Employees who: a) are employed by the County or are elected or appointed officials of the County, on the date this Agreement is executed; and b) becomes employed or appointed by the County or becomes an elected official of County during the term of the Agreement.
9. **ACCESS TO RECORDS AND AUDIT.** Payments from ARPA funds are subject to 2 C.F.R. 200.303 regarding internal controls, 2 C.F.R. 200.331-333 regarding subrecipient monitoring and

management, and 2 C.F.R. Part 200 Subpart F regarding audit requirements. Where applicable, these requirements are considered legally binding and enforceable under this Agreement. Oakland County reserves the right to use any legal remedy at its disposal including, but not limited to, disallowance of costs, withholding of funds or recoupment as may be necessary to satisfy requirements. Subawards or subcontracts, if any, shall contain a provision making them subject to all of the provisions in this Agreement.

Public Body shall maintain all records pertinent to the Agreement and any amendments, including backup copies, for a period of five (5) years. The records shall be kept in accordance with generally accepted accounting practices, utilize adequate internal controls and shall maintain necessary documentation for all costs incurred, including documentation and an inventory of all equipment purchased with grant funds. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In addition to County, the U.S. Department of Treasury, or their authorized representatives, shall be provided the right to audit all records pertaining to the expenditure and use of grant funds. All records with respect to any matters covered by this Agreement shall be made available to County, the Federal awarding agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by Public Body within 30 days after receipt by the Public Body. Failure of Public Body to comply with the audit requirements will constitute a violation of this Agreement.

Fund payments are considered "other federal financial assistance" under Title 2 C.F.R. 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and are subject to the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507 or program specific audit pursuant to 2 C.F.R. 200.501(a) when Public Body spends \$750,000 or more in federal awards during their fiscal year.

Fund payments are subject to 2 C.F.R. 200.303 regarding internal controls. Subrecipient must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the Subrecipient is managing the award in compliance with Federal statutes, regulations, and the terms and conditions of the award.

Fund payments are subject to 2 C.F.R. 200.330 through 200.332 regarding Public Body monitoring and management. Fund payments are subject to Subpart F regarding audit requirements. Failure of Public Body to comply with the audit requirements will constitute a violation of this Agreement. Public Body may be required to submit a copy of that audit to the County in accordance with the Uniform Guidance.

10. **COMPLIANCE WITH LAWS.** Public Body shall comply with all federal, state, and local laws, statutes, ordinances, regulations, and all requirements applicable to its activities under the Agreement and grant. This includes the following:

- a. Public Body must comply with 2 C.F.R. 200.303(e) and take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. 200.82, and other information County designates as sensitive or the Public Body considers sensitive consistent with applicable Federal, state, and local laws regarding privacy and obligations of confidentiality.

- b. Public Body must comply with 2 C.F.R. 200.322 if it is passing through grant funds/issuing subawards to other entities.
- c. Public Body must comply with 31 U.S.C. Chapter 38, Administrative Remedies for False Claims and Statements. Public Body will not pass-through grant funds to an entity listed in the SAM Exclusions. SAM Exclusions is the list maintained by the General Services Administration that contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. SAM exclusions can be accessed at www.sam.gov.
- d. Public Body must register at sam.gov.
- e. Public Body must comply with Title VI of the Civil Rights Act of 1964, and any implementing regulations, which prohibits entities receiving Federal financial assistance from excluding from a program or activity, denying benefits or services, or otherwise discriminating against a person on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity). All applicable U.S. Department of Treasury Title VI regulations are incorporated into this Agreement and made a part of this Agreement.

11. **DURATION OF INTERLOCAL AGREEMENT.**

- a. This Agreement shall be effective when executed by both Parties with resolutions passed by the governing bodies of each Party. The approval and terms of this Agreement shall be entered in the official minutes of the governing bodies of each Party. An executed copy of this Agreement and any amendments shall be filed by the County Clerk with the Secretary of State.
- b. This Agreement shall remain in effect until December 31, 2026 or until cancelled or terminated by any of the Parties pursuant to the terms of the Agreement. Public Body shall comply with the record keeping, reporting, audit response, and fund return requirements of this Agreement after the termination of this Agreement.

12. **ASSURANCES.**

- a. **Responsibility for Claims.** Each Party shall be responsible for any Claims made against that Party by a third party, and for the acts of its employees arising under or related to this Agreement.
- b. **Responsibility for Attorney Fees and Costs.** Except as provided for in Sections 7 and 14, in any Claim that may arise from the performance of this Agreement, each Party shall seek its own legal representation and bear the costs associated with such representation, including judgments and attorney fees.
- c. **No Indemnification.** Except as otherwise provided for in this Agreement, neither Party shall have any right under this Agreement or under any other legal principle to be indemnified or reimbursed by the other Party or any of its agents in connection with any Claim.
- d. **Costs, Fines, and Fees for Noncompliance.** Public Body shall be solely responsible for all costs, fines and fees associated with any misuse of the grant funds and/or for noncompliance with this Agreement by Public Body Employees.
- e. **Reservation of Rights.** This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties. Nothing in this Agreement shall be construed as a waiver of governmental immunity for either Party.
- f. **Authorization and Completion of Agreement.** The Parties have taken all actions and

secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each Party have legal authority to sign this Agreement and bind the Parties to the terms and conditions contained herein.

13. **TERMINATION OR CANCELLATION OF AGREEMENT.**

- a. County may terminate or cancel this Agreement at any time if it determines that Public Body has expended the grant funds in violation of ARPA requirements or this Agreement. If County terminates or cancels this Agreement, Public Body shall be liable to repay County the amount of money expended in violation of ARPA requirements or this Agreement. County may utilize the provisions in Section 14 to recoup the amount of money owed to County by Public Body.
- b. Public Body may terminate or cancel this Agreement at any time. If Public Body terminates or cancels this Agreement, it shall immediately return to County any and all grant funds it has received.
- c. If either Party terminates or cancels this Agreement, they shall provide written notice to the other Party in the manner described in Section 21.

14. **SETOFF OR RETENTION OF FUNDS**

- a. In any case where Public Body is required to return an amount of money to County under this Agreement, Public Body agrees that unless expressly prohibited by law, County or the Oakland County Treasurer, at their sole option, shall be entitled to set off from any other Public Body funds that are in County's possession for any reason, including but not limited to, the Oakland County Delinquent Tax Revolving Fund ("DTRF"), if applicable. Any setoff or retention of funds by County shall be deemed a voluntary assignment of the amount by Public Body to County. Public Body waives any Claims against County or its Officials for any acts related specifically to County's offsetting or retaining of such amounts. This paragraph shall not limit Public Body's legal right to dispute whether the underlying amount retained by County was actually due and owing under this Agreement.
- b. Nothing in this Section shall operate to limit County's right to pursue or exercise any other legal rights or remedies under this Agreement or at law against Public Body to secure payment of amounts due to County under this Agreement. The remedies in this Section shall be available to County on an ongoing and successive basis if Public Body becomes delinquent in its payment. Notwithstanding any other term and condition in this Agreement, if County pursues any legal action in any court to secure its payment under this Agreement, Public Body agrees to pay all costs and expenses, including attorney fees and court costs, incurred by County in the collection of any amount owed by Public Body.

15. **DELEGATION OR ASSIGNMENT.** Neither Party shall delegate or assign any obligations or rights under this Agreement without the prior written consent of the other Party.

16. **NO THIRD-PARTY BENEFICIARIES.** Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation, and/or any other right in favor of any other person or entity.

17. **NO IMPLIED WAIVER.** Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement.

No waiver by either Party shall subsequently affect its right to require strict performance of this Agreement.

18. **SEVERABILITY**. If a court of competent jurisdiction finds a term or condition of this Agreement to be illegal or invalid, then the term or condition shall be deemed severed from this Agreement. All other terms, conditions, and provisions of this Agreement shall remain in full force.
19. **PRECEDENCE OF DOCUMENTS**. In the event of a conflict between the terms and conditions of any of the documents that comprise this Agreement, the terms in the Agreement shall prevail and take precedence over any allegedly conflicting terms and conditions.
20. **CAPTIONS**. The section and subsection numbers, captions, and any index to such sections and subsections contained in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning. The numbers, captions, and indexes shall not be interpreted or be considered as part of this Agreement. Any use of the singular or plural, any reference to gender, and any use of the nominative, objective or possessive case in this Agreement shall be deemed the appropriate plurality, gender or possession as the context requires.
21. **NOTICES**. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by express delivery service, certified mail, or first-class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (i) the date of actual receipt; (ii) the next business day when notice is sent express delivery service or personal delivery; or (iii) three days after mailing first class or certified U.S. mail.
 - a. If Notice is sent to County, it shall be addressed and sent to: Oakland County Executive, 2100 Pontiac Lake Rd., Waterford, MI, 48328, and the Chairperson of the Oakland County Board of Commissioners, 1200 North Telegraph Road, Pontiac, MI, 48328.
 - b. If Notice is sent to Public Body, it shall be addressed to: 47450 Woodward Avenue, Pontiac, MI 48342.
22. **GOVERNING LAW/CONSENT TO JURISDICTION AND VENUE**. This Agreement shall be governed, interpreted, and enforced by the laws of the State of Michigan. Except as otherwise required by law or court rule, any action brought to enforce, interpret, or decide any Claim arising under or related to this Agreement shall be brought in the 6th Judicial Circuit Court of the State of Michigan, the 50th District Court of the State of Michigan, or the United States District Court for the Eastern District of Michigan, Southern Division, as dictated by the applicable jurisdiction of the court. Except as otherwise required by law or court rule, venue is proper in the courts set forth above.
23. **SURVIVAL OF TERMS**. The Parties understand and agree that all terms and conditions of this Agreement that require continued performance, compliance, or effect beyond the termination date of the Agreement shall survive such termination date and shall be enforceable in the event of a failure to perform or comply.
24. **ENTIRE AGREEMENT**.
 - a. This Agreement represents the entire agreement and understanding between the Parties regarding the grant funds, and supersedes all other oral or written agreements between the Parties.
 - b. The language of this Agreement shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

IN WITNESS WHEREOF, Tim Greimel, Mayor, City of Pontiac hereby acknowledges that he/she has been authorized by a resolution of the Pontiac City Council, a certified copy of which is attached, to execute this Agreement on behalf of Public Body and hereby accepts and binds Public Body to the terms and conditions of this Agreement.

EXECUTED: _____
Tim Greimel, Mayor, City of Pontiac

DATE: _____

WITNESSED: _____

DATE: _____

IN WITNESS WHEREOF, David Woodward, Chairperson, Oakland County Board of Commissioners, hereby acknowledges that he has been authorized by a resolution of the Oakland County Board of Commissioners to execute this Agreement on behalf of Oakland County, and hereby accepts and binds Oakland County to the terms and conditions of this Agreement.

EXECUTED: _____
David Woodward, Chairperson
Oakland County Board of Commissioners

DATE: _____

WITNESSED: _____
Oakland County Board of Commissioners
County of Oakland

DATE: _____

EXHIBIT A

Robert Bowens Senior Center	
Item	
Demolition	
Asbestos Abatement	
Concrete Work (inc. removal and replacement)	
Masonry	
Cold Formed Metal Framing	
Drywall, Insulation, Ceilings	
Storefront Doors/sidelights, frames and Hardware	
Steel Doors, Frames, Hardware	
Mechanical	
Paint and Misc	
General Conditions OH+P	
Contingency (Mandatory)	

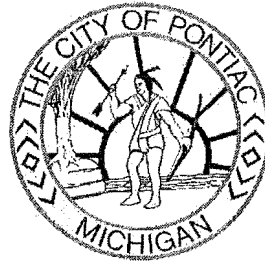
EXHIBIT B

Matching requirement waived.

#9

RESOLUTION

Mark Yandrick
Planning Manager
myandrick@pontiac.mi.us
248-758-2824



Community Development
Department
Planning Division
47450 Woodward Avenue
Pontiac, MI 48342

TO: Honorable Mayor, Council President and City Council Members

FROM: Rachel Loughrin, Community Development Director
Mark Yandrick, Planning Manager

DATE: January 31, 2023

RE: **Resolution to Approve Carlisle Wortman and Associates as a consultant for Plan Review on a temporary basis for an extension three (3) months.**

Since November 22, 2022, the Planning Division of the Community Development Department, does not have any employees that have experience with plan review at the City of Pontiac.

While the City hired Planning Manager Mark Yandrick on November 14, 2022, he is looking to fill two (2) open positions of Senior Planner and Planner II within the Planning Department. These positions are anticipated to be filled in February or early March with on boarding and training planned for these employees once they are hired.

City Council approved a three-month contract for Carlisle Wortman Associates on November 29, 2022 for Planning Services. Staff recommends utilizing plan review resources from Carlisle Wortman Associates Inc., for an additional three (3) months, until Planning Staff can be hired and properly trained to process Planning and Zoning reviews in a timely, effective, and efficient manner. This contract is being funded by an existing Planning division budget item under the general ledger for consultant services.

Due to the Planning Department being understaffed for this fiscal year, Staff is requesting a \$35,000 budget adjustment to move Planning division funds from the Salaries & Wages account to the Other Professional Services. Staff is confident that this adjustment will still provide enough in the Salaries & Wages account for the fiscal year to hire the two (2) additional staff members in the next one (1) to two (2) months.

While the contract is for as-needed Planning services for costs on an hourly basis, the contractor has shared with the City invoices for work performed from December 1, 2022 – January 23, 2023 to be \$7,590 for Planning Services.

WHEREAS, The Department of Community Development needs to hire and train a Planning Division to properly administer plan review for Planning and Zoning functions and,

WHEREAS, the consultant, Carlisle Wortman Associates, Inc. has performed consultant work since December 1, 2022, for plan review services on a temporary basis since while Planning Staff are hired and trained and,

WHEREAS,

the City needs a three-month extension until May 31, 2023 until to allow proper time for said hiring and training.

**NOW, THEREFORE, BE
IT RESOLVED,**

the Pontiac City Council authorizes the Mayor to execute a budget adjustment of \$35,000 from Planning Division's Salary and Wages into Other Professional Services and enter into an agreement with Carlisle Wortman Associates, Inc. for consulting services for a three (3) month extension, until May 31, 2023 until the Planning Division hires and properly trains all staff in Plan Review and related processes .

Attachments.
Resolution Staff Review Form
Proposed Contract

#10

RESOLUTION

Mark Yandrick
Planning Manager
myandrick@pontiac.mi.us
248-758-2824



Community Development
Department
Planning Division
47450 Woodward Avenue
Pontiac, MI 48342

TO: Honorable Mayor, Council President and City Council Members

FROM: Mark Yandrick, Planning Manager

CC: Khalfani Stephens, Deputy Mayor
Rachel Loughrin, Community Development Director

DATE: February 1, 2023

RE: **Resolution to authorize the City Clerk to publish the proposed budget amendment for Budget Year 2022-2023 to transfer \$35,000 in the GL account 101-721-702.000 for Salaries & Wages to GL account 101-721-818.000 for Other Professional Services for Planning Consulting Services**

City Council passed resolution 22-316 on November 22, 2022 authorizing Carlisle Wortman Associates to perform planning consultant services for the City of Pontiac until the Planning Division is able to hire, train staff, and get to full capacity. The Community Development department is interviewing candidates and expects to fill two (2) positions in the next 30-45 days.

The City requests to extend the contract with Carlisle Wortman Associates for an additional three (3) months. Before a resolution for that may be approved, this resolution authorizes the City Clerk to publish a budget amendment for February 21, 2023 City Council meeting. The budget amendment, requests authorization of a transfer of \$35,000 from Planning Division GL account for Salary & Wages (101-721-702.000) to Planning Division GL account for Other Professional Services (101-721-818.000) to fund these services. A budget amendment is required for a transfer of general ledger funds over \$10,000. A separate resolution will be provided to City Council also on February 21, 2023 to extend the contract with Carlisle Wortman Associates. There is no planned increase to the overall Planning Division budget because the money is being transferred from one general ledger to another.

This fund transfer is also anticipated to cover an increase in Planning and Zoning activity over the upcoming months as staff is working with applicants proactively through the development process with improving communications, pre-application meetings, and an outline of expectations throughout the process.



Resolution to authorize the City Clerk to publish the proposed budget amendment for Budget Year 2022-2023 to adjust \$35,000 in the GL account 101-721-702.000 for Salaries & Wages to GL account 101-721-818.000 for Other Professional Services for Planning Consulting Services.

WHEREAS, The Department of Community Development must hire and train the Planning Division to properly administer plan review for Planning and Zoning functions; and,

WHEREAS, the consultant, Carlisle Wortman Associates, Inc. has performed consultant work since December 1, 2022 for plan review services on a temporary basis while Planning Staff are hired and trained; and,

WHEREAS, the City needs to transfer funds from the Planning Division's General Ledger account for Salary & Wages to Other Professional Services for these consultative services in lieu of having unfilled positions during this budget year.

NOW, THEREFORE, BE IT RESOLVED, that the Pontiac City Council authorizes the City Clerk to publish the proposed budget amendment of \$35,000 from the Planning Division's Salary & Wages GL account 101-721-702.000 to Other Professional Services GL account 101-721-818.000,

#11

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable Mayor, Council President, and City Council Members

FROM: Alicia Martin, Purchasing Manager

DATE: February 2, 2023

RE: Real Estate Broker Services

The facility that the Department of Public Works (DPW) is leasing will expire in May of 2023. The land owner does not want to renew the lease. As a result, purchasing is facilitating a competitive bid process to hire a real estate broker to locate a new facility to house all of DPW's equipment and offices. The deadline for bid submission is Friday, February 3, 2023 at 4 pm. The solicitation process is being expedited quickly because the City has a limited amount of time to locate a facility. One firm attended the Pre-Bid Conference on January 27, 2023 at 4 pm EST via Zoom. One firm (CBRE, Inc.) submitted a bid via BidNet and Email by the submission deadline to purchasing@pontiac.mi.us at 3:58 pm EST in response to the solicitation.

The Purchasing Manager has concluded the solicitation process for Real Estate Broker Services as of Friday, February 3, 2023 at 4:30 pm EST and recommends CBRE, Inc. for the bid award based on the following acquisition and lease or sublease fees:

- Purchase - Market rate of 3% commission from the seller
- Lease or Sublease – 3% commission assuming there is a cooperating or listing broker

WHEREAS, The Purchasing Division has completed its due diligence by conducting the competitive bid process for Real Estate Broker Services in accordance with the City's municipal code, Division II. Purchasing, Section 2-519;

WHEREAS, The Purchasing Manager recommends moving forward with selecting CBRE, Inc. as its local real estate broker firm. CBRE, Inc. is headquartered in Chicago, Illinois but has a Midwest Regional Office that appears to meet the requirements defined in the RFP.

WHEREAS, the firm shall commence performing the Scope of Services once the bid award is made and a contract is executed by the City and CBRE, Inc.

NOW, THEREFORE,
BE IT RESOLVED The Pontiac City Council approves Purchasing's bid award recommendation and authorizes the Mayor to execute an agreement with CBRE, Inc.

AM

#12

RESOLUTION



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable Mayor, Council President, and City Council Members

FROM: Porche Prater, City Treasurer

DATE: February 1, 2023

RE: **Adding Multi-Bank Securities Inc. to the list of Authorized Financial Institutions listed within the City of Pontiac's Investment Policy**

The Treasurer seeks approval, by way of City Council resolution, to approve Multi-Bank Securities Inc., MBS to the City of Pontiac's Investment Policy Authorized List of Financial Institutions for investment purposes. MBS is a privately held securities broker with a 34-year history of serving public funds investors. MBS specializes in a broad selection of fixed-income investment products. MBS traded \$188 billion in principal amount for their clients in 2021. Once approved, the Treasurer will have an array of investment options to choose from to continue diversifying the City's investment portfolio.

WHEREAS, The Treasurer has reviewed Multi-Bank Securities Inc. 2022 Municipal Due Diligence documents to ensure the company is in compliance with **Section V. Authorized Financial Institutions, Depositories, and Broker/Dealers** of the City's Investment Policy.

NOW, THEREFORE,
BE IT RESOLVED The Pontiac City Council hereby approves Multi-Bank Securities Inc. to be included in the City's Investment Policy list of Authorized Financial Institutions.

PP

III. RESOLUTIONS

Certified Copy Of Certain Resolutions by the Governing Body of Said Organization Whereby the Establishment and Maintenance of Accounts Have Been Authorized.

RESOLVED –

FIRST: That the named Authorized Persons of this organization or _____ or _____ be and they hereby are, and each of them is, authorized and empowered, for and on behalf of this organization (herein called the "Organization"), to establish and maintain one or more accounts with Multi-Bank Securities, Inc. (herein called the "Brokers") and Pershing LLC, its successors or assigns, and for the purpose of purchasing, investing in, or otherwise acquiring, selling, possessing, transferring, exchanging, pledging, or otherwise disposing of or realizing upon, and generally dealing in and with;

(a) THIS PARAGRAPH PERMITS CASH TRANSACTIONS IN SECURITIES

any and all forms of securities including, but not by way of limitation, shares, stocks, options, stock options, stock index options, foreign currency options and debt instrument options, bonds, debentures, notes, scrip, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, choses in action, evidence of indebtedness, commercial paper, certificates of indebtedness and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise;

(b) THIS PARAGRAPH PERMITS CASH AND MARGIN TRANSACTIONS IN SECURITIES

any and all forms of securities including, but not by way of limitation, shares, stocks, options, stock options, stock index options, foreign currency options and debt instrument options, bonds, debentures, notes, scrip, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, choses in action, evidence of indebtedness, commercial paper, certificates of indebtedness and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise; and margin transactions, including short sales;

The fullest authority at all times with respect to any such commitment or with respect to any transaction deemed by any of the said Authorized Persons and/or agents to be proper in connection therewith is hereby conferred, including authority (without limiting the generality of the foregoing) to give written or oral instructions to the Brokers with respect to said transactions; to bind and obligate the Organization to and for the carrying out of any contract, arrangement, or transaction, which shall be entered into by any such Authorized Persons and/or drafts drawn upon the funds of the Organization such sums as may be necessary in connection with any of the said accounts to deposit funds with the Brokers; to deliver securities and/or contracts to the Brokers; to order the transfer or delivery thereof to any other person whatsoever, and/or to order the transfer record of any securities, or contracts, or titles, to any name selected by any of the said Authorized Persons or agents; to affix the Organization's seal to any documents or agreements, or otherwise; to endorse any securities and/or contracts in order to pass title thereto; to direct the sale or exercise of any rights with respect to any securities; to sign for the Organization all releases, powers of attorney and/or other documents in connection with any such account, and to agree to any terms or conditions to control any such account; to direct the Brokers to surrender any securities to the proper agent or party for the purpose of effecting any exchange or conversion, or for the purpose of deposit with any protective or similar committee, or otherwise; to accept delivery of any securities, to borrow money and securities, if applicable, and to secure repayment thereof with the property of the Organization; to appoint any other person or persons to do any and all things which any and all things which any of the said Authorized Persons and/or agents is hereby empowered to do, and generally to do and take all action necessary in connection with the account, or considered desirable by such Authorized Persons and/or agents with respect thereto.

SECOND: That the Brokers may deal with any and all of the persons directly or indirectly by the foregoing resolution empowered, as though they were dealing with the Organization directly.

THIRD: That the person signing this Non-corporate Resolution on behalf of the Organization be and hereby is authorized, empowered and directed to certify to the Brokers:

- (a) a true copy of these resolutions;
- (b) specimen signatures of each and every person by these resolutions empowered;
- (c) a certificate (which, if required by brokers, shall be supported by an opinion of the general counsel of the Organization, or other counsel satisfactory to the Brokers) that the Organization is duly organized and existing, that its governing rules empower it to transact the business by these resolutions defined, and that no limitation has been imposed upon such powers by the governing rules of the Organization or otherwise.

FOURTH: That the Brokers may rely upon the certified copy of the resolutions, specimen signatures, and certificate, as continuing fully effective unless and until the Brokers shall receive due written notice of change or rescission, and the dispatch or receipt of any other form of notice shall not constitute a waiver of this provision, nor shall the fact that any person hereby empowered ceases to be an Authorized Person of the Organization or becomes an Authorized Person under some title, in any way affect the powers hereby conferred, but the failure to supply any specimen signature shall not invalidate any transaction where the party authorizing the same has been actually empowered thereto by or in conformity with these resolutions.

FIFTH: That in the event of any change in the office of powers of persons hereby empowered, an Authorized Person shall certify such changes to the Brokers in writing in the manner herein above provided, which notification, when received, shall be adequate both to terminate the powers of the persons therefore authorized, and to empower the persons thereby substituted.

SIXTH: That the Authorized Persons of the Organization be, and hereby is, authorized and empowered to countersign items as aforesaid.

SEVENTH: That the foregoing resolutions and the certificates actually furnished to the Brokers by the Authorized Person of pursuant thereto, be and they hereby are made irrevocable until written notice of the revocation thereof shall have been received by the Brokers.



MULTI-BANK SECURITIES, INC.®

2022 Municipal Due Diligence

Contents **1**

Multi-Bank
Securities, Inc. **2**

Audited Financials **3**

Compliance **4**

Pershing **5**

MARSHALL HOFFMAN

VICE PRESIDENT

PHONE/FAX: +1 (800) 967-9053

MHOFFMAN@MBSSECURITIES.COM

Please send all correspondence to Corporate Headquarters:

Multi-Bank Securities, Inc.

1000 Town Center, Suite 2300 • Southfield, MI 48075 • www.mbssecurities.com

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The information provided in the following pages has been prepared to meet or exceed your regulatory requirements.
Member of FINRA & SIPC; MSRB Registered. MBS 2022 Muni DD E.pdf 03.22.22

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Dear Valued Customers and Prospective Clients,

Thank you for your interest in Multi-Bank Securities, Inc. (MBS). We understand you have numerous options for your investment needs, and we appreciate you taking the time to learn more about our Firm.

Our goal is to deliver quality services and sound financial solutions to our customers by dedicating our resources exclusively to the fixed-income sector. We hope you will find that this document addresses everything you need to complete your due diligence on our Firm. We have included information on both MBS and our clearing firm: Pershing LLC (Pershing), a BNY Mellon company.

Here are a few ways our customers experience the MBS difference:

Stability: MBS is a privately held, fixed-income securities broker-dealer with a 34-year history of serving public funds investors. We work with more than 5,000 institutions nationwide and have several offices across the country to serve your needs.

Veteran Status: We are a veteran-owned firm and are certified as a **Service-Disabled Veteran-Owned Business (SDVOB)** by the National Veteran Business Development Council (NVBDC).

Investment Products: MBS specializes in a broad selection of fixed-income investment products and services, including an array of U.S. Treasuries, agencies and certificates of deposit (CDs). **We traded \$188 billion in principal amount for our clients in 2021.**

Underwriting: MBS is proud to be an approved underwriter of agency debt for Fannie Mae, Freddie Mac, Farmer Mac, the Federal Home Loan Banks and the Federal Farm Credit Banks. MBS is also an active underwriter of CDs, corporate bonds, municipal bonds and mortgage-backed securities.

Proprietary Technology: MBS has implemented many technological innovations and systems that enable us to establish and maintain clear market leadership, including a **proprietary online platform**. Our technology provides timely market information and reporting to our customer base.

Value-Added Services: We offer an array of value-added services to our clients, including portfolio analytics and third-party safekeeping through Pershing.

We also encourage you to learn more about our Firm's FINRA broker-dealer status at www.finra.org – our CRD number is 22098.

On a personal note, one of the things I am most excited about this year is the return of in-person events and travel. Whether you prefer to meet virtually or face-to-face, I hope we have the opportunity to connect this year. It has been an honor to be one of your trusted service providers during these unprecedented times.

Please do not hesitate to reach out to me or your account representative if you have any questions or require additional information. You can contact me directly at 1-800-967-9055 or davemac@mbsscurities.com.

Sincerely,

David T. Maccagnone
Chairman and Chief Executive Officer

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 812
Ft. Lauderdale, Florida 33308

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(954) 351-6930

(954) 351-9197

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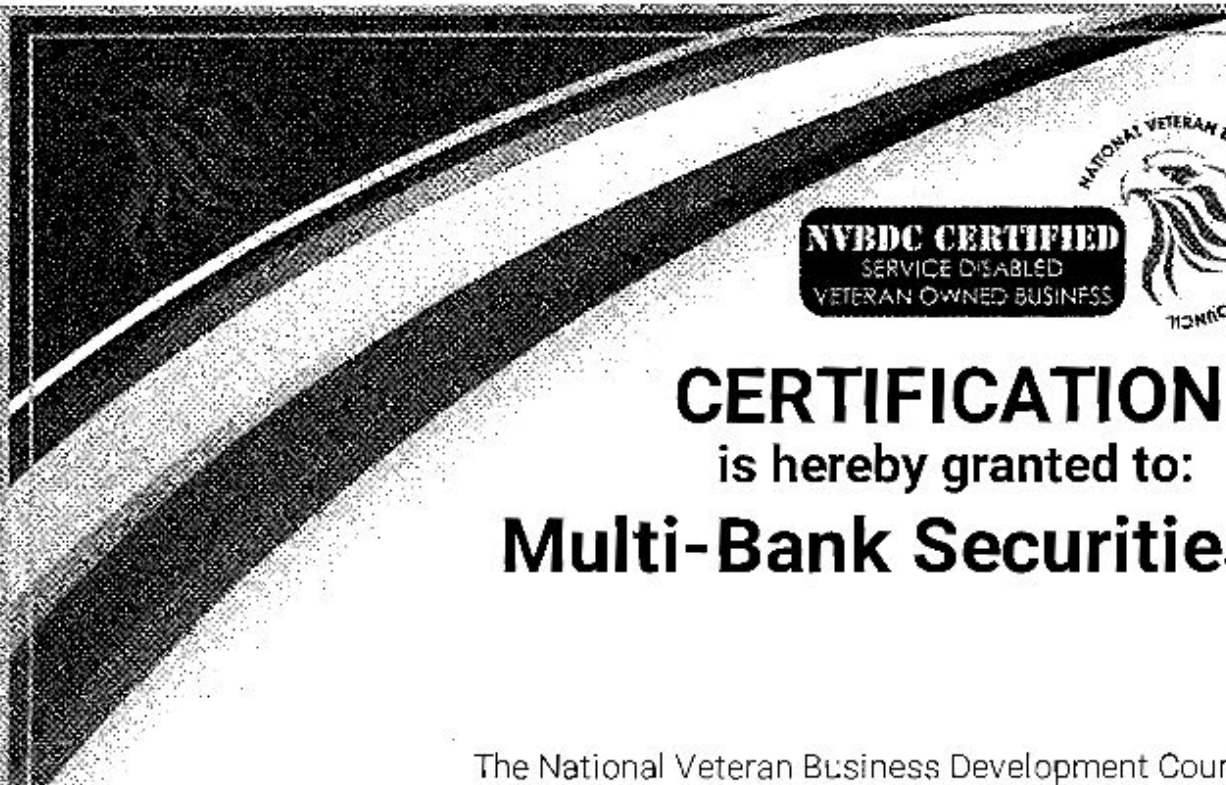









Multi-Bank Securities, Inc. (MBS) is committed to providing you with the highest quality service available. We hope this packet will meet or exceed your due diligence needs and expectations.


MBS has clients in all 50 U.S. states and territories. References are available upon request.

**THE FOLLOWING INFORMATION IS PROVIDED TO SUPPORT YOUR
DUE DILIGENCE REQUIREMENTS:**

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		NVBDP CERTIFIED SERVICE DISABLED VETERAN OWNED BUSINESS			
<h1>CERTIFICATION</h1> <p>is hereby granted to:</p> <h2>Multi-Bank Securities Inc.</h2>					
<p>The National Veteran Business Development Council certifies that the named entity has met all criteria established to be recognized as a Service Disabled Veteran Owned Business (SDVOB)</p>					
					
Keith King, CEO		Y4LQJXWY			
August 11, 2021		Certificate Code			
Date Earned		523120, 523110			
September 24, 2022		NAICS Codes			
Date Expires					





Office of General Services
**Division of Service-Disabled
Veterans' Business Development**

**Multi-Bank Services, LTD and
Multi-Bank Securities, Inc.**

Is hereby certified as a
**New York State Service-Disabled Veteran-Owned
Small Business (SDVOB)**

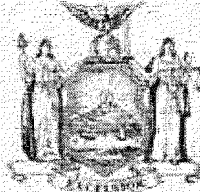
October 1, 2018

181716

Control Number

Director

Division of Service-Disabled Veterans'
Business Development



Andrew M. Cuomo
Governor

September 30, 2023

Expiration Date

Commissioner

New York State
Office of General Services



SOUTH CENTRAL TEXAS REGIONAL CERTIFICATION AGENCY

Your unified certification source
www.sctrca.org

March 9, 2022

David Maccagnone
Multi-Bank Securities, Inc.
1000 Town Center, Suite 2300
Southfield, MI 48075

Dear David Maccagnone:

We are pleased to inform you that your application for certification in our Small, Minority, Woman and Veteran Business Enterprise (S/M/W/V) Program has been approved. Your firm met the requirements of the SCTRCA Policy and Procedure Manual and is currently certified as a:

***DIBE VBE**

Certification Number: **222031567**
Certification Expiration: **March 31, 2024**

Providing the following products or services:

NAICS 523: SECURITIES, COMMODITY CONTRACTS, AND OTHER FINANCIAL INVESTMENTS AND RELATED ACTIVITIES
NAICS 5231: SECURITIES AND COMMODITY CONTRACTS INTERMEDIATION AND BROKERAGE
NAICS 5239: OTHER FINANCIAL INVESTMENT ACTIVITIES

On the two year anniversary date of your certification, you are required to provide a renewal application affirming that no changes have occurred affecting your certification status. The SCTRCA will send you a Certification Renewal reminder **sixty (60) days** prior to your expiration date. The SCTRCA will no longer include a certificate upon certification renewals. **Your expiration date is March 31, 2024.**

Please notify this office within **thirty (30) days** of any changes affecting the size, ownership, control requirements, or any material change in the information provided in the submission of the certification application. Thank you in advance.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Johnson".

Charles Johnson,
Executive Director

South Central Texas Regional Certification Agency of
Bexar County, Texas hereby duly affirms that:

Multi-Bank Securities, Inc.

has successfully met the established requirements of SCTRCA's Business Enterprise Certification Program to be
certified as a

***DIBE VBE**

Certified NAICS Codes

NAICS 523: SECURITIES, COMMODITY CONTRACTS, AND OTHER FINANCIAL INVESTMENTS AND RELATED ACTIVITIES
NAICS 5231: SECURITIES AND COMMODITY CONTRACTS INTERMEDIATION AND BROKERAGE
NAICS 5239: OTHER FINANCIAL INVESTMENT ACTIVITIES



Certification Number: 222031567

Effective Date: March 9, 2022

Expiration Date: March 31, 2024

Charles Johnson
Executive Director

Note: This certificate is the property of the South Central Texas Regional Certification Agency and may be revoked should the above named firm graduate from or fails to comply with SCTRCA's Business Enterprise Program. A Certification Renewal Application is required every two years.



DATA CURRENT AS OF:

Tuesday, March 1, 2022

CRD#: 22098

REGULATORY, STATE & TERRITORY REGISTRATIONS

Jurisdiction/SRO	Category	Status	Status As Of Date
AK	Broker Dealer	Approved	03/27/1997
AL	Broker Dealer	Approved	11/07/1994
AR	Broker Dealer	Approved	05/02/1997
AZ	Broker Dealer	Approved	10/11/2001
CA	Broker Dealer	Approved	03/30/1994
CO	Broker Dealer	Approved	04/23/1991
CT	Broker Dealer	Approved	08/20/1998
DC	Broker Dealer	Approved	03/30/1994
DE	Broker Dealer	Approved	10/11/1994
FINRA	Broker Dealer	Approved	12/23/1988
FL	Broker Dealer	Approved	02/05/1991
GA	Broker Dealer	Approved	02/28/1994
HI	Broker Dealer	Approved	04/05/1995
IA	Broker Dealer	Approved	03/31/1994
ID	Broker Dealer	Approved	03/20/1997
IL	Broker Dealer	Approved	07/13/1989
IN	Broker Dealer	Approved	03/24/1997
KS	Broker Dealer	Approved	05/04/1994
KY	Broker Dealer	Approved	03/08/1994
LA	Broker Dealer	Approved	09/07/1994
MA	Broker Dealer	Approved	07/25/1994
MD	Broker Dealer	Approved	03/11/1994
ME	Broker Dealer	Approved	05/24/1994
MI	Broker Dealer	Approved	08/31/1988
MN	Broker Dealer	Approved	09/02/1994
MO	Broker Dealer	Approved	05/02/2002
MS	Broker Dealer	Approved	03/04/1994
MT	Broker Dealer	Approved	02/14/1994
NC	Broker Dealer	Approved	08/02/1994
ND	Broker Dealer	Approved	04/25/1997
NE	Broker Dealer	Approved	11/02/1994

**DATA CURRENT AS OF:** Tuesday, March 1, 2022 (Continued)**CRD#:** 22098**REGULATORY, STATE & TERRITORY REGISTRATIONS**

Jurisdiction/SRO	Category	Status	Status As Of Date
NH	Broker Dealer	Approved	09/28/1995
NJ	Broker Dealer	Approved	11/09/1994
NM	Broker Dealer	Approved	08/02/1994
NV	Broker Dealer	Approved	05/23/1994
NY	Broker Dealer	Approved	06/05/1996
OH	Broker Dealer	Approved	11/21/1994
OK	Broker Dealer	Approved	06/04/1991
OR	Broker Dealer	Approved	04/04/1997
PA	Broker Dealer	Approved	03/07/1994
PR	Broker Dealer	Approved	02/10/2000
RI	Broker Dealer	Approved	03/02/1994
SC	Broker Dealer	Approved	08/04/1994
SD	Broker Dealer	Approved	03/04/1994
SEC	Broker Dealer	Approved	05/06/1988
TN	Broker Dealer	Approved	08/04/1994
TX	Broker Dealer	Approved	06/29/1990
UT	Broker Dealer	Approved	01/19/1994
VA	Broker Dealer	Approved	05/16/1994
VI	Broker Dealer	Approved	01/30/2012
VT	Broker Dealer	Approved	06/18/1997
WA	Broker Dealer	Approved	10/04/1989
WI	Broker Dealer	Approved	09/06/1991
WV	Broker Dealer	Approved	01/28/1994
WY	Broker Dealer	Approved	08/08/1994



March 1, 2022

To Whom It May Concern:

This letter is to inform you that we at Multi-Bank Securities, Inc. (MBS) do not give accounting, regulatory, tax or legal advice. However, MBS makes every effort to recommend investments we feel are appropriate for our clients.

It is our intention to maintain on file an investment policy from every one of our clients. If you have a written investment policy outlining the types of investments you can and cannot make, please forward it to us at your convenience. We have designed a system of controls to help reduce the risk of inappropriate investments for our clients.

Sincerely,

David T. Maccagnone
Chairman and Chief Executive Officer
Multi-Bank Securities, Inc.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

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(954) 351-6930

(954) 351-9197

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MULTI-BANK SECURITIES, INC.

Municipal Investing Policy Recommendations and Guidelines

Your Investment Policy

Since 1988, Multi-Bank Securities, Inc. (MBS) has been serving the investment needs of municipalities throughout the U.S. It is with great care that we recommend investment products we feel are appropriate and strictly adhere to your investment policy guidelines. We have systems in place to assist you in reducing the risk of making inappropriate investments.

Maintenance of Your Investment Policy

It is our policy to review and maintain a copy of your investment policy on file. Should your policy need reviewing, your MBS account representative is ready to help. Our team of highly skilled professionals is required to regularly complete continuing education to ensure a broad understanding of how fixed-income products impact the municipal market. They are well-versed in current regional, state and federal governmental investment statutes and policies.

Developing Your Investment Policy

Information about developing and evaluating an investment policy is available on the Multi-Bank Securities Institute website. This online resource focuses on educating and supporting investment professionals of all experience and skill levels. There is no cost associated with the website, but visitors will have to register to view the Public Funds Investor Guide.* Explore the site at <https://institute.mbssecurities.com>.

National municipal organizations such as the Association of Public Treasurers of the United States & Canada (APT) and the Government Finance Officers Association (GFOA) also make sample investment policy guidelines and recommendations available to governmental entities. To receive a free copy, please contact your MBS account representative.

**There may be fees associated with other products/services offered by MBS.*



MULTI-BANK SECURITIES, INC.[®]

Marshall Hoffman

Vice President

CRD# 4324414

(800) 967-9053 phone/fax

mhoffman@mbssecurities.com

Marshall Hoffman joined Multi-Bank Securities, Inc. (MBS) in 2001 as an account executive after an extensive career that incorporated various technical, sales and management positions in the automotive and industrial manufacturing industries.

Throughout his tenure with MBS, Marshall has demonstrated the ability to understand his clients' needs and provide sound investment solutions. He specializes in fixed-income securities that focus on multiple sectors of the institutional markets.

Marshall holds the following FINRA licenses: a General Securities Registered Representative (Series 7), a Municipal Advisor Representative (Series 50) and a Uniform Securities Agent State Law (Series 63).

He is a graduate of Wayne State University, where he graduated Cum Laude with a bachelor's degree in business finance.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 812
Ft. Lauderdale, Florida 33308

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(954) 351-9197

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: Oct. 31, 2023
Estimated average burden hours per response: 12

SEC FILE NUMBER
8-39547

ANNUAL REPORTS
FORM X-17A-5
PART III

FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/2021 AND ENDING 12/31/2021
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Multi-Bank Securities, Inc.

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

1000 Town Center, Suite 2300

(No. and Street)

Southfield

(City)

Michigan

(State)

48075

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Jeffery Maccagnone

(Name)

248-291-1100

(Area Code - Telephone Number)

jeffmac@mbsscurities.com

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Carnaghi & Schwark PLLC

(Name - if individual, state last, first, and middle name)

30435 Groesbeck Highway

(Address)

Roseville

(City)

MI

(State)

48066

(Zip Code)

05/19/2009

(Date of Registration with PCAOB)(if applicable)

3421

(PCAOB Registration Number, if applicable)

FOR OFFICIAL USE ONLY

* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Jeffery Maccagnone, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to the firm of Multi-Bank Securities, Inc., as of December 31, 2021, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.

Signature: [Signature]

Title: _____

President

[Signature]
Notary Public

STEPHANIE M. WOOD
Notary Public, State of Michigan
County of Wayne
My Commission Expires Apr. 09, 2026
Acting in the County of Oakland

This filing** contains (check all applicable boxes):

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to consolidated statement of financial condition.
- ☐ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☐ (d) Statement of cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or sole proprietor's equity.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☐ (g) Notes to consolidated financial statements.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

**To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.

MULTI- BANK SECURITIES, INC
STATEMENT OF FINANCIAL CONDITION

December 31, 2021

Filed Pursuant to Rule 17a-5 (e) (3) Under the Securities Exchange Act of 1934

As a Public Document

Carnaghi & Schwark, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
UPTON PROFESSIONAL BUILDING
30435 GROESBECK HIGHWAY
ROSEVILLE, MICHIGAN 48066

Anthony L. Carnaghi, CPA
Douglas W. Schwark, CPA

(586) 779-8010
FAX (586) 771-8970

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholder of Multi-Bank Securities, Inc.
Southfield, Michigan

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Multi-Bank Securities, Inc. as of December 31, 2021, and the related notes to the financial statements. In our opinion, the statement presents fairly, in all material respects, the financial position of Multi-Bank Securities, Inc. as of December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of Multi-Bank Securities, Inc.'s management. Our responsibility is to express an opinion on Multi-Bank Securities Inc.'s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Multi-Bank Securities, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion

Carnaghi + Schwark, PLLC

We have served as Multi-Bank Securities, Inc.'s auditor since 1989.
Roseville, Michigan
February 18, 2022

MULTI-BANK SECURITIES, INC
STATEMENT OF FINANCIAL CONDITION
December 31, 2021

	<u>ASSETS</u>	<u>2021</u>
Assets:		
Cash		\$31,521,346
Accounts receivable:		
Brokers, dealers and clearing organization		89,385,050
Deposit - clearing organization		4,027,620
Other		41,591
Securities owned, at fair value (Note 3)		686,069,067
Prepaid expenses		405,308
Total current assets		<u>811,449,982</u>
Other assets:		
Operating Lease Asset (Note 7)		992,563
Total other assets		<u>992,563</u>
Total Assets		<u><u>\$812,442,545</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:		
Accounts payable:		
Commissions due sales representatives		\$10,116,456
Other		98,717
Securities sold, not yet purchased, at fair value		673,121,396
Accrued expenses		3,516,195
Total current liabilities		<u>686,852,764</u>
Operating Lease Liability (Note 7)		992,563
Total long-term liabilities		<u>992,563</u>
Total Liabilities		<u>687,845,327</u>
Stockholder's equity:		
Common stock, par value \$1.00 per share; 50,000 shares		
authorized; 16,000 shares issued		16,000
Capital in excess of par value		66,192,000
Retained Earnings		58,389,218
Total stockholder's equity		<u>124,597,218</u>
Total Liabilities and Stockholder's equity		<u><u>\$812,442,545</u></u>

See accompanying notes.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2021

Note 1 - ORGANIZATION

Multi-Bank Securities, Inc., (the "Company") is an institutional fixed-income securities broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and the U.S. Securities and Exchange Commission. The Company is a wholly owned subsidiary of Multi-Bank Services, Ltd. See Note 4 for transactions with Parent Company.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Securities Transactions and Revenue Recognition

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers, requires that an entity recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those services. Revenue is recognized when: (a) a contract with a client has been identified, (b) the performance obligation(s) in the contract have been identified, (c) the transaction's price has been determined, (d) the transaction's price has been allocated to each performance obligation in the contract, and (e) the Company has satisfied the performance obligation.

The following represents information on the recognition of the Company's revenue from contracts with customers:

Principal transactions revenue represents the actual mark-up and mark-down on securities sales to accounts and the unrealized gains and losses from securities owned and securities sold, not yet purchased. Principal transactions are recorded on the trade date of the transactions. Management reviewed the impact of any unsettled transactions and determined there are no material differences between the trade date and settlement date positions for the year ended December 31, 2021.

Securities owned and securities sold, net yet purchased are recorded at fair value in accordance with FASB ASC 820, Fair Value Measurements and Disclosures. See Note 3 - Fair Value.

Commissions and fees revenue represents commissions earned from executing customer transactions in equities, mutual funds and certificate of deposit placement fees. These transactions are recorded on a trade date basis.

Net interest trading revenue represents the coupon interest that the Company earns or pays on its securities positions.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2021

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk From Cash Deposits in Excess of Insured Limits

The Company maintains cash balances at financial institutions that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts, and the Company believes it is not exposed to any significant risks on cash.

Receivable from and Payable to Brokers, Dealers, and Clearing Organization

Receivables from and payable to brokers, dealers, and clearing organizations include deposits of cash and/or securities with exchange clearing organizations. In addition, there are receivables and payables from fees and commissions arising from unsettled securities transactions.

Concentrations of Counterparty Credit Risk

The Company is engaged in various trading and brokerage activities with counterparties that primarily include broker-dealers, banks, and other financial institutions. In the event the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. The Company monitors its exposure to risk through a variety of control procedures, including daily review of trading positions.

Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market value of a particular financial instrument. All financial instruments are subject to market risk. The Company's exposure to market risk is determined by a number of factors, including size, duration, composition and diversification of positions held, the absolute and relative level of interest rates, and market volatility and liquidity. The Company manages risk by setting and monitoring adherence to risk limits and by hedging its positions.

Federal Income Taxes

The Company files a consolidated federal income tax return with its Parent Company. The provision for Federal income tax for the year ended December 31, 2021 is based on a separate return filing.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2021

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. The primary objective of ASC 740 is to prescribe measurement and disclosure requirements for income tax provisions when uncertainty exists as to whether the reporting entity's tax positions would be sustained in the event of an examination. Company management believes that there are no material uncertainties in which tax positions taken would not be sustained upon examination.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through February 18, 2022, which is the same date the financial statements were available to be issued.

Subsequent to year-end, the Company issued a \$2.1 million (\$2,100,000) dividend to its parent on February 1, 2022.

Credit Loss Considerations

In June, 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This credit loss impairment model is based on expected losses rather than incurred losses for financial assets. Due to the short-term nature of the Company's financial assets some of which are collateralized by related securities, the adoption of ASU 2016-13 is immaterial to the Company's financial statements. No adjustment was necessary at implementation.

Note 3 - FAIR VALUE

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2021

Note 3 - FAIR VALUE (Continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data).

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2021.

	Level 1	Level 2	Level 3	Total
Assets				
Corporate/Other Debt	-	\$56,107,642	-	\$56,107,642
U.S. Govt. & Agency	-	567,097,789	-	567,097,789
U.S. Treasuries	22,879,888	-	-	22,879,888
Municipal Debt	-	39,983,748	-	39,983,748
Total securities owned	\$22,879,888	\$663,189,179	-	\$686,069,067
Liabilities				
U.S. govt. & agency	-	\$ 579,855,771	-	\$579,855,771
U.S. Treasuries	62,671,557	-	-	62,671,557
Equities	30,594,068	-	-	30,594,068
Total Securities sold, not yet purchased	\$93,265,625	\$579,855,771	-	\$673,121,396

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2021

Note 4 - TRANSACTIONS WITH PARENT COMPANY

The Parent Company, Multi-Bank Services, Ltd., provides various administrative services to the Company, including furniture and fixtures. For the year ended December 31, 2021 administrative expenses charged to the Company amounted to \$300,000.

Note 5 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Based on the provisions of this rule, the Company must maintain net capital equivalent to the greater of \$100,000 or 1/15th of aggregate indebtedness as defined.

At December 31, 2021, the Company's net capital was \$114,589,638 and its required net capital was \$915,425. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was .12 to 1.

Note 6 - EMPLOYEES' BENEFIT PLANS

The Company maintains a defined contribution benefit plan 401(k) to cover all eligible employees of the Company. Under provisions of the Plan, participating employees can elect to contribute to the account a percentage of their compensation not to exceed the limitations imposed by the Internal Revenue Service. In addition, the Company at its discretion may make a matching contribution, which percentage will be determined each year by the Company. For the year ended December 31, 2021 the Company elected not to make a matching contribution.

Note 7 - OPERATING LEASE OBLIGATIONS

The Company is a lessee in several operating leases for office space. Under ASC 842, Leases, a lessee is required to recognize a lease asset and a lease liability for operating lease arrangements greater than 12 months. The Company is a lessee in several operating leases for office space. The Company recognizes a right of use asset and a lease liability at the commencement date of the lease. Right of use assets and liabilities are recognized on the Company's balance sheet based at the present value of future lease payments relating to the use of the underlying asset during the lease terms. The Company uses its incremental borrowing rate as the discount rate in determining the present value of future lease payments since the implicit rate in the lease arrangement is not readily determinable. The incremental borrowing rate is based on the rate of interest it would have to pay on a collateralized basis to borrow an amount equivalent to the lease payments under similar terms and in a similar economic environment. The rate is presently determined to be 10.0%.

MULTI-BANK SECURITIES, INC
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2021

Note 7 - OPERATING LEASE OBLIGATIONS (Continued)

The Company has operating leases for its primary operating facilities in Southfield, Michigan and Fort Lauderdale, Florida. They also lease facilities in various other states. The future minimum lease payments for these leases are summarized as follows:

<u>Years Ended December 31</u>	<u>Amount</u>
2022	356,410
2023	292,921
2024	230,599
2025	230,589
2026	236,906
2027	<u>140,564</u>
Total	1,487,989
Less Imputed Interest	<u>(495,426)</u>
Total Operating Lease Liability	<u><u>\$992,563</u></u>

The lease agreements include escalation clauses that increase the minimum rental payment for increased lessor taxes and operating expenses.

For the year ended December 31, 2021, the total lease expense pursuant to the above operating leases amounted to \$550,230.

Furniture and equipment is provided by the Parent Company, the charge for which is included in the administrative charges paid to the Parent Company, see Note 4.

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IMPORTANT COMPLIANCE INFORMATION

USA PATRIOT ACT / ANTI-MONEY LAUNDERING / BANK SECRECY ACT / CIP RULE / KNOW YOUR CUSTOMER

Multi-Bank Securities, Inc. is committed to complying with the U.S. statutory and regulatory requirements designed to combat money laundering and terrorist financing. The USA PATRIOT Act requires all financial institutions to obtain certain identification documents or other information in order to comply with their Customer Identification Procedures (CIP).

When you open an account, we will ask you for your name, address and other information that will allow us to satisfy our Know Your Customer requirements. We also may ask to see your driver's license or other identifying documents. Until you provide the required information or documents, we may not be able to open an account or effect any transactions for you. For additional information, contact Chief Compliance Officer Merlin Elsner, our designated Anti-Money Laundering Compliance Officer, at 1-800-967-9008.

4

The Customer Due Diligence Rule (CDD Rule) from FinCEN, effective May 11, 2018, requires that certain financial institutions are now obligated to disclose the ultimate beneficiary of the company upon new account opening. We will ask that you provide documentation on each individual that owns 25 percent of the equity interests in your institution, or any individual with significant responsibility to control, manage or direct your institution. We will ask for personal information on the CEO, CFO, COO, managing members, general partners, presidents, vice presidents, treasurers, et al. We will seek to retain sufficient information on any individual who regularly performs functions that demonstrate "control." Under the definition provided by FinCEN, we will seek information on beneficial owners using Appendix A to CFR 1010.230 (Beneficial Owner Certification Form).

ORDER ROUTING

Order routing information for your specific orders is available upon request by contacting your account representative. You can also see the most recent quarterly routing information on our corporate website, www.mbssecurities.com, by clicking on Order Routing at the bottom of the home page.

FINRA BROKERCHECK INFORMATION

The FINRA BrokerCheck program is available at www.finra.org and can be accessed by clicking on BrokerCheck at the top of the home page. The site gives background information, registration/license status and disciplinary history of brokers and firms.

SECURITIES INVESTOR PROTECTION CORPORATION (SIPC)

Information about SIPC, including the SIPC brochure, can be obtained by calling SIPC at 1-202-371-8300 or visiting the SIPC website at www.sipc.org.



IMPORTANT COMPLIANCE INFORMATION (CONTINUED)

MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-10 – INVESTOR EDUCATION AND PROTECTION

Multi-Bank Securities, Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

The website address for the Municipal Securities Rulemaking Board is www.msrb.org.

A brochure is posted on the website of the Municipal Securities Rulemaking Board. In addition to having investor education materials available, there are also descriptions of the protections provided by MSRB rules and how to file a complaint with FINRA's Investor Complaint Center.

FIRM CONTACT INFORMATION

If you have any concerns about your account, please contact Merlin Elsner at 1-800-967-9008.

Updated March 2022



PRIVACY POLICY

Multi-Bank Securities, Inc. (MBS) respects your right to privacy. We are committed to securing the confidentiality and integrity of your personal information. We are proud of our privacy practices and want our current and prospective clients to understand what information we collect and how we use it.

WHY WE COLLECT YOUR INFORMATION

We gather your information about you and your accounts so we can (1) know who you are and thereby prevent unauthorized access to your information, (2) design and improve the products and services we offer, and (3) comply with the laws and regulations that govern the financial industry.

WHAT INFORMATION WE COLLECT

We may collect the following types of nonpublic personal information about you:

- Information about your identity, such as your name, address and Taxpayer Identification Number.
- Information about your transactions with us.
- Information we receive from you from applications, forms or direct discussions with you.

SOURCES FROM WHICH WE OBTAIN YOUR INFORMATION

We collect nonpublic personal information about MBS's clients from the following sources:

- Information we receive from you from applications, forms or direct discussions with you.
- Information we may obtain via the internet.
- Information we receive from our clearing firm or any third-party vendor for authentication purposes.

WHAT INFORMATION WE DISCLOSE

Your securities account is carried by our clearing firm pursuant to clearing agreements. We may disclose to them all the information we collect regarding your account. Our clearing firm is contractually obligated to keep the information we have provided them confidential and use the information only for the services required and as allowed by applicable law or regulation.

We also may disclose some nonpublic personal information about our customers or former customers to facilitate servicing your account or to our regulators upon proper request, except as permitted by law and noted above. Moreover, we will not release information about our customers or former customers, except as noted above, unless one of the following conditions is met:

- We receive your prior written consent.
- We believe the recipient to be you or your authorized representative.
- We are required by law or regulation to release information to the recipient.



PRIVACY POLICY (CONTINUED)

CONFIDENTIALITY AND SECURITY

We maintain physical, electronic and procedural safeguards to protect your personal account information. We also restrict access to your personal and financial data to authorized associates who have a need for these records. We require all non-affiliated organizations to conform to our privacy standards and are contractually obligated to keep the provided information confidential and used only as requested. Furthermore, we will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive.

CALIFORNIA CONSUMER PRIVACY ACT (CCPA)

If you are a California resident, you may have the right to (1) request access to certain personal information* we have collected about you, or (2) request that we delete certain personal information* we may have collected from you. To exercise any of these rights, please visit www.mbssecurities.com and click the CCPA link in the website footer.

The examples contained within the Privacy Policy are illustrations and are not intended to be exclusive. If there are material changes to this policy, they will be posted on our website at www.mbssecurities.com.

Updated March 2022

**Personal information request exceptions: The CCPA does not apply to personal information that may not be provided or deleted based on other laws, rules or regulations.*



BUSINESS CONTINUITY STATEMENT

In the event of a disruption of service, if you cannot contact us as you usually do through your account representative or your branch office, call our alternative number, 1-800-967-5094, or visit our website at www.mbssecurities.com. If you cannot access us through either of these means, contact our clearing firm, Pershing LLC (Pershing), a BNY Mellon company, directly in one of the following ways:

1. Call 1-201-413-3635. Pershing will process limited trade-related transactions (option No. 1), cash disbursements (option No. 2) and security transfers (option No. 3) on your behalf.
2. Via facsimile at 1-201-413-5368.
3. Via postal service at Pershing LLC, P.O. Box 2065, Jersey City, NJ 07303-2065.

OUR BUSINESS CONTINUITY PLAN

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the Firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our Firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. Our business continuity plan addresses the following: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees and regulators; alternate physical location of employees; critical suppliers, contractors, banks and counter-party impact; regulatory reporting; and assuring our customers' prompt access to their funds and securities if we are unable to continue our business. Our clearing firm, Pershing, backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to quickly restore its own operations and be able to complete existing transactions and accept new transactions and payments. Your orders and requests for funds and securities could be delayed during the restoration period.

VARYING DISRUPTIONS

Significant business disruptions can vary in their scope, including the business district, the city or the entire region where one or more of our offices are located. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In the event of a disruption to one or more of our offices, we will transfer our operations to an appropriate location when needed and expect to recover and resume full business operations. In the event of a disruption affecting a larger area, we will transfer our operations to a location outside of the affected area when needed and expect to recover and resume full business operations in a timely manner. In either situation, we plan to continue normal business operations, transferring functionality to other offices within our Firm or to our clearing firm if necessary. We will notify our customers in the most prudent and expeditious method. If a significant business disruption is so severe that it prevents us from remaining in business, we will work with our clearing firm to assure our customers receive prompt access to their funds and securities.

If you have questions about our business continuity planning, you can contact us at businesscontinuity@mbssecurities.com.

Corporate Headquarters

1000 Town Center, Suite 2300, Southfield, MI 48075
1-800-967-9045 phone
1-248-291-1101 fax

Updated March 2022



March 1, 2022

To Whom It May Concern,

This letter is to inform you that as of the date of this letter, (1) there are no current regulatory sanctions outstanding against Multi-Bank Securities, Inc. (MBS) nor any of its account representatives or officers, and (2) MBS has never had a regulatory customer complaint.*

Additionally, MBS confirms we have an Anti-Money Laundering (AML) Program in place with policies and procedures that are reasonably designed to detect and prevent the use of our facilities and services for illegal purposes, including the laundering of monies, the financing of terrorist activities and the proliferation of weapons of mass destruction. This AML Program includes the designation of an AML officer, an ongoing AML employee training program and an annual independent audit to test the effectiveness of the AML Program. The Program is approved by the Board of Directors on an annual basis.

We further attest that we are in compliance:

1. With the Bank Secrecy Act (BSA), as amended by the USA PATRIOT Act, including, without limitation, a system of internal controls for detection and prevention of money laundering and illegal activity, independent testing of the company's BSA program, designation of a qualified individual for coordinating and monitoring day-to-day compliance, and training programs for all employees, officers and directors as appropriate.
2. With regulations and requirements of the Office of Foreign Assets Control (OFAC), including, without limitation, screening in OFAC-prohibited parties databases of all individuals involved in transactions by, through or with your institution, screening of OFAC embargoed country regulations for prevention of transactions involving countries subject to U.S. trade and economic sanctions, comparison of transactions on a daily basis, identification procedures and document retention.
3. With the Customer Identification Program requirements of the BSA, as amended by the USA PATRIOT Act, including, without limitation, risk-based procedures to verify customer identity, a risk assessment of our customer base and products, and due diligence for correspondent accounts
4. With "Know Your Customer" and monitoring requirements as necessary to ensure effective detection of suspicious transactions and procedures for the filing of Suspicious Activity Reports (SARs) and Currency Transactions Reports (CTRs).

Sincerely,

Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

**Based on information available through our regulators and/or supplied to us by our clearing firm.*

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 812
Ft. Lauderdale, Florida 33308

(800) 967-9045
(954) 351-6930

(954) 351-9197

Member of FINRA & SIPC; MSRB Registered.

Proudly Veteran-Owned!



Dear Multi-Bank Securities, Inc. Client,

Thank you for performing your due diligence on Multi-Bank Securities, Inc. (MBS). We understand that this is a crucial part of building a trusting relationship with your broker, and we are more than happy to provide a response concerning your finding(s).

There are four items on our BrokerCheck report we would like to further explain.

The first incident was initiated by the State of Alabama on June 16, 1994. The incident occurred when MBS submitted a broker-dealer application to the State and incorrectly filled out the paperwork in the process. MBS paid a small fine, and Alabama vacated the denial order following the paperwork corrections.

The second incident was initiated by the Vermont Securities Division on June 12, 1997. MBS was cited for transacting business as an unregistered broker-dealer in Vermont. We paid a small fine, became registered in the State of Vermont and conduct business there today.

In the third incident, as the result of a sweep, FINRA found that our Firm failed to accurately report to TRACE certain inter-dealer transactions in a timely manner.

The citation states,

"Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report the correct time of trade execution for transactions in Trade Reporting and Compliance Engine (TRACE)-eligible securitized products within 15 minutes of the time of execution to TRACE; and failed to show the correct time of execution on the memorandum of brokerage orders."

MBS paid a small fine without admitting or denying the facts as presented, and will continue to do business in the market of fixed-income securities. To prevent future events like this, we made changes to our supervisory policies and procedures to reduce redundant supervisory reviews. We reviewed and continue to review our inter-dealer relationships to ensure that trade times are reported, and to ensure that both parties contractually understand and agree to each transaction prior to creating a TRACE reporting obligation.

Finally, as a result of our 2014 and 2016 regular cycle examinations, FINRA took the position that during a specific period of time, on a specific form, there was language that could be potentially confusing to some municipal entities with respect to the capacity in which the Firm would be acting relative to the Municipal Advisor Rule. Additionally, FINRA took the position that the Firm's Risk Management Controls outside of the Written Supervisory Procedures caused the Written Supervisory Procedures to be inadequate, and that the Firm needed to make specific reference to a particular rule during the annual CEO certification of compliance systems and controls.

We are proud of our customer compliance record and will continue to provide you the best in customer service. We thank you again for the opportunity to provide you with additional details. Should you have any questions or concerns, I can be reached directly at 1-800-967-9008, or by email at melsner@mbssecurities.com.

Sincerely,

Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

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CODE OF ETHICAL BUSINESS CONDUCT

MISSION STATEMENT

Multi-Bank Securities, Inc. is a fixed-income securities Firm focused on delivering value to the institutional markets. We seek to earn and preserve the respect, confidence and loyalty of our employees and customers through integrity, professionalism, investment expertise, progressive technology and exceptional personal service.

CODE OF ETHICAL BUSINESS CONDUCT

Our Code of Ethical Business Conduct outlines our principles, ethics and standards to help guide our employees. Every person at our Firm is valuable and fulfills a vital role. Each client's objective can be successfully met when all departments work harmoniously with that singular goal in mind. The following are in addition to the rules required by FINRA and other regulatory authorities.

Commitment: We have made a commitment to operate ethically and to lead with integrity. We are committed to maintain the trust of fellow employees, clients, business partners and other industry professionals. This commitment is embedded in our core values.

Integrity: Is the sum of the collective actions of our employees and how those actions measure up every day to our fundamental values. We are obligated to demonstrate moral and sound judgment in all actions within the office environment and the public. Our reputation is a direct reflection of our culture.

Respect: We support an environment that encourages respect. We do not make false or misleading statements about our customers, business partners or competitors, nor do we misrepresent facts in order to gain a competitive advantage or engage in illegal or unethical business practices.

Professional Growth: Our representatives are instructed to familiarize themselves with all policies, laws and regulations that apply to their jobs – including but not limited to state statutes, bylaws and investment policies – prior to conducting business. We support our representatives' pursuit of professional licenses and certifications.

Accurate Records: It is critical that we properly maintain records and uphold state statutes, bylaws and investment policies at the corporate level, as well as in personal files for each customer. These documents will be updated accordingly or as required by law.

Employee Manual: The Employee Manual is provided to assist employees in being successful at their job. The manual outlines our expectations, employment practices and policies, including the Code of Conduct. It is the responsibility of every employee to be familiar with and understand the contents of the manual. A verification receipt is required to be executed by each employee. We should all work to create a positive and diverse workplace that is free from discrimination and harassment. We are committed to a zero-tolerance policy against harassment or threatening behavior of any kind.

Travel: We strongly encourage building trust and rapport with customers and business partners. Representatives are supported and make every effort to attend board meetings and council/commissioner meetings, including state conferences and chapter meetings, locally and nationally.



MULTI-BANK SECURITIES, INC. ANTI-MONEY LAUNDERING POLICY TEST PROCEDURES

EXECUTIVE SUMMARY

Multi-Bank Securities, Inc. (MBS) has in place an Anti-Money Laundering (AML) policy. Merlin Elsner is our Chief Compliance Officer. Senior management has approved the AML policy as written, and all questions are to be directed to Merlin Elsner. The company's AML policy is available for review upon request.

Merlin Elsner is responsible for ensuring the review of all new accounts and routine transactional surveillance. Additionally, the company's clearing agent Pershing LLC (Pershing), a BNY Mellon company, also reviews each account entity and transaction. Many MBS accounts (credit unions, banks, municipalities and SEC-registered investment advisors) are exempt from full Customer Identification Procedures (CIP). MBS relies on the fact that each of these exempted institutional entities is independently audited to ensure AML program compliance. Whenever practical and/or available, MBS will review external AML policies and independent audit reports made available for compliance with appropriate rules and regulations.

MBS engaged the company controller to perform the annual AML independent testing. The company controller operates fully independent of the Compliance Department and reports directly to the CEO. During the annual independent testing of our AML procedures, randomly selected accounts were checked against the Office of Foreign Asset Control (OFAC) list found at www.ustras.gov/ofac. The controller verified that as of the most recent test (concluded Dec. 22, 2020), none of the randomly selected accounts were found on the OFAC list. The company controller, upon a review of the processed documentation of account opening files and ongoing review of transactions, found no material deficiencies for 2020.

DAY-TO-DAY OPERATIONS

Merlin Elsner, or his designee, is responsible for making sure that new accounts have appropriate and sufficient information, including but not limited to names, addresses and Taxpayer Identification Numbers requested at the time of account opening. Operations will reject all accounts with improperly filled-out forms or forms missing material information. Pershing systems do not allow for customer accounts to be opened without proper identification information.

Pershing is responsible for verifying new control lists against all existing accounts. They have assured us that they do this task regularly. MBS screens all accounts on a continuous basis through a third-party vendor established as best industry practice.

Merlin Elsner, or his designee, is also responsible for deposit and withdrawal review. He follows the AML policy instructions for verifying information and record-keeping. Reviews are performed in a timely manner utilizing in-house CRM reports as well as Pershing system reports to capture all information necessary for AML review. MBS does not accept money or securities from clients at any time. MBS account activity is reviewed systematically against a complex series of dynamic logical rules to screen for potential AML activity through the Pershing platform. This platform produces behavior-based reports, which are reviewed in addition to internal CRM reports. CRM reports are reviewed on a daily basis by executive management. This two-pronged approach ensures that MBS has in place an adequate policy to guard against and detect potential AML activity. Given the sophistication of MBS's internal client account AML policies, MBS considers the risk of an actual AML incident to be extremely low. The risk rating of accounts at MBS is presented in a spectrum to be considered in the overall securities market, and while there may be differences in ratings within the Firm, the overall AML risk remains low when considering the overall market.



**MULTI-BANK SECURITIES, INC.
ANTI-MONEY LAUNDERING POLICY TEST PROCEDURES (CONTINUED)**

Merlin Elsner is also responsible for ensuring the review of the biweekly Financial Crimes Enforcement Network (FinCEN) report and compares them to the MBS customer database in a timely fashion. Evidence of these report reviews is kept extremely confidential and is available for review upon request from FINRA and/or the SEC. MBS screens new accounts (banks, credit unions and municipalities are exempt) against the OFAC database. Pershing screens accounts and transaction beneficiaries against the report for all clearing transactions. MBS performs OFAC screening on an "ongoing" basis in addition to the initial account opening procedures.

Merlin Elsner is responsible for AML training of new and existing employees. The company also holds employee meetings to cover sales practice and compliance issues. The company maintains attendance records and has the record book available for review as necessary. Employees must complete Firm Element continuing education training as well as the FINRA-required continuing education. Merlin Elsner coordinates compliance training for all MBS locations.

The company has procedures in place to maintain files for at least six years. The company maintains documentation for two years on-site. The company also has an off-site storage facility to maintain previous years. The company controller personally verifies the packaging and storage of all relevant documents. The off-site storage facility is subject to an inspection by MBS and all associated files are stored in a safe and secure location with extremely limited access.

Merlin Elsner is responsible for the Suspicious Activity Report (SAR). He is familiar with the SAR form and Bank Secrecy Act (BSA) e-filing procedures. He will file a SAR immediately as applicable. The company does not accept money from clients and therefore does not maintain a Currency Transaction Report (CTR). All customer checks must be payable to Pershing LLC and all money wires go directly to Pershing. Pershing will not accept funds that originate from outside of the U.S.; this includes, but is not limited to, checks and electronic transfers.

Please contact me at 1-800-967-9008 with any questions related to this AML document.

A handwritten signature in black ink, appearing to read "Merlin Elsner", with a horizontal line extending from the end of the signature.

Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

INFORMATION SECURITY ATTESTATION LETTER

August 17, 2021

In December 2020, Multi-Bank Securities, Inc. (MBS) contracted a Qualified Security Assessor Company to perform an External Penetration Test on MBS's internet-facing systems. The objective of this engagement was to identify vulnerabilities in MBS systems and network security that both internal and external adversaries could exploit.

The security engagement occurred during the period from February 16 to February 18, 2021. The testing process began with an information gathering phase in which the vendor's assessment team conducted steps designed to gather all pertinent information surrounding targeted environment. Automated and manual testing techniques were used to assess the target areas to gauge the level of business risk of any discovered vulnerabilities.

It was the vendor's overall opinion that MBS had taken the appropriate steps to reduce enterprise risk level and mitigate the probability of such an event.

Based on the assessment, MBS has implemented sufficient security controls to ensure the continued operation of business processes. The existing security controls appear to adequately mitigate risks to business processes to ensure the collection of personally identifiable information and critical business data.

As of this date, the chief information officer attests that no material changes or events, as they relate to this external vendor, have occurred.

Moving forward, MBS will continue diligent efforts on improving its overall security posture.

Should you have any questions regarding this matter, please feel free to contact me directly at 1-800-967-9008 or via email at melsner@mbssecurities.com.

Sincerely,



Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

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Southfield, Michigan 48075

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CONFIRMATION OF INSURANCE

NAMED INSURED
Multi-Bank Securities, Inc. 1000 Town Center Drive, Suite 2300 Southfield, MI 48075

BINDER DATE	BINDER NO.
10/07/2021	n/a

CLIENT CODE	POLICY TYPE
MULTSEC-01	Securities Dealers Bond

ACCOUNT SERVICER
Abigail Escalera

Page 1 of 1

EFFECTIVE DATE	EXPIRATION DATE	POLICY NUMBER	INSURER
11/01/2021	11/01/2022	81940548	Federal Insurance Company
COVERAGE DESCRIPTION AND AMOUNTS/LIMITS			
<p>Coverage: Securities Dealer Blanket Bond</p> <p>Effective Date of Change: 11/01/2021 Description of Change: Renewal</p> <p>It is hereby understood and agreed that the renewal of coverage is bound effective 12:01 a.m. on November 1, 2021 for a one year period as follows:</p> <p>Limit of Liability: \$3,000,000 per loss Deductible: \$20,000 per loss One Year Premium: \$##,###</p> <p>All other terms and conditions remain the same.</p>			
<p>This confirmation of insurance sets forth the general terms, conditions and subjectivities, if any, of placement effected by Alliant on your behalf and at your direction. This confirmation of insurance will be cancelled, superseded and replaced upon delivery of the insurer's binder of coverage. The insurer's binder will be in effect and control this placement until the receipt of the insurer's formal policy/bond documentation.</p> <p>In addition to the fees and/or commissions received by Alliant for the placement of insurance in certain circumstances other parties, including other intermediaries, may earn and retain usual and customary commissions for their role in providing insurance products or services under their separate contracts with insurers and/or reinsurers. Further, in certain segments of our business, some of our compensation may be derived from supplemental or bonus commissions paid by insurers or intermediaries based on criteria designed by the insurer or intermediary, to value of the policies that we place with it in a particular period.</p>			
Premium: \$##,###		Federal Insurance Company	
Confirmed By:		Authorized Representative: Program	
At Alliant Refer To: Abigail Escalera		Admitted: X	Non-Admitted



SECURITIES INVESTOR PROTECTION CORPORATION

1667 K Street NW Suite 1000
WASHINGTON, D.C. 20006-2215
(202) 371 – 8300 FAX (202) 223 – 1679
WWW.SIPC.ORG

Via E-mail (Melsner@mbssecurities.com)
Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.
1000 Town Center, Suite 2300
Southfield, MI 48075

March 1, 2022
8-39547

Dear Mr. Elsner:

In response to your request, please be advised that according to SIPC's records, Multi-Bank Securities, Inc. is registered with the Securities and Exchange Commission as a securities broker or dealer under Section 15(b) of the 1934 Act, (8-39547, 05/06/1988). By operation of the Securities Investor Protection Act of 1970, the corporation is a SIPC member unless (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions; (ii) its business as a broker or dealer consists exclusively of (I) the distribution of shares of registered open end investment companies or unit investment trusts, (II) the sale of variable annuities, (III) the business of insurance, or (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts, or (iii) it effects transactions in security futures products only.

Sincerely,

Christine R.
King

Digitally signed by Christine R.
King
DN: cn=Christine R. King, o, ou,
email=cking@sipc.org, c=US
Date: 2022.03.01 15:06:11 -05'00'

Christine R. King
Manager – Member Assessments

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PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

5

Statement of Financial Condition

December 31, 2021

(With Report of Independent Registered Public Accounting Firm)

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PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Statement of Financial Condition

December 31, 2021

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Report of Independent Registered Public Accounting Firm

Statement of Financial Condition

Notes to Statement of Financial Condition

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Report of Independent Registered Public Accounting Firm

To the Member and Board of Managers
Pershing LLC:

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Pershing LLC (the Company) as of December 31, 2021, and the related notes (collectively, the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

KPMG LLP

We have served as the Company's auditor since 2007.

New York, New York
February 25, 2022

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
 The Bank of New York Mellon Corporation)

Statement of Financial Condition

December 31, 2021

(Dollars in millions)

Assets

Cash and cash equivalents	\$ 266
Cash and securities segregated for regulatory purposes	3,822
Collateralized financing agreements:	
Securities borrowed	8,812
Securities purchased under agreements to resell	5,428
Receivables:	
Customers	17,756
Broker-dealers and clearing organizations	2,084
Affiliates	392
Intangible assets	2
Financial instruments owned, at fair value	31
Other assets	744
	<hr/>
Total assets	\$ 39,337

Liabilities and Member's Equity

Liabilities:	
Overdrafts payable	\$ 363
Collateralized financing agreements:	
Securities loaned	1,541
Securities sold under agreements to repurchase	5,965
Payables:	
Customers	21,712
Broker-dealers and clearing organizations	3,953
Affiliates	1,839
Financial instruments sold, not yet purchased, at fair value	1
Accounts payable, accrued expenses and other	509
	<hr/>
Total liabilities	35,883
	<hr/>
Member's equity:	
Member's contributions	1,037
Accumulated earnings	2,417
	<hr/>
Total member's equity	3,454
	<hr/>
Total liabilities and member's equity	\$ 39,337

See accompanying notes to statement of financial condition.

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)
Notes to Statement of Financial Condition
December 31, 2021

(1) Organization and Description of Business

Pershing LLC (the Company) is a single member Delaware Limited Liability Company and a wholly owned subsidiary of Pershing Group LLC (the Parent), which is a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon).

The Company is registered as a securities broker-dealer with the Securities and Exchange Commission (SEC) authorized to engage in fully disclosed and omnibus clearing, sales and trading and brokerage services. The Company is a member of the New York Stock Exchange, Inc. (NYSE), Financial Industry Regulatory Authority (FINRA), Chicago Board of Options Exchange, Inc., Securities Investor Protection Corporation (SIPC), and other regional exchanges.

(2) Summary of Significant Accounting Policies

The Company's statement of financial condition is prepared in accordance with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect amounts reported in the statement of financial condition and accompanying footnotes. Management believes that the estimates utilized in the statement of financial condition are reasonable. Actual results could differ from these estimates. Market conditions could increase the risk and complexity of the judgments in these estimates.

(a) Cash and Cash Equivalents

The Company defines cash and cash equivalents as highly liquid investments with original maturities of three months or less.

(b) Cash and Securities Segregated for Regulatory Purposes

The Company defines cash and securities segregated for regulatory purposes as deposits of cash and qualified securities that have been segregated in special reserve bank accounts for the benefit of customers and the proprietary accounts of brokers (PAB) under Rule 15c3-3 of the SEC. Restricted cash consists of excess client funds and totaled \$3.8 billion at December 31, 2021. Restricted cash is included in cash and securities segregated for regulatory purposes on the statement of financial condition.

(c) Collateralized Financing Agreements

Securities borrowed and securities loaned are collateralized financing arrangements that are recorded at the amount of cash collateral advanced or received. For securities borrowed, the Company deposits cash or other collateral with the lender. For securities loaned, the Company receives cash collateral that typically exceeds the market value of securities loaned.

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (resale agreements) are treated as collateralized financing arrangements and are carried at their contract amount, the amount at which they will subsequently be resold or repurchased, plus related accrued interest. Repurchase and resale agreements are typically collateralized by cash or government and government agency securities and generally have terms

PERSHING LLC
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Notes to Statement of Financial Condition

December 31, 2021

from overnight up to three months. The Company nets certain repurchase agreements and resale agreements in the statement of financial condition in accordance with Accounting Standards Codification (ASC) Subtopic 210-20, *Balance Sheet Offsetting*.

It is the Company's policy to take possession of the underlying collateral, monitor its market value relative to the amounts due under the agreements and, when necessary, require prompt transfer of additional collateral or reduction in the loan balance in order to maintain contractual margin protection. In the event of counterparty default, the financing agreement provides the Company with the right to liquidate the collateral held.

The Company has adopted *ASU 2016-13, Financial Instruments – Credit Losses* ("CECL"). Under CECL, the Company has elected to use the collateral maintenance provision practical expedient for its collateralized financing agreements. Collateralized financing agreements are reported net of the expected credit losses, which was not material at December 31, 2021.

(d) Receivables and Payables – Broker-Dealers and Clearing Organizations

Receivables from broker-dealers and clearing organizations include amounts receivable for securities not delivered by the Company to a purchaser by the settlement date (fails to deliver), deposits with clearing organizations and the Company's introducing brokers' margin loans. Payables to broker-dealers and clearing organizations include amounts payable for securities not received by the Company from a seller by the settlement date (fails to receive), clearing deposits from introducing brokers and amounts payable to the Company's introducing brokers.

Under CECL, the Company has elected to use the collateral maintenance provision practical expedient for its margin loans. Margin loans are reported net of the expected credit losses, which was \$189 thousand at December 31, 2021.

(e) Revenue Recognition

The Company's clients are billed based on fee schedules that are agreed upon in each customer contract. Receivables from customers were \$165.1 million at December 31, 2021. An allowance is maintained for accounts receivables which is generally based on the number of days outstanding. Under CECL, a provision of \$8 thousand was recorded as of December 31, 2021. Receivables from customers are included in other assets on the statement of financial condition

Contract assets represent accrued revenues that have not yet been billed to the customers due to certain contractual terms other than the passage of time and were \$7.0 million at December 31, 2021. Accrued revenues recorded as contract assets are usually billed on an annual basis. There were no impairments recorded on contract assets in 2021. Contract assets are included in other assets on the statement of financial condition.

Contract liabilities represent payments received in advance of providing services under certain contracts were \$6.6 million at December 31, 2021. Contract liabilities are included in accounts payable, accrued expenses and other on the statement of financial condition.

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
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Notes to Statement of Financial Condition
December 31, 2021

Changes in contract assets and liabilities primarily relate to either party's performance under the contracts.

(f) Fair Value of Financial Instruments Owned and Sold

Financial instruments owned and financial instruments sold, not yet purchased are stated at fair value. See Note 4 to statement of financial condition for disclosures with respect to ASC Topic 820.

(g) Fixed Assets and Intangibles

Fixed assets are recorded at cost, net of accumulated depreciation. Depreciation is recorded on a straight-line basis over the useful lives of the related assets, generally two to five years. Leasehold improvements are amortized on a straight-line basis over the lesser of the lease term or 10 years. For internal-use computer software, the Company capitalizes qualifying costs incurred during the application development stage. The resulting asset is amortized using the straight-line method over the expected life, which is generally five years. All other nonqualifying costs incurred in connection with any internal-use software projects are expensed as incurred.

Identifiable intangible assets are amortized on a straight-line basis over their estimated useful life, which is generally 15 years from the date of acquisition and are assessed for impairment indicators pursuant to the provision of ASC Topic 350, *Intangibles – Goodwill and Other*, and ASC Topic 360, *Property, Plant & Equipment*.

(h) Receivables and Payables – Customers

Receivables from and payables to customers include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables. Customer securities transactions are recorded on a settlement date basis, which is generally two business days after trade date. Securities owned by customers, including those that collateralize margin or other similar transactions, are not reflected in the statement of financial condition.

(i) Restricted Stock Units

During the year, BNY Mellon issued restricted stock to employees, including certain Company employees. The Company accounts for this plan in accordance with ASC Topic 718, *Compensation – Stock Compensation*, and accordingly compensation cost is measured at the grant date based on the value of the award and is recognized over the vesting period.

As of December 31, 2021, \$25.9 million of total unrecognized compensation cost related to nonvested restricted stock is expected to be recognized over a period of approximately zero to four years.

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
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Notes to Statement of Financial Condition
December 31, 2021

(j) *Income Taxes*

The Company is included in the consolidated federal and combined state and local income tax returns filed by BNY Mellon. In addition, the Company files stand-alone tax returns in certain jurisdictions, including Pennsylvania. Income taxes are calculated using the modified separate return method, and the amount of current tax expense or benefit is either remitted to or received from BNY Mellon, pursuant to a tax sharing agreement between BNY Mellon and the Company.

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*, which generally requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and the tax basis of the assets and liabilities. If appropriate, deferred tax assets are adjusted by a valuation allowance, which reflects expectations of the extent to which such assets will be realized.

In accordance with ASC 740, *Income Taxes*, the Company uses a two-step approach in recognizing and measuring its uncertain tax benefits whereby it is first determined if the tax position is more likely than not to be sustained under examination. If the tax position meets the more likely than not threshold, the position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. A tax position that fails to meet the more likely than not recognition threshold will result in either a reduction of current or deferred tax assets, and/or recording of current or deferred tax liabilities.

(k) *Leases*

We determine if an arrangement is a lease at inception. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments. The ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date or at lease modification date for certain lease modifications. For all leases, we use a rate that represents a collateralized incremental borrowing rate based on similar terms and information available at lease commencement date or at the modification date for certain lease modifications in determining the present value of lease payments. In addition to the lease payments, the determination of an ROU asset may also include certain adjustments related to lease incentives and initial direct costs incurred. Options to extend or terminate a lease are included in the determination of the ROU asset and lease liability only when it is reasonably certain that we will exercise that option.

ROU assets are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable.

For all leases, we have elected to account for the contractual lease and non-lease components as a single lease component and include in the calculation of the lease liability.

PERSHING LLC
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 The Bank of New York Mellon Corporation)
 Notes to Statement of Financial Condition
 December 31, 2021

(3) Receivables from and Payables to Broker-Dealers and Clearing Organizations

Amounts receivable from and payable to broker-dealers and clearing organizations include the following (dollars in millions):

Receivables:	
Brokers and dealers	\$ 1,224
Securities failed to deliver	457
Clearing organizations	403
	<hr/>
Total receivables	\$ 2,084
	<hr/> <hr/>
Payables:	
Brokers and dealers	\$ 3,431
Securities failed to receive	522
	<hr/>
Total payables	\$ 3,953
	<hr/> <hr/>

(4) Financial Instruments

ASC Topic 820 applies to all financial instruments that are being measured and reported on a fair value basis. This includes those items currently reported in financial instruments owned, at fair value and financial instruments sold, not yet purchased, at fair value on the statement of financial condition.

As defined in ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market and income approaches. Based on these approaches, the Company utilizes certain assumptions that market participants would use in pricing the asset or liability. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial instrument assets and liabilities carried at fair value have been classified and disclosed in one of the following three categories:

Level 1 Quoted market prices in active markets for identical assets or liabilities.

Level 2 Observable market based inputs or unobservable inputs that are derived from or corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as listed equities.

Level 2 includes those financial instruments that are valued using models or other valuation methodologies

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various assumptions, including discount margins, credit spreads, discounted anticipated cash flows, the terms and liquidity of the instrument, the financial condition, operating results and credit ratings of the issuer or underlying company, the quoted market price of publicly traded securities with similar duration and yield, time value, yield curve, default rates, as well as other measurements. In order to be classified as Level 2, substantially all of these assumptions would need to be observable in the marketplace and can be derived from observable data or supported by observable levels at which transactions are executed in the marketplace.

Level 3 comprises financial instruments whose fair value is estimated based on internally developed models or methodologies utilizing significant inputs that are unobservable from objective sources. The Company did not have any assets or liabilities classified as Level 3 at December 31, 2021.

In determining the appropriate levels, the Company performed an analysis of the assets and liabilities that are subject to ASC Topic 820. The following tables present the financial instruments carried at fair value as of December 31, 2021 (dollars in millions):

Assets at fair value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Financial instruments owned, at fair value				
Equity instruments	\$ 22	—	—	22
Derivatives - foreign exchange	—	9	—	9
Total assets at fair value	\$ 22	9	—	31
Liabilities at fair value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Financial instruments sold, not yet purchased				
Equity instruments	\$ 1	—	—	1
Total liabilities at fair value	\$ 1	—	—	1

Estimated Fair Value of Financial Instruments Not Carried at Fair Value

The fair values of the other financial assets and liabilities are considered to approximate their carrying amounts because they have limited counterparty credit risk and are short-term, replaceable on demand, or bear interest at market rates.

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The table below presents the carrying value and fair value of Pershing LLC's financial instruments which are not carried at fair value (dollars in millions). The table below therefore excludes items measured at fair value on a recurring basis presented in the table above. In addition, the table excludes the values of non-financial assets and liabilities.

December 31, 2021					
	Level 1	Level 2	Level 3	Estimated fair value	Carrying value
Summary of financial instruments:					
Assets:					
Cash and cash equivalents	\$ 266	—	—	266	266
Cash and securities segregated for regulatory purposes	3,822	—	—	3,822	3,822
Securities borrowed	—	8,812	—	8,812	8,812
Securities purchased under agreements to resell	—	5,428	—	5,428	5,428
Receivables from customers	—	17,756	—	17,756	17,756
Receivables from broker- dealers and clearing organizations	—	2,084	—	2,084	2,084
Due from affiliates	—	392	—	392	392
Other assets	—	744	—	744	744
Total	\$ 4,088	35,216	—	39,304	39,304
Liabilities:					
Overdrafts payable	\$ —	363	—	363	363
Securities loaned	—	1,541	—	1,541	1,541
Securities sold under agreements to repurchase	—	5,965	—	5,965	5,965
Payables to customers	—	21,712	—	21,712	21,712
Payables to broker- dealers and clearing organizations	—	3,953	—	3,953	3,953
Due to affiliates	—	1,839	—	1,839	1,839
Accounts payable, accrued expenses other	—	509	—	509	509
Total	\$ —	35,882	—	35,882	35,882

Fair value can vary from period to period based on changes in a wide range of factors, including interest rates, credit quality, and market perceptions of value and as existing assets and liabilities run off and new transactions are entered into.

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Offsetting Assets and Liabilities

The following table presents financial instruments that are either subject to an enforceable netting agreement or offset by collateral arrangements. There were no financial instruments subject to a netting agreement for which the Company is not currently netting (dollars in millions).

Financial assets subject to enforceable master netting agreements

December 31, 2021	Gross assets recognized	Gross amounts offset in the statement of financial condition	Net assets recognized on the statement of financial condition	Gross amounts not offset		Net amount
				(1) Financial instruments	Cash collateral received	
Securities borrowed	\$ 8,812	—	8,812	8,573	—	239
Securities purchased under agreements to resell	5,790	362	5,428	5,399	—	29
Total financial assets subject to enforceable master netting agreement	<u>\$ 14,602</u>	<u>362</u>	<u>14,240</u>	<u>13,972</u>	<u>—</u>	<u>268</u>

Financial liabilities subject to enforceable master netting agreements

	Gross liabilities recognized	Gross amounts offset in the statement of financial condition	Net liabilities recognized on the statement of financial condition	Gross amounts not offset		Net amount
				(1) Financial instruments	Cash collateral pledged	
Securities loaned	\$ 1,541	—	1,541	1,478	—	63
Securities sold under agreements to repurchase	6,327	362	5,965	5,965	—	—
Total financial liabilities subject to enforceable master netting agreement	<u>\$ 7,868</u>	<u>362</u>	<u>7,506</u>	<u>7,443</u>	<u>—</u>	<u>63</u>

(1) The total amount reported in financial instruments is limited to the amount of the related instruments presented in the statement of financial condition and therefore any over-collateralization of these positions is not included.

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Repurchase Agreements and Securities Lending

The following table presents the contract value of repurchase agreements and securities lending transactions accounted for as secured borrowings by the type of collateral provided to counterparties.

Repurchase agreements and securities lending transactions accounted for as secured borrowings at December 31, 2021

<i>(in millions)</i>	Remaining contractual maturity of the agreements				Total
	Overnight and continuous	Up to 30 days	30 days or more		
Repurchase agreements:					
U.S. Treasury	\$ 1,096	\$ —	\$ 450	\$	1,546
U.S. Government agencies	63	—	—		63
State and political subdivisions	43	16	785		844
Agency RMBS	753	1	—		754
Non-agency RMBS	—	1	1		2
Commercial paper/CDs	—	29	244		273
Corporate bonds	97	77	1,140		1,314
Equity securities	—	276	1,255		1,531
Total repurchase agreements	\$ 2,052	\$ 400	\$ 3,875	\$	6,327
Securities Lending:					
U.S. Government agencies	4	—	—		4
Agency RMBS	152	—	—		152
Agency commercial MBS	15	—	—		15
Corporate bonds	69	—	—		69
Equity securities	1,301	—	—		1,301
Total securities loaned	\$ 1,541	\$ —	\$ —	\$	1,541
Total borrowings	\$ 3,593	\$ 400	\$ 3,875	\$	7,868

The Company's repurchase agreements and securities lending transactions primarily encounter risk associated with liquidity. The Company is required to pledge collateral based on predetermined terms within the agreements. If the Company were to experience a decline in the fair value of the collateral pledged for these transactions, additional collateral could be required to be provided to the counterparty, thereby decreasing the amount of assets available for other liquidity needs that may arise.

As of December 31, 2021, the Company has \$425 million of collateral related to repurchase agreements that had remaining contractual maturities that exceeded 90 days.

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(5) Fixed Assets

Fixed assets are included in other assets on the statement of financial condition and consists of the following (dollars in millions):

Capitalized software	\$	279
Leasehold improvements		46
Computer software		22
Computer equipment		1
Other		67
		<hr/>
Total		415
Less accumulated depreciation		(235)
		<hr/>
Total fixed assets, net	\$	<u><u>180</u></u>

The Company recorded computer equipment, computer software, and internal developed software retirements and write offs of \$96.8 million as of December 31, 2021.

(6) Leasing

The Company has non-cancelable operating leases for office space that expire on various dates through 2037, some of which include options to extend or terminate the lease.

The following table presents the statement of financial condition information related to operating leases.

Statement of financial condition information	December 31, 2021
<i>(dollar in thousands)</i>	Operating leases
Right-of-use assets (a)	\$ 163.1
Lease liability (b)	\$ 193.3

Weighted average:

Remaining lease term	14.5 year
Discount rate (annualized)	2.41%

(a) Included in other assets on the statement of financial condition.

(b) Operating lease liabilities are included in accounts payable, accrued expenses and other on the statement of financial condition.

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The following table presents cash flow information related to leases.

Cash flow information (in millions)	Year-to-Date ended December 31, 2021
Cash paid for amounts included in measurement of liabilities:	
Operating cash flows from finance leases	\$ —
Operating cash flows from operating leases	11.5
Financing cash flows from finance leases	—

The following table presents the maturities of lease liabilities.

Maturities of lease liabilities (in millions)	Operating leases
For the year ended December 31	
2022	9.4
2023	15.6
2024	15.6
2025	15.6
2026	15.7
Thereafter	159.7
Total lease payments	231.6
Less: Imputed interest	38.3
Total	\$ 193.3

(7) Third Party Bank Loans and Lines of Credit

The Company has \$350 million in uncommitted lines of credit with non-affiliated banks as of December 31, 2021. There were no borrowings against these lines of credit at December 31, 2021. Interest on such borrowings is determined at the time each loan is initiated.

(8) Income Taxes

The deferred income taxes reflect the tax effects of temporary differences between the financial reporting and tax bases of asset and liabilities. The Company has a gross deferred tax asset of \$60.7 million and a gross deferred tax liability of \$81.6 million at December 31, 2021. The deferred tax asset is primarily attributable to operating lease liabilities, while the deferred tax liability is primarily attributable to operating lease right-of-use assets. The net deferred tax liability is \$20.9 million. The Company has not recorded a valuation allowance because the Company believes it is more likely than not that the deferred tax assets will be realized.

Federal and state taxes payable due to BNY Mellon of \$22.9 million and \$1.7 million, respectively, are included in affiliate payables on the statement of financial condition. State taxes payable of \$7.7 million are included in accounts payable, accrued expenses and other on the statement of financial condition.

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BNY Mellon's federal consolidated income tax returns are closed to examination through 2016. The New York State and New York City income tax returns are closed to examination through 2014. The Company's New Jersey income returns are closed to examination through 2014.

(9) Related Party Transactions

The Company provides clearing, sales and trading, and brokerage related services to indirect wholly owned subsidiaries of BNY Mellon. Balances due from/to these affiliates related to these services were approximately \$391.8 million and \$55.4 million, respectively. They are included in receivables from affiliates and payables to affiliates, respectively, on the statement of financial condition. The Company had securities failed to deliver of \$50.0 million and securities failed to receive of \$94.9 million with affiliates. They are included in receivables from broker-dealers and clearing organizations and payables to broker-dealers and clearing organizations, respectively, on the statement of financial condition.

The Company has \$5.6 billion of unsecured loan facilities with the Parent. At December 31, 2021, there were borrowings against the loan facilities of approximately \$1.646 billion included in payables to affiliates. The Company also has loan agreements with two affiliates. At December 31, 2021, there were borrowings against the loans of approximately \$33 million, which are included in payables to affiliates.

Balances due to BNY Mellon for taxes, payroll, technology and leased equipment were \$104.7 million and are included in payables to affiliates on the statement of financial condition. The Company maintains a collateralized financing arrangement with an affiliate associated with repurchase agreements, with the maximum facility of \$200 million. At December 31, 2021, the Company did not have any affiliated repurchase agreement transactions. At December 31, 2021, the Company had not entered into securities lending agreements with another affiliate.

For the year ended December 31, 2021, the Company leased furniture and fixtures and computer and other communications equipment from an affiliate.

Additionally, the Company contracts through certain related parties acting in their role as agents to facilitate transactions between the Company and certain principal third parties for securities borrowed and tri-party repurchase or reverse repurchase transactions. Any risk assumed in these transactions is solely between the principal third parties and the Company.

(10) Employee Benefit Plans

BNY Mellon sponsors a 401(k) plan (the Plan) for its active employees. The Plan offers the Company's employees the opportunity to plan, save and invest for their future financial needs. The Company makes periodic contributions to the Plan based on the discretion of management.

(11) Pledged Assets and Guarantees

Under the Company's collateralized financing arrangements and other business activities, the Company either receives or provides collateral. In many cases, the Company is permitted to sell or repledge these securities held as collateral. At December 31, 2021, the fair value of securities received as collateral where the Company is permitted to sell or repledge the securities was \$51,428 million and the fair value of the

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portion that had been sold or repledged was \$25,579 million. The details of these sources and the uses of collateral are noted in the below tables (dollars in millions).

Source of available collateral – received, borrowed or owned:

Financial instruments owned, at fair value	\$ 22
Securities borrowed	8,587
Securities purchased under agreements to resell	5,761
Margin securities available to sell or re-pledge	37,058
	<hr/>
Total source of collateral	\$ 51,428
	<hr/>

Use of available collateral – re-pledged, loaned or sold:

Financial instruments sold, not yet purchased, at fair value	\$ 1
Securities loaned	1,478
Securities sold under agreements to repurchase	6,592
Pledged to clearing corporations	1,281
Short sale covering	12,113
Qualified securities segregated for regulatory purposes	4,114
	<hr/>
Total use of collateral	\$ 25,579
	<hr/>

The Company also conducts a fully paid lending program, in which customers agree to make available their fully paid securities to be loaned to third parties in exchange for a fee. At December 31, 2021, the fair value of the securities borrowed under this program was \$24 million and is included in securities borrowed and securities loaned on the statement of financial condition and included in the table above.

Obligations under Guarantees

The Company applies the disclosure and recognition requirements for guarantees in accordance with ASC Topic 460, *Guarantees*, whereby the Company will recognize a liability at the inception of a guarantee for obligations it has undertaken in issuing the guarantee, including its ongoing obligation to stand ready to perform over the term of the guarantee in the event that certain events or conditions occur.

The Company provides guarantees to securities clearinghouses and exchanges. Under the standard membership agreement, members are required to guarantee the performance of other members. Under the agreements, if another member becomes unable to satisfy its obligations to the clearinghouse, other members would be required to meet shortfalls. The Company's liability under these arrangements is not quantifiable or limited and could exceed the cash and securities it has posted as collateral. However, management believes the potential for the Company to be required to make payments under these arrangements is remote. Accordingly, no contingent liability is carried on the statement of financial condition for these arrangements.

In connection with its securities clearing business, the Company performs securities execution, clearance and settlement services on behalf of other broker-dealer clients. Management believes the potential for the Company to be required to make unreimbursed payments relating to such services is remote due to the

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contractual capital requirements associated with clients' activity and the regular review of clients' capital. Accordingly, no contingent liability is carried on the statement of financial condition for these transactions.

(12) Commitments and Contingences

As of December 31, 2021, the Company had commitments with twenty clients to lend a maximum total of \$1,323 million for various terms. These commitments consisted of outstanding loans of \$1,247 million, and unfunded commitments totaling \$76 million.

The Company is involved in various legal proceedings arising in connection with the Company's business activities. Based on currently available information and the advice of counsel, the Company believes that the aggregate results of all such proceedings will not have a material adverse effect on the Company's financial condition. The Company intends to defend itself vigorously against all claims asserted against it. In accordance with applicable accounting guidance, the Company establishes reserves for litigation and settlements for which loss contingencies are both probable and estimable. The Company will continue to monitor all such matters and will adjust the reserve amounts as appropriate.

Matters Related to R. Allen Stanford

In late December 2005, Pershing LLC ("Pershing") became a clearing firm for Stanford Group Co. ("SGC"), a registered broker-dealer that was part of a group of entities ultimately controlled by R. Allen Stanford ("Stanford"). Stanford International Bank, also controlled by Stanford, issued certificates of deposit ("CDs"). Some investors allegedly wired funds from their SGC accounts to purchase CDs. In 2009, the Securities and Exchange Commission charged Stanford with operating a Ponzi scheme in connection with the sale of CDs, and SGC was placed into receivership. Alleged purchasers of CDs have filed two putative class action proceedings against Pershing: one in November 2009 in Texas federal court, and one in May 2016 in New Jersey federal court. On November 5, 2021, the court dismissed the class action filed in New Jersey. Three lawsuits remain against Pershing in Louisiana and New Jersey federal courts, which were filed in January 2010, October 2015 and May 2016. The purchasers allege that Pershing, as SGC's clearing firm, assisted Stanford in a fraudulent scheme and assert contractual, statutory and common law claims. In March 2019, a group of investors filed a putative class action against The Bank of New York Mellon in New Jersey federal court, making the same allegations as in the prior actions brought against Pershing. On November 12, 2021, the court dismissed the class action against The Bank of New York Mellon. All the cases that have been brought in federal court against Pershing and the case brought against The Bank of New York Mellon have been consolidated in Texas federal court for discovery purposes. In July 2020, after being enjoined from pursuing claims before the Financial Industry Regulatory Authority, Inc. ("FINRA"), an investment firm filed an action against Pershing in Texas federal court. This action has been resolved. Various alleged Stanford CD purchasers asserted similar claims in FINRA arbitration proceedings.

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(13) Regulatory Requirements

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule under Rule 15c3-1 of the Securities Exchange Act of 1934 and has elected to use the alternative method of computing regulatory net capital requirements provided for in that Rule. Under the alternative method, the required net capital may not be less than two percent of aggregate debit items arising from customer transactions or \$1.5 million, whichever is greater. At December 31, 2021, the Company's regulatory net capital of approximately \$2.8 billion was 13.84% of aggregate debit items and in excess of the minimum requirement by approximately \$2.35 billion.

Advances to affiliates, repayment of borrowings, dividend payments to Parent and other equity withdrawals are subject to certain notification and other provisions of the Rule 15c3-1 and other regulatory bodies.

Pursuant to Rule 15c3-3 of the SEC, the Company may be required to deposit in a Special Reserve Bank Account, cash or acceptable qualified securities for the exclusive benefit of customers. At December 31, 2021, the Company had approximately \$7.8 billion of cash and acceptable qualified securities on deposit in such accounts.

As a clearing broker, the Company is required to compute a reserve requirement for the proprietary accounts of broker-dealers (the PAB Reserve Formula). As of December 31, 2021, the Company had approximately \$94 million of cash deposits and acceptable qualified securities in accounts designated for the exclusive benefit of PAB pursuant to Rule 15c3-3 of the SEC.

(14) Financial Instruments and Related Risks

(a) Customer Activities

Certain market and credit risks are inherent in the Company's business, primarily in facilitating customers' trading and financing transactions in financial instruments. In the normal course of business, the Company's customer activities include execution, settlement, and financing of various customer securities, which may expose the Company to both on and off-balance sheet risk in the event the customer is unable to fulfill its contractual obligations.

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to customers, which is collateralized by cash and/or securities in the customer's account. In connection with these activities, the Company executes and clears customer transactions involving securities sold but not yet purchased and option contracts. The Company seeks to control risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory, exchange and internal guidelines. The Company monitors required margin levels daily; pursuant to such guidelines, the Company requires the customer to deposit additional collateral or to reduce positions, when necessary. Such transactions may expose the Company to significant off-balance sheet risk in the event the collateral is not sufficient to fully cover losses which customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell the collateral at prevailing market prices in order to fulfill the customer's obligations.

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The Company's customer financing and securities settlement activities may require the Company to pledge customer securities as collateral in support of various secured financing sources, such as securities loaned. Additionally, the Company pledges customer securities as collateral to satisfy margin deposits of the Options Clearing Corporation. In the event the counterparty is unable to meet its contractual obligation to return customer securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its obligation. The Company controls this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposures.

(b) Credit Risk

As a securities broker and dealer, the Company is engaged in various securities trading and brokerage activities servicing a diverse group of domestic and foreign corporations, governments, and institutional and individual investors. A substantial portion of the Company's transactions is executed with and on behalf of institutional investors including other broker-dealers, banks, U.S. government agencies, mutual funds, hedge funds and other financial institutions.

Credit risk is the potential for loss resulting from the default by a counterparty of its obligations. Exposure to credit risk is generated by securities and currency settlements, contracting derivative and forward transactions with customers and dealers, and the holding in inventory of loans. The Company uses various means to manage its credit risk. The creditworthiness of all counterparties is analyzed at the outset of a credit relationship with the Company. These counterparties are subsequently reviewed on a periodic basis. The Company sets a maximum exposure limit for each counterparty, as well as for groups or classes of counterparties. Furthermore, the Company enters into master netting agreements when feasible and demands collateral from certain counterparties or for certain types of credit transactions.

(c) Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market or fair value of a particular financial instrument. All financial instruments are subject to market risk. The Company's exposure to market risk is determined by a number of factors, including size, duration, composition and diversification of positions held, the absolute and relative level of interest rates and foreign currency exchange rates, as well as market volatility and liquidity. The Company manages market risk by setting and monitoring adherence to risk limits.

Financial instruments sold, not yet purchased represent obligations of the Company to deliver the specified security at the contracted price and thereby, create a liability to purchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk, as the Company's ultimate obligation to satisfy the sale of financial instruments sold, not yet purchased may exceed the amount reflected in the statement of financial condition.

(d) Operational Risk

In providing a comprehensive array of products and services, the Company may be exposed to operational risk. Operational risk may result from, but is not limited to, errors related to transaction

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processing, breaches of internal control systems and compliance requirements, fraud by employees or persons outside the Company or business interruption due to systems failures or the other events. Operational risk may also include breaches of the Company's technology and information systems resulting from unauthorized access to confidential information or from internal or external threats, such as cyber attacks. Operational risk also includes potential legal or regulatory actions that could arise as a result of noncompliance with applicable laws and/or regulatory requirements. In the case of an operational event, the Company could suffer a financial loss as well as damage to our reputation.

(e) *Financial Instruments with Off-Balance-Sheet Risk*

The Company may enter into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments may include forward foreign exchange contracts that are used to meet the needs of customers. Generally, forward foreign exchange contracts represent future commitments to purchase or sell foreign currency at specific terms at specified future dates.

(f) *Impact of coronavirus pandemic on our business*

The coronavirus pandemic has had a significant effect on the global macroeconomic environment. Since March 2020, the vast majority of our employees have worked from home. They have been fully operational with minimal disruption to servicing our clients. Market volatility associated with the performance of global equity and fixed income markets and lower interest rates has had, and may continue to have, an impact on our business.

Given the decrease in short-term interest rates, there was a significant increase in money market mutual fund fees that were waived, which reduced fee revenue. It is difficult to forecast the impact of the coronavirus, together with related public health measures, on our results with certainty because so much depends on how the health crisis evolves, its impact on the global economy as well as actions taken by central banks and governments to support the economy and the availability, use and effectiveness of vaccines.

(15) Subsequent Events

The Company has evaluated subsequent events from December 31, 2021 through February 25, 2022, the date the Company's statement of financial condition is available to be issued.



KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Independent Service Auditor's Report

To the Audit Committee of The Bank of New York Mellon Corporation:

Scope

We have examined BNY Mellon | Pershing ("Pershing")'s description of its system entitled "BNY Mellon | Pershing's Description of its Introducing Firm Services, Prime Services, and Managed Accounts Operations System" for processing user entities' transactions throughout the period October 1, 2020 to September 30, 2021 (the "description") and the suitability of the design and operating effectiveness of the controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in "BNY Mellon | Pershing's Assertion" (the "assertion"). The controls and control objectives included in the description are those that management of Pershing believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the introducing firm services, prime services, and managed accounts operations system that are not likely to be relevant to user entities' internal control over financial reporting.

The information included in Section V, "Other Information Provided by BNY Mellon | Pershing", is presented by management of Pershing to provide additional information and is not a part of Pershing's description of its introducing firm services, prime services, and managed accounts operations system made available to user entities during the period October 1, 2020 to September 30, 2021. Information about Pershing's management response details; information about relevance of the controls to the user entities; NetX360 Report Center completeness and accuracy; Pershing's enterprise resiliency overview including pandemic planning overview / COVID-19 impact; and SEC Rule 206(4)-2 "Custody of Funds or Securities of Clients by Investment Advisers" under the Investment Advisers Act of 1940 has not been subjected to the procedures applied in the examination of the description of the introducing firm services, prime services, and managed accounts operations system and of the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description of the introducing firm services, prime services, and managed accounts operations system, and, accordingly, we express no opinion on it.

Pershing uses subservice organizations for market data, pricing of securities, portfolio accounting, prime services, checks, disbursements, confirm and statement printing, certain information technology services, and for cloud hosting services. Pershing also uses the services of BNY Mellon Technology to provide information technology infrastructure support and to administer centrally managed information technology controls for some of the Pershing systems. The description includes only the control objectives and related controls of Pershing and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by Pershing can be achieved only if complementary subservice organization controls assumed in the design of Pershing's controls are suitably designed and operating effectively, along with the related controls at Pershing. Our examination did not extend to controls of the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of Pershing's controls are suitably designed and operating effectively, along with related controls at Pershing. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

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Service organization's responsibilities

In Section II, Pershing has provided an assertion about the fairness of the presentation of the description and suitability of the design and the operating effectiveness of the controls to achieve the related control objectives stated in the description. Pershing is responsible for preparing the description and its assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

Service auditor's responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period October 1, 2020 to September 30, 2021. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involve:

- Performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion
- Assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description
- Testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved
- Evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion

Inherent limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives stated in the description is subject to the risk that controls at a service organization may become ineffective.

Description of tests of controls

The specific controls tested and the nature, timing and results of those tests are listed in Section IV.



Opinion

In our opinion, in all material respects, based on the criteria described in BNY Mellon | Pershing's assertion:

- a. The description fairly presents the introducing firm services, prime services, and managed accounts operations system that was designed and implemented throughout the period October 1, 2020 to September 30, 2021.
- b. The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period October 1, 2020 to September 30, 2021, and subservice organizations and user entities applied the complementary controls assumed in the design of Pershing's controls throughout the period October 1, 2020 to September 30, 2021.
- c. The controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period October 1, 2020 to September 30, 2021 if complementary subservice organization and user entity controls, assumed in the design of Pershing's controls, operated effectively throughout the period October 1, 2020 to September 30, 2021.

Restricted use

This report, including the description of tests of controls and results thereof in Section IV, is intended solely for the information and use of management of Pershing, user entities of Pershing's introducing firm services, prime services, and managed accounts operations system during some or all of the period October 1, 2020 to September 30, 2021, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Philadelphia, Pennsylvania
December 3, 2021

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BNY MELLON | PERSHING

One Pershing Plaza
Jersey City, NJ 07399
pershing.com

January 3, 2022

To Whom It May Concern:

We have reviewed the internal control environment of Pershing LLC ('Pershing') which is applicable to the Pershing business described in Pershing's System and Organization Control Report (SOC1®) for the period of October 1, 2020 through September 30, 2021. The SOC1® Report includes the Independent Service Auditor's Report, KPMG LLP, dated December 3, 2021. To the best of our knowledge there have been no significant changes to Pershing's internal controls, as described in the SOC1® Report, for the period of October 1, 2021 through December 31, 2021 that would materially affect our internal control environment.

Please note, we did not perform procedures to determine the operating effectiveness of the internal controls for the period of October 1, 2021 through December 31, 2021. Accordingly, we express no opinion on the operating effectiveness of any aspects of the controls, individually or in the aggregate.

The information contained in this letter is confidential and proprietary to Pershing LLC and must be treated in accordance with the standard of care specified in your written agreement with Pershing LLC or its affiliate. You should not disclose this letter or provide a copy of it to any third party without the prior written consent of Pershing LLC. However, you may provide a copy of this letter to your independent auditors only for the purposes of their examination of the service performed by Pershing LLC as it relates to an audit of your financial statements and for no other purposes.

Pershing LLC

*SOC1 is a registered trademark of the American Institute of Certified Public Accountants (AICPA), which reserves all rights.

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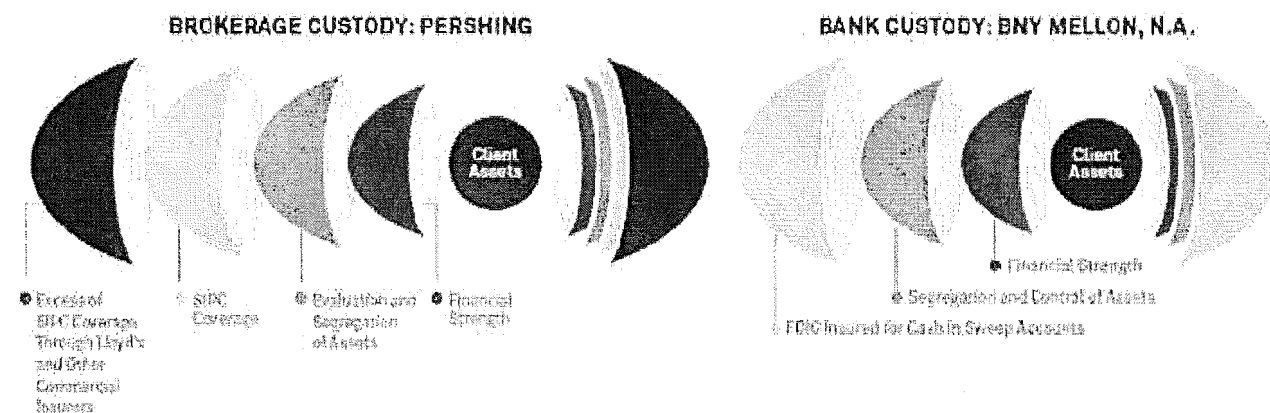
4TH QUARTER 2021

Understanding the Protection of Client Assets

BNY MELLON'S PERSHING: STRENGTH, STABILITY AND FOCUS

Pershing works behind the scenes on behalf of your wealth manager or financial firm to provide a variety of services and custody your assets. Pershing has been a leading global provider of financial business solutions for more than 80 years, so you can feel confident that your assets are in strong hands. Pershing is the trusted choice of approximately 1,200 firms, representing more than seven million investors and is committed to the protection, servicing and reporting of assets for investors like you.

The Protection of Client Assets Remains at the Center of Our Focus



FINANCIAL STRENGTH—DECEMBER 31, 2021

BNY MELLON'S PERSHING

- Over \$2.0 trillion in global client assets
- Net capital of over \$2.0 billion—well above the minimum requirement

THE BANK OF NEW YORK MELLON CORPORATION

- \$46.7 trillion in assets under custody and/or administration
- \$2.4 trillion in assets under management

Segregation and Control of Assets

BROKERAGE CUSTODY: PERSHING

Pershing's core financial strength provides the first measure of protection for our global client assets. Our parent company, BNY Mellon, is one of the world's largest global custodians. While financial strength does not protect against loss due to market fluctuation, our internal controls and regulatory oversight help maintain our stability and focus.

Pershing protects client assets through rigorous internal control measures. An annual audit by a major independent audit firm and the audit team at our parent company, BNY Mellon, helps to monitor controls that are in place. In addition, a Service Organization Control report conducted by an independent audit firm provides additional evaluation of the design and operating effectiveness of Pershing's internal controls.

Clients' fully paid-for physical assets are segregated from our own, with quarterly vault inspections conducted. In addition, we segregate cash and/or qualifying securities in special reserve bank accounts for the exclusive benefit of clients, to protect clients' funds in the unlikely event of Pershing's failure and liquidation.

Pershing is a FINRA member broker-dealer registered with the U.S. Securities and Exchange Commission (SEC). Pershing is registered in all 50 states as well as the District of Columbia and Commonwealth of Puerto Rico, and certain foreign jurisdictions.

BANK CUSTODY: BNY MELLON, N.A.

BNY Mellon, N.A.'s structure requires clients' securities be segregated from the securities of the bank, and from those of other clients. The securities in a client's account with BNY Mellon, N.A. are the property of that client and are held in nominee name. As clients' assets and accounts are separately accounted for, creditors of The Bank of New York Mellon Corporation and those of BNY Mellon, N.A., and their subsidiaries do not have any rights to the securities in client accounts. Shares of money market mutual funds, as investment securities, also fall within this rule. Any asset, of course, is subject to losses or gains from an investment perspective.

There are also established regulatory controls that cover our institution. As a publicly traded company, The Bank of New York Mellon Corporation periodically files publicly available reports with the SEC. In addition, as a financial holding company, it is regulated by the Board of Governors of the Federal Reserve System. BNY Mellon, N.A. is regulated by the Office of the Comptroller of the Currency, which is part of the U.S. Department of the Treasury.

Additional Protection

BROKERAGE CUSTODY

Securities Investor Protection Corporation®
(SIPC®) Coverage

Pershing is a member of SIPC. Securities in your account protected up to \$500,000. For details, please see www.sipc.org.

Excess of SIPC Coverage Through Underwriters at Lloyd's and Other Commercial Insurers

In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits from certain underwriters in Lloyd's insurance market and other commercial insurers. The excess of SIPC coverage is valid through February 10, 2023 for Pershing LLC accounts. It provides the following protection for Pershing LLC's global client assets:

- An aggregate loss limit of \$1 billion for eligible securities—over all client accounts
- A per-client loss limit of \$1.9 million for cash awaiting reinvestment—within the aggregate loss limit of \$1 billion

SIPC and the excess of SIPC coverage do not protect against loss due to market fluctuation.

An excess of SIPC claim would only arise if Pershing failed financially and client assets for covered accounts—as defined by SIPC—cannot be located due to theft, misplacement, destruction, burglary, robbery, embezzlement, abstraction, failure to obtain or maintain possession or control of client securities, or to maintain the special reserve bank account required by applicable rules.

BANK CUSTODY

Federal Deposit Insurance Corporation
(FDIC) Protection

BNY Mellon, N.A. clients holding bank cash deposits—which include a sweep account for bank custody products—receive separate protection.

The FDIC standard maximum insurance amount is \$250,000 per depositor, per insured bank, in each account ownership category. The FDIC rules are very specific. For a complete explanation of the FDIC's regulations, we encourage our clients to visit fdic.gov.

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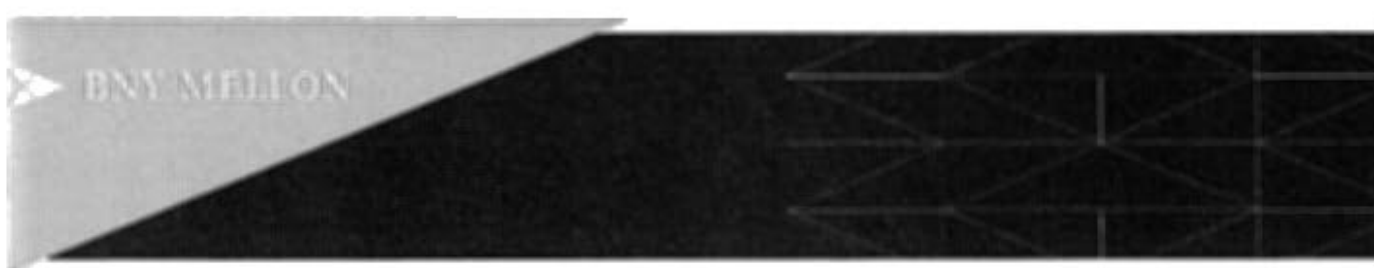
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pershing.com

One Pershing Plaza, Jersey City, NJ 07309

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BNY Mellon Insurance Coverage

All coverage is regularly reviewed and renewed prior to expiration dates. Our policies are stand-alone policies and loss limits are not combined.

The insurance coverage listed provides protection for The Bank of New York Mellon Corporation and all other corporations, companies, firms, enterprises or entities which are subsidiaries of or affiliated with it and in which the named Insured has more than 50% ownership. All carriers identified herein are rated A- or better by A.M. Best.

Financial Institutions Bond / Computer Crime Coverage	
Per Loss Limit:	\$150,000,000
Carrier:	Lloyd's of London
Coverage Type:	a) Dishonesty of employees b) Forgery of securities, checks, drafts or other written instruments Loss or destruction of cash or securities on or off premises
Expiration:	December 1, 2022

All Risk Money and Securities Coverage – J Form (On Premises and In Transit) Excess of the F. I. Bond	
Per Loss Limit:	\$850,000,000
Carrier:	Lloyd's of London
Coverage Type:	Loss or destruction of cash or securities on or off premises (including securities of others held in custody or held at sub-custodian).
Expiration:	December 1, 2022

Mail Insurance (Per Envelope Limit)	
Per Envelope Limit:	\$100,000,000 non-negotiable \$10,000,000 negotiable
Carrier:	Chubb Group of Insurance Companies
Coverage Type:	All risk of physical loss of property sent by registered mail or overnight courier.
Expiration:	Continuous

Bankers Professional Liability / Professional indemnity (E&O)	
Per Loss Limit:	\$100,000,000
Carrier:	AXA XL, WR Berkley, Axis, CV Starr, Nationwide, BNY Trade Insurance Ltd.
Coverage Type:	Losses due to errors or omissions
Expiration:	December 1, 2022

Directors and Officers Liability	
Per Loss Limit:	Corporate: \$75,000,000 Individual: \$75,000,000
Carrier:	AXA XL, AIG, Markel, AWAC & Nationwide
Coverage Type:	Coverage for wrongful acts in respective capacities of Directors or Officers of the Company
Expiration:	December 1, 2022



All Risk Property

Per Loss Limit:	\$800,000,000
Carrier:	Lexington Insurance Company (AIG)
Coverage Type:	Physical damage coverage for all real and personal property including Data Processing equipment, Business Interruption, Boiler and Machinery Service Interruption / Extra Expense, Earthquake / Flood, Fine Arts
Expiration:	June 1, 2022
Coverage Type:	Terrorism
Per Loss Limit:	\$800,000,000
Carrier:	The Hamilton Insurance Company Corp
Expiration:	June 1, 2022

Enterprise Privacy Liability (Cyber)

Per Loss Limit:	\$300,000,000 Third Party Liability
	\$300,000,000 Extra Expense
Coverage Type:	Lloyd's of London & other domestic and int'l carriers
Expiration:	Privacy breach and internet liability
	December 1, 2022

Workers' Compensation / Employers Liability (Domestic)

Per Loss Limit:	Statutory
	\$1,000,000 – Limit for Employers Liability
Carrier:	AIG
Coverage Type:	Job related injuries
Expiration:	April 1, 2022

Primary General Liability (Domestic)

Per Loss Limit:	\$2,000,000
Carrier:	Chubb
Coverage Type:	Third party bodily injury / property damage
Expiration:	April 1, 2022

Primary Automobile Liability (Domestic)

Per Loss Limit:	\$2,000,000
Carrier:	Chubb
Coverage Type:	Third party bodily injury / property damage
Expiration:	April 1, 2022

Excess / Umbrella Liability

Per Loss Limit:	\$25,000,000
Carrier:	AIG & AWAC
Coverage Type:	Liability coverage in excess of primary coverage
Expiration:	April 1, 2022

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Information Classification: Public

#38

COMMUNICATION

Hurry, the **deadline to buy tickets is Feb. 8!** Purchase in person at City Hall Treasury Office (during business hours) or online by clicking: <http://bit.ly/3Jx2eEk>, then click Register Here! Tickets can also be purchased on Feb. 7 (only) between 5 and 6 p.m. For more information, call 248-758-3039.

Please share with your family, friends and social media connections! See you there!

PARKS & RECREATION PRESENTS

Pontiac Princess

Daddy Daughter

Dinner Dance

ON

FEB | **11** | 2023

5PM - 7PM

Lafayette Grande Ballroom

♥ ♥ 1 Lafayette St, Pontiac, MI 48342 ♥ ♥

Tickets are \$30 a couple for Residents
\$40 a couple for Non-Residents

PONTIAC
The HEART of Oakland County

For more information contact (248) 758-3039

#39

COMMUNICATION

PONTIAC RESOURCE FAIR FOR CURRENT & FUTURE HOMEOWNERS

February 18, 2023 | 11 a.m. - 2 p.m.

Bowens Senior Center • 52 Bagley, Pontiac, MI 48341

Current and future homeowners are invited to learn more about free resources available to them, including help available to those purchasing a house or maintaining their homes.

Attendees will learn:

- How a mortgage works
- How to access down payment assistance
- How to find home repair assistance
- The importance of a home inspection
- Foreclosure prevention tips
- How to access hardship assistance
- Ways to repair their credit

Hosted by Commissioner Angela Powell, Oakland County District #9, and Norbert Burrows, REALTOR® and founder of the I Am the Village Foundation, the event will feature speakers from the Oakland County Treasurer's Office and Oakland County's Neighborhood & Housing Development Division.

In addition, representatives from Chase, Flagstar, United Wholesale Mortgage, Lighthouse, the Pontiac Housing Commission and Core Title will be onsite to share information and answer questions.

Attendees will also have the chance to win a free home inspection and other prizes!



Norbert Burrows, REALTOR®
248-242-2182
norbert.burrows@exp Realty.com



Angela Powell, Commissioner
248-214-6395
powellan@oakgov.com



Registration is encouraged, but not required. Participants will also be able to register at the event. Use the QR code to sign up today!