



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

CITY OF PONTIAC, MICHIGAN

ORDER NO. S-51 OF THE EMERGENCY FINANCIAL MANAGER

To: Mark Hotz, City Attorney
Yvette Talley, City Clerk
Devin Scott, Acting Human Resources Director

Date: March 8, 2011

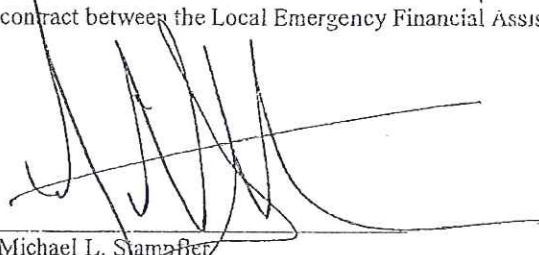
Subject: Risk management third party administrator

The Local Government Fiscal Responsibility Act (Act 72 of 1990/MCL 141.1201, et. seq.) in Section 141.1219 empowers an Emergency Financial Manager to issue the orders a Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 141.1221 (1) provides that an Emergency Financial Manager may take one or more additional actions with respect to a local government in which a financial emergency has been determined to exist including: ... (f) Make, approve, or disapprove any appropriation, contract, expenditure...."

The City of Pontiac expends millions of dollars in risk management activities. To manage properly the risk management activities as a third party administrator, a contract between CompOne Administrators, Inc. and the City of Pontiac (attached) is approved for a term beginning January 1, 2011 and ending January 1, 2014 with a cap not to exceed forty thousand dollars (\$40,000).

The Acting Human Resources Director is ordered to instruct his staff to provide all records required by CompOne to perform their services.

This order is necessary to carry out the duties and responsibilities required of the Emergency Financial Manager as set forth in the Local Government Fiscal Responsibility Act (Act 72 of 1990/MCL 141.1201, et seq.) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Financial Manager.


Michael L. Stampfler
Emergency Financial Manager

cc: State of Michigan Department of Treasury
Mayor Leon Lukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

RECEIVED
MAR 11 2011
PONTIAC
CITY CLERK'S OFFICE

CITY OF PONTIAC, MICHIGAN

ORDER NO. S-52 OF MICHAEL L. STAMPFLER
EMERGENCY FINANCIAL MANAGER

To: Yvette Tally, City Clerk ✓
Alan Schneck, Director Department of Public Works & Utilities

Re: Adoption of resolution approving the Specialized Services Operating Assistance Program
Third-Party Contract

Date: March 8, 2011

The Local Government Fiscal Responsibility Act (Act 72 of 1990/MCL 141.1201, et. seq.) in Section 141.1219 empowers an Emergency Financial Manager to issue the orders a Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 141.1221 (1) provides that an Emergency Financial Manager may take one or more additional actions with respect to a local government in which a financial emergency has been determined to exist including: ... (f) Make, approve, or disapprove any appropriation, contract, expenditure... and (p) [e]xercise the authority and responsibilities of the chief administrative officer and governing body concerning the adoption, amendment, and enforcement of ordinances or resolutions affecting the financial condition of the unit of local government as provided in the following acts: (i) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38...."

In my capacity as the Emergency Financial Manager for the City of Pontiac, I am approving the Specialized Services Operating Assistance Program Third-Party Contract with the Suburban Mobility Authority for Regional Transportation for the period from October 1, 2010 to September 30, 2010 to provide transportation services primarily designed for persons who are handicapped or who are sixty-five (65) years of age or older. Pursuant to the Contract, the maximum obligation for the provision of funds to the City by the Suburban Mobility Authority for Regional Transportation is \$13,761.

The Director of the Department of Public Works & Utilities is ordered to insure that program expenditures do not exceed the amount of the grant.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED

MAR 11 2011

PONTIAC
CITY CLERK'S

CITY OF PONTIAC, MICHIGAN

ORDER NO. S-53 OF THE EMERGENCY FINANCIAL MANAGER

To: Yvette Talley, City Clerk

Date: March 10, 2011

Subject: Administrative Appointment

The Local Government Fiscal Responsibility Act (Act 72 of 1990/MCL 141.1201, et. seq.) in Section 141.1219 empowers an Emergency Financial Manager to issue the orders a Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 141.1221 (1) provides that an Emergency Financial Manager may take one or more additional actions with respect to a local government in which a financial emergency has been determined to exist including: ... (i) Notwithstanding the provisions of any charter to the contrary... appoint, supervise, and at his or her discretion... heads of departments....

I have determined that it is in the best interests of the municipality to appoint Ms. Wendy Keely-Reyes as Acting Police Chief commencing at 5:00 p.m. on Thursday, March 10, 2011.

This order is necessary to carry out the duties and responsibilities required of the Emergency Financial Manager as set forth in the Local Government Fiscal Responsibility Act (Act 72 of 1990/MCL 141.1201, et seq.) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Financial Manager.

Michael L. Stampfler
Emergency Financial Manager

cc: Michigan Department of Treasury
Mayor Leon Jukowski
Pontiac City Council
Acting Chief Wendy Keely-Reyes



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED

MAR 30 2011

**PONTIAC
CITY CLERK'S OFFICE**

Dated: March 29, 2011

ORDER NO. S-54

RE: Termination of Elected Officials' Salary and Benefits

**TO: Mark Hotz, City Attorney
Sheryl Stubblefield, Acting City Treasurer
Yvette Talley, City Clerk —
John Naglick, Acting Finance Director
Devin Scott, Human Resources Director**

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; "19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager"; and "19(a) Immediately upon the local government being placed in receivership under section 15 and during the pendency of the receivership, the salary, wages, or other compensation, including the accrual of postemployment benefits, and other benefits of the chief administrative officer and members of the governing body of the local government shall be eliminated."



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Received
January 27, 2011
City Council
Mtg. (Agenda Review)

FOR IMMEDIATE RELEASE

Date: January 27, 2011

Fitch Bond Ratings: Financial Reality in Pontiac

Pontiac, MI — January 27, 2011 — I am forwarding for your information the attached News Release from Fitch Ratings, which clearly and concisely indicates the level of financial distress of the City of Pontiac, along with the attached statement by John Axe of MFCI, serving as financial advisors to the Emergency Financial Manager.

The analysis by Fitch Ratings is independent of the City and the Emergency Financial Manager and is instructive to all concerned parties, as Fitch evaluates municipal finances across the nation. Continued efforts in areas such as moving the police/dispatch services to the County and other cost reductions are critical to decrease the operating and structural deficits of the City of Pontiac.

The statements by Fitch Ratings correctly represent and confirm Pontiac's reality. I understand this reality. Others with true concern for Pontiac must also come to understand this reality and necessary changes this demands.

For further information, please call Michael Stampfler at (248) 758-3133.

— End —



MEMORANDUM

TO: MICHAEL STAMPFLER, EMERGENCY FINANCIAL MANAGER
CITY OF PONTIAC

FROM: JOHN R. AXE, CONSULTANT
MUNICIPAL FINANCIAL CONSULTANTS INCORPORATED

RE: FITCH RATINGS ON THE CITY'S GENERAL OBLIGATION BONDS;
TIFA BONDS; WATER AND SEWER REVENUE BONDS

DATE: JANUARY 27, 2011

I am enclosing herewith, two press releases from Fitch Ratings. These press releases dated January 25 and 26, 2011 announce the action taken by Fitch to do the following:

1. The City's Building Authority Bonds and the outstanding TIFA Bonds were downgraded to "CCC" from "B."
2. The City's Water Revenue Bonds and Sewer Revenue Bonds were downgraded from "B" to "B-."

This action reflects a steeper slide into "junk bond" status for the City since the City's former credit rating from Fitch on all of these issues was below "BBB-," which is the bottom rating for "Investment Grade Securities." In other words, the City's former and current ratings are both in the "junk bond" category.

I noted that in the credit summary, which was included in the release, the following statement was included:

"Fitch's upgrade of outstanding debt in April 2010 was based, in part, on projections provided by the former EFM for 2011 and beyond that were not accurate in estimating certain revenues."

If you have any questions please let me know.

Jra.m-EFM.Fitchratings

Fitch Ratings

Tagging Info

Fitch Downgrades Pontiac, Michigan's GOs and TIFAs to 'CCC'; Outlook to Stable

Ratings
25 Jan 2011 5:36 PM (EST)

Fitch Ratings-New York-25 January 2011: Fitch Ratings takes the following rating action on the bonds of the City of Pontiac MI (the city) and the Pontiac Tax Increment Finance Authority (TIFA) as part of its continuous surveillance effort:

- Approximately \$8 million Pontiac General Building Authority (authority) limited tax general obligation (GO) bonds, series 2002, downgraded to 'CCC' from 'B';
- Approximately \$4 million Pontiac TIFA, development area no. 2 bonds, series 2002, downgraded to 'CCC' from 'B';
- Approximately \$25 million Pontiac TIFA, development area no. 3 bonds, series 2002, downgraded to 'CCC' from 'B'.

The bonds are also removed from Rating Watch Negative and assigned a Stable Outlook.

Rating Rationale:

- The downgrades reflect the lack of improvement in the city's general fund financial position which was expected with the appointment by the state in March 2009 of an emergency financial manager.
- Fitch expects that options to restore any meaningful structural balance in the near term are extremely limited given the continued decline in revenues.
- Pledged revenues securing the TIFA bonds, which include gross tax increment revenues, were insufficient to cover debt service due in 2010. The TIFA bonds do not benefit from a general fund pledge or a funded debt service reserve, making them particularly vulnerable to declining tax revenue. However, Fitch believes the additional default risk is not enough to warrant a lower rating than the rating on the GO bonds.
- The revised 2011 budget shows a large operating shortfall and accumulated deficit absent corrective actions that Fitch believes may be difficult to obtain.
- The 2010 audit is qualified and identifies numerous significant deficiencies.
- Pontiac is an extremely economically stressed city in the Detroit metropolitan area with unemployment rates among the highest in the nation resulting from its significant exposure to General Motors (GM).
- Tax-base contraction continues and outstanding appeals by GM pending will likely further pressure property tax collections.
- The debt profile is manageable and pensions are well-funded.

Key Rating Drivers:

- Management's ability to take corrective measures to further reduce expenditures in light of continued revenue declines and the city's potentially significant tax appeal liabilities.
- Trends in the extremely weak economy.
- Availability of timely financial and other information, about which Fitch has concerns given management and staffing turnover, is key to maintaining the rating. A lack of such information would necessitate a rating withdrawal.

Security:

The authority bonds are a limited tax general obligation of the city payable to the authority. The TIFA no.2 and 3 bonds are limited obligations of the TIFA payable from tax increment revenues collected in the development areas no. 2 and no. 3, respectively. There is no funded debt service reserve available for the TIFA bonds.

Credit Summary:

As reflected in the 'CCC' rating, Fitch believes Pontiac will continue to struggle economically and financially as it has for many years. Following multiple years of weak financial performance, a state appointed Emergency Financial Manager (EFM) was put in place in March of 2009. The EFM is tasked with overseeing and managing the city's financial operations and to develop a plan to eliminate the deficit within five years. The state of Michigan uses the EFM process to restructure the financial accounts of the most severely challenged communities; the manager's purview extends to labor negotiations, hiring, spending, and most other financial concerns. Fitch anticipated that the presence of the EFM would provide a degree of stability to the city, but turnover in this position and an apparent lack of progress in stabilizing financial operations has led to concerns regarding management's ability to take the needed actions. These concerns are compounded by a very weak revenue picture and questions about both management's and Fitch's ability to obtain consistently accurate and timely

financial information.

The city's financial position has been extremely weak for many years as evidenced by negative general fund reserves levels, a large accumulated deficit, and the use of water, sewer and internal services funds for general fund purposes. Audited results for fiscal 2010 (fiscal year end June 30) produced a qualified audit opinion and identified multiple significant deficiencies and weakness. A small year-end surplus of \$700,000 in the general fund was attributable to several one-time revenue gains and significant spending cuts, and the fiscal year-end fund balance position was negative \$4.1 million or a high negative 10.1% of spending.

The fiscal 2011 budget, which was approved by the former EFM, has been revised by the current EFM after he identified numerous concerns with the adopted budget including the non-payment of property taxes by Motors Liquidation Company (formerly part of GM), outstanding property tax appeals by GM, and the need for the general fund to support TIFA fund deficits. Revenues from all sources continue to perform well below budget. Captured tax increment revenues to support the TIFA no. 2 and no. 3 bonds were insufficient in fiscal 2010 to cover debt service payments and the city reports that there are no funds available in the debt service reserve fund. The general fund made up the difference although such payments in the future are uncertain.

With expenditures for police and fire making up almost 64% of general fund expenditures, the current EFM has proposed moving city police and dispatch services to Oakland County. The plan has not yet been approved by council, and the level of cost savings if it were to be approved is unclear. In November 2010, 84 city positions including some in public safety were terminated, but further cuts and labor concessions will be critical to reducing the city's deficit. Management continues to look at asset sales and privatization of services including its water and sewer systems and parking facilities. Fitch believes the accumulated deficit may persist well beyond 2013.

Located in the Detroit metropolitan area with about 66,000 residents, Pontiac has been hard hit by the decline of the auto industry. Employment at GM, once at about 15,000, declined to 3,000 after the closure of both its truck and assembly plants in 2009. Smaller local employers have remained relatively stable, although all employment sectors saw declines in 2010. While down from a very high 31.1% in October of 2009, the city's unemployment rate remains high at 26% in October 2010 compared to the state and national rates of 12% and 9.1%, respectively. The city's property tax base continues to contract, declining almost 15% in 2010. Income levels are extremely weak with a median household income of just 65% of the state average and a poverty level double the state's and nation's.

Debt levels are low with average amortization at 52% in 10 years. The city's pension programs remain well-funded.

Contact:

Primary Analyst
Ann Flynn
Senior Director
+1-212-908-9152
Fitch, Inc.
One State Street Plaza
New York, New York 10004

Secondary Analyst
Kathryn Masterson
Senior Director
+1-415-732-5622

Committee Chairperson
Jose Acosta
Managing Director
+1-512-215-3726

Media Relations: Cindy Stoller, New York, Tel: +1 212 908 0526, Email: cindy.stoller@fitchratings.com.

Additional information is available at www.fitchratings.com.

In addition to the sources of information identified in Fitch's Tax-Supported Rating Criteria, this action was additionally informed by information from Creditscope, University Financial Associates, LoanPerformance, Inc., and IHS Global Insight.

Applicable Criteria and Related Research:
'Tax-Supported Rating Criteria', dated Aug. 16, 2010;
'U.S. Local Government Tax-Supported Rating Criteria', dated Oct. 8, 2010.

For information on Build America Bonds, visit 'www.fitchratings.com/BABs'.

Applicable Criteria and Related Research:
Tax-Supported Rating Criteria
U.S. Local Government Tax-Supported Rating Criteria

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE.

Copyright © 2011 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries.

PLUNKETT  COONEY

January 19, 2011

Mr. Lee Jones
City of Pontiac
47450 Woodward Ave.
Pontiac, MI 48343

Re: Supervision of Department Heads

Dear Mr. Jones:

I have been asked by the City's Emergency Financial Manager, Michael Stampfler, to respond to your e-mail requests to City Department Heads regarding certain financial information.

As you are aware, in 2009, the Governor informed the Local Emergency Financial Assistance Loan Board of the existence of a local government financial emergency in Pontiac and assigned responsibility for the management of Pontiac to that Board. Subsequently, the Board has appointed two Emergency Financial Managers, most recently Mr. Stampfler who has broad statutory powers under Public Act 72 for the financial management of the City. Without in any way limiting any of those powers, they include:

- Supervise department heads (MCLA 141.1221(i));
- Determine the form of any special reports made by the finance officer (MCLA 141.1221(d));
- Authority to renegotiate existing labor contracts and act as agent of the city in collective bargaining (MCLA 141.1221(h));
- Exercise authority and responsibility as the Chief Administrative Officer *and governing body* concerning ordinances and resolutions effecting the financial condition of Pontiac (MCLA 141.1221(p));
- Issue orders necessary to accomplish the implementation of a financial plan developed by the Emergency Financial Manager (MCLA 141.1219).

Since assuming the duties of Emergency Financial Manager, Mr. Stampfler has forwarded to you and members of the City Council many communications and documents, including:

- A. Financial Plan for the City of Pontiac dated September 1, 2010;
- B. 40 Orders issued by the Emergency Financial Manager concerning the finances of the City and implementation of the Financial Plan;

ATTORNEYS & COUNSELORS AT LAW

38505 Woodward Ave., Suite 2000 • Bloomfield Hills, MI 48304 • T: (248) 901-4000 • F: (248) 901-4040 • plunkettcooney.com

RECEIVED
CITY OF PONTIAC

2011 JAN 20 P 2:57

Mr. Lee Jones
January 19, 2011
Page 2

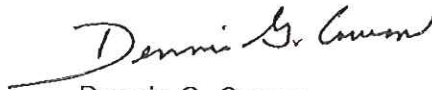
C. The 2009-2010 City Audit conducted by Rehmann Robson.

In addition, at your request, Mr. Stampfler has met personally with you on several occasions to discuss City finances.

Your request in your email dated January 19, 2011 is inconsistent with the powers as delegated to the Emergency Financial Manager under Public Act 72. Consequently, please refrain from making any such requests to the Department Heads conflicting with the legal powers of the Emergency Financial Manager. Public Act 72 further provides that elected officials of a local government shall provide assistance as properly requested by an Emergency Financial Manager in effectuating his duties and powers. (MCLA 141.1224.) At this time, the Emergency Financial Manager asks for your assistance in this regard.

Sincerely,

PLUNKETT COONEY



Dennis G. Cowan
Direct Dial: (248) 901-4029
Email: dcowan@plunkettcooney.com

DGC/dam

cc: Michael L. Stampfler, Esq.
Leon Jukowski
Allan Schneck
Devin Scott
John Naglick
Mark Hotz, Esq.
Yvette Talley
Donald Watkins
George Williams
Kermit Williams
Mary Pietila
Patrice Waterman
Randolph Carter

Yvette Talley - Re: ORDER NO. S-40

From: Lee Jones
To: Allan Schneck; Devin Scott; John Naglick; Mark Hotz; Yvette Talley; Yace...
Date: 1/19/2011 9:01 AM
Subject: Re: ORDER NO. S-40
CC: Donald Watkins; George Williams; Kermit Williams; Leon Jukowski; Mary Pi...

I would like a meeting scheduled with the finance department and the staff to review the savings generated from all the lay offs from the time Mr. Stampfler has been in place. I'm looking for real time numbers based on his new team he hired from the audit, his plan to reduce structured deficit, down to the cost of all the legal fees we have paid. The major question will every job in the City be privatized, are you looking at hard services -vs- soft? I would like to hear from the department heads on how the services will be supported to address the citizens needs.
Lee A. Jones

>>> Yacedrah Williams 01/19/11 8:02 AM >>>

Good morning,

Please be advised of Order No. S-40 (attached) below. I will also place a hard copy in your mail slots (in the Executive Office.)

Thank you.

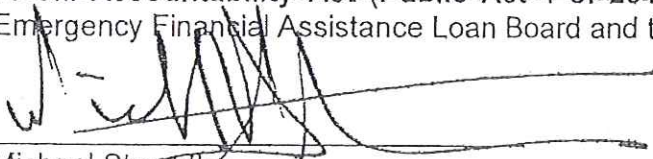
(Please confirm receipt of this email/attachment)

Yacedrah M. Williams
City of Pontiac
Emergency Financial Managers Office
Ph: 248.758.3133
Fx: 248.758.3292
Ywilliams@pontiac.mi.us

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231, et. seq.).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

(b) City planning commission members shall be qualified electors of the city (i.e., a United States citizen who is eighteen (18) years old, and who has been a resident of the State of Michigan for six (6) months and a resident of the City for at least thirty (30) days, except that one city planning commission member may be an individual who is not a qualified elector of the City.

(c) An appointed member of the city planning commission shall hold no other municipal office, except that one member may be a member of the zoning board of appeals or a member of the joint fire administrative board. No elected officer or employee of the City is eligible to be a member of the city planning commission.

(d) The term of each appointed member shall be three (3) years and shall serve for the terms herein specified, unless removed before the expiration of the term pursuant to this ordinance or state law and except as provided in subsection (f) below.

(e) Members of the city planning commission shall represent, insofar as is possible, different professions or occupations. By way of example and to the extent practicable, members should come from the economic, governmental, educational, and social development segments of the City of Pontiac, in accordance with the major interests as they exist in the City of Pontiac, such as agricultural, natural resources, recreation, education, public health, government, transportation, industry, and commerce. The membership shall also be representative of the entire territory of the City of Pontiac to the extent practicable.

(f) The terms of the seven (7) resident members shall be for three (3) years and commence on July 1, 2011; provided, however, that three members of the first city planning commission to be appointed hereunder shall serve until June 30, 2012, two members until June 30, 2013, and two members until June 30, 2014. Thereafter all members shall be appointed for a term of three years and shall serve until their successors are appointed and qualified. A member will hold the position until a successor is appointed, although the mayor or, in the event of an appointment of an Emergency Manager under the Local Government and School District Fiscal Accountability Act, Act No. 4 of the Public Acts of Michigan of 2011 (MCL 141.1501 et seq.), the Emergency Manager, shall nominate an appointee three (3) months prior to the expiration of a sitting appointee's term for consideration as an appointee under the provisions of this ordinance.

(g) No member of the city planning commission shall receive any compensation as such.

(h) The service of current members of the city planning commission shall terminate on June 30, 2011 (whether their terms are expired or unexpired), replaced by the members appointed under this Ordinance on July 1, 2011. Notwithstanding the foregoing, such current members of the city planning commission may apply for appointment to the new city planning commission created under this ordinance.

Cross references: Buildings and building regulations, ch. 22.

State law references: Michigan Planning Enabling Act, MCL 125.3801 et seq.

Section 3: Officers' election; meeting.

(a) The city planning commission shall elect its chairman from among the appointed members and create and fill such other of its offices as it may determine. The term of chairman shall be one (1) year, with eligibility for reelection.

(b) The city planning commission shall hold at least one regular meeting in each month.

(c) The city planning commission shall comply with the Open Meetings Act.

125.3801 et seq.), as amended,. The purpose of the city planning commission shall be the adoption of a city plan and a zoning ordinance for the control of the height, area, bulk, location and use of buildings and premises in the city.

Section 8: Severability.

The provisions of this ordinance are hereby declared to be severable, and if any part is declared invalid for any reason by a court of competent jurisdiction, it shall not affect the remainder of the ordinance, which shall continue in full force and effect.

Section 9: Repeal.

All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed. ~~The resolution or ordinance establishing the Pontiac Planning Commission under former~~
Act No. 285 of the Public Acts of Michigan of 1931 (MCL 125.31, et seq.), as amended, is hereby repealed.

Section 10: Effective Date.

This ordinance shall take effect on the date of its publication or as stated in an Order issued by the Emergency Manager.

permissible only if, in the opinion of the planning commission, adequate conditions exist or can be imposed that will make such uses compatible with the purposes of this appendix; otherwise, such uses are prohibited uses.

When application for a zoning compliance permit is made for situations where, in sections 7.4, 7.9, 7.14, 7.20, 7.26, 7.32, 7.37, 7.43, 7.49, 7.55, 7.61, 7.67, 7.73, 7.79, and 7.85 of the schedule of regulations, a specified use in a particular district requires planning commission special exception permit, the planning commission shall investigate the significant factual data and make a finding as to the factual situations. The planning commission shall approve or reject the application for a special exception permit based on the factual situation and on the general standards as set forth in this appendix and as supplemented by standards and procedures for particular types of uses on file in the city planning department. ~~The planning commission shall promptly consider and approve or reject an application for a special exception permit within a reasonable period of time.~~

In granting or rejecting a special exception permit, the record shall be expressed in writing or drawings as to the finding of facts and the reason for the decision and the statement of any conditions or limitations to which the special exception permit is subject. In issuing a special exception permit the planning commission shall make a finding concerning and shall prescribe appropriate conditions and safeguards to insure the following:

- a. That the proposed development will not unreasonably injure the surrounding neighborhood or adversely effect the development of the surrounding neighborhood;
- b. That all proposed structures, equipment, or materials shall be readily accessible for fire and police protection;
- c. That the proposed use shall not cause traffic congestion or movement out of proportion to that normally prevailing in the particular district;
- d. That the proposed use shall provide sufficient space for the off-street parking of all vehicles attracted by its presence and abides by the regulations set forth in this appendix for its particular district or use.
- e. That any proposed building shall not be out of harmony with the predominant type of building in the particular district by reason of its size, character, location, or intended use.
- f. That all supplementary regulations required under article IX are satisfied.
- g. That conditions indicated in article VII are satisfied for the particular use.

Sec. 14.3A. Fee for special exception permit.

A fee in the amount to be set by the city commission by resolution shall be charged to any applicant for a special exception permit under the terms of this appendix. The fee shall be paid at the time the application for a special exception permit is filed with the city.

Sec. 14.4. Rules of procedure.

The planning commission is hereby authorized to adopt rules of procedure and policy consistent with the statutes of Michigan and the provisions of this appendix.

type of streets, but shall not be less than the pavement width indicated in the following schedule:

TABLE INSET:

No Parking	Parallel Parking		Traffic		Width (feet)
	One Side	Two Sides	One Way	Two Ways	
X				X	20
	X		X		20
		X	X		28
		X		X	36

d. *Curbs.* Curbing shall be required; provided, however, the planning commission may approve plans without curbs where such plans show other adequate means for the control of surface drainage, protection of the edges of the pavement and the roadway shoulder, and for the prevention of erosion along the shoulder and berm of the roadway.

e. *[Compliance.]* All streets and appurtenant structures shall comply with the latest standards as required by the city engineering department.

7. *Sidewalks.* Primary walk system, including walks along main drives and secondary streets, shall be not less than four feet in width and not less than four inches thick. Secondary walk system, including walks from each trailer coach entrance to facilitates on the lot and connections to primary walk system, shall be not less than 30 inches wide and not less than four inches thick. All walks shall comply with the latest construction standards of the city engineering department.

8. *Water supply and sanitary sewage disposal.* Municipal water supply and sanitary sewer shall be required and made available to each trailer coach site and installed as per plans approved by the city engineering department.

9. *Street and yard lights.* Street and yard lights, sufficient in number and intensity to permit the safe movement of vehicles and pedestrians at night, shall be provided and shall be effectively related to buildings, trees, walks, steps and ramps, but shall be so located and shaded as to direct the light away from adjacent properties.

10. *Electric lines.* All electric lines, from supply poles and leading to each trailer coach stand, shall be underground and shall be provided with a 3-wire balance 115-230 volt supply. When separate meters are installed, each meter shall be located on a uniform standard post on the lot line of each trailer coach stand. Wiring shall comply with Detroit Edison or Consumers Power Company rules of service and city and state electrical codes for trailer coach parks.

11. *Open space.* There shall be provided an area of not less than 100 square feet for recreation for each trailer coach lot in the trailer coach park, with a minimum area of not less than 5,000 square feet which shall be no longer than two times its width, located not more than 500 feet from the furthest trailer coach lot served. Such area shall be developed and maintained by the management so as to provide healthful recreation for the children of the trailer coach park. The following playground equipment shall be required for each area of 5,000 or more square feet of recreation area:

- a. Two benches about six feet long;
- b. One bench for children;

10. Entrances and exits from state highways shall comply with city, county, and state regulations.

11. No trailer coach shall be permitted to occupy space in a trailer coach park until the concrete stands are in place, all streets have been paved and properly drained, parking areas are complete, walks are in place, street and yard lights installed and utility connections to each trailer coach stand is provided for. The greenbelt shall also be in place or a bond or certified check in the amount of 100 percent of the estimated cost of such greenbelt made available to the city, to assure the completion of the greenbelt planting, as required by the planning commission.

12. The entire trailer coach park shall be maintained in a good, clean and presentable condition at all times.

D. Permit required. All site plans and building plans for any trailer coach park, or for any extension to any existing trailer coach park, shall be submitted in triplicate to the planning commission for review and approval by the building department and such commission. A land use permit shall be granted the applicant by the city upon furnishing of plans and specification indicating compliance with the above requirements and payment of \$25.00. Such land use permits shall be revocable for noncompliance with the space requirements of this section. A \$25.00 dollar inspection fee shall be paid annually for an inspection to be made by the building department.

Open.21363.02143.10874020-1



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: March 30, 2011

ORDER NO: S-55

RE: United Water – Interim Management of
Department of Public Works and Utilities

TO: Mark Hotz, City Attorney —
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Devin Scott, Acting Human Resources Director
Allan Schneck, Director, Department of Public Works

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011), effective March 16, 2011, in **Section 17(1)** empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. **Section 19(1)** provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (n) "Appoint, supervise and at his or her discretion, remove administrators including heads of departments other than elected officials"; and **19(2)** ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Financial Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

Open.21363.02143.10802867-1

The general responsibilities of United Water's employee(s) will include, but are not limited to such duties as:

- Conduct the daily operation of the Department;
- Budget development, management and oversight for the divisions within the areas that fall under the Department;
- Orchestrate staff and department head meetings to improve inter-department communications;
- Provide Oversight of State and Federal Grant projects;
- Evaluate efficiency opportunities and prepare reports to include suggestions for improvement;
- Evaluate the services currently provided by the City and their respective fee structures
- Provide direction and work assignments to departmental supervision team to effectively operate and maintain their respective departments;
- Assist the City of Pontiac department supervisors that will report to United Water with the overall management of personnel related issues;
- Provide progress reports that will include achievements and problem issues that need to be addressed.

Additionally, we intend to conduct the specific activities as outlined in the attached document, "Key Performance Goals-Department of Public Works Interim Management"

As compensation for the aforementioned services, United Water proposes a lump sum fee in the amount of \$8,500.00 per month.

Again, we would like to thank you for the opportunity to present this proposal and for considering United Water to provide your utility service needs. We look forward to discussing this proposal further at your convenience.

Attached is the final agreement and Key Performance Goals for the aforementioned services. Please do not hesitate to contact us with questions or needs for additional information.

Sincerely,
United Water Environmental Services, Inc.



Kevin W. Chandler
Vice President

Cc: David P. Dupuis, United Water

STANDARD TERMS

1. **WORK.** Contractor shall provide the Work as described in the Scope of Work and the Key Performance Goals-Department of Public Works Interim Management.
2. **STANDARD OF CARE; WORKMANSHIP.** Contractor shall perform the Work in a safe, skillful and workmanlike manner and at the level customary for consultants and other professionals and individuals skilled in Contractor's field performing such Work. Contractor represents that it is qualified to perform the Services and that its personnel possess the necessary licenses required to perform the Services or will obtain such licenses prior to time such licenses are required. Contractor also represents that it has extensive knowledge of all applicable codes, laws, regulations and ordinances.
3. **TERM.** The Work shall begin on March 28, 2011 and shall continue for a period of thirty (30) days, unless terminated earlier as provided for herein. The Term may be extended upon mutual agreement of both parties for additional thirty (30) day increments or as otherwise mutually agreed upon in writing by both parties.
4. **PAYMENT TERMS.** Contractor shall submit an invoice to Company and Company shall be responsible for payment within thirty (30) days of the invoice date. Interest will begin to accrue on the delinquent funds at a rate of the greater of two percent (2%) per month or the highest rate allowed by law.
5. **CHANGES IN THE WORK.** Without invalidating this Agreement, Client reserves the right to order any extra Work or to make any changes within the scope of this Agreement, and to increase or diminish the amount of Work to be done with regard to the Work to be performed ("Change Orders"). All changes shall be authorized by written Change Order signed by Client. If the amount of Work to be done is increased, Contractor will be paid for the Work authorized by Change Order at the contract's unit rate. If the Work is not an item under this contract, the Contractor shall be paid the actual labor cost of completing the Change Order plus and allowance of ten (10%) of cost for overhead and five (5%) percent of cost for profit.
6. **COMPLIANCE WITH LAWS.** Contractor agrees, at its own expense, to comply with all federal, state and municipal laws, rules, regulations and ordinances that may be applicable to this Agreement and the Work contemplated hereby. The foregoing requirement includes without limitation, any applicable requirements to obtain utility locates. Contractor also agrees to endeavor to abide by the principles of sustainable development.
7. **TERMINATION.** If the Contractor refuses or fails to prosecute the Work, or to correct defective Work, with such diligence as will insure its completion within the time specified in this Agreement, or any extension thereof, or fails to complete the Work within the given time, or otherwise fails to meet its obligations under this Agreement, Client may, on ten (10) days written notice to the Contractor or such shorter time as may be reasonable under the circumstances, terminate the Contractor's right to proceed with the Work or such part of the Work as to which there has been delay. In such event, Client (1) may take over the Work and prosecute the same to completion or (2) cause the Work to be completed by another contractor. In either event, the cost thereof of completing the Work shall be deducted from the balance owed the Contractor and if such cost of completion is in excess of the balance owed the Contractor, then the Contractor shall pay the difference to Client within 30 days of receipt of an invoice for such same. Any other provision contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated by the Client without penalty, at any time and without cause, upon thirty (30) days prior written notice to the Contractor. In the event of such termination, the Contractor shall be paid (on a pro-rata basis) for Services properly performed to the date of termination.
8. **FORCE MAJEURE.** The right of Contractor to proceed shall not be terminated, nor shall Contractor be responsible for damages, for delay in completion resulting from acts of God, acts of the public enemy or acts of the Government or from labor disputes within Contractor's business which are beyond the control of and without the fault of Contractor and which materially and adversely impair the ability of Contractor to meet its obligations hereunder. However, Contractor, in order to be excused from such failure or delay, must: (a) take all reasonable steps to remedy the effect of such delay or failure, (b) take all reasonable steps to fulfill its obligations in a timely manner, (c) provide prompt notice of the failure or delay to Client, (d) notify Client of the reasons for the delay and the anticipated term of the delay, and (e) request an extension of time to perform. The Client will not unreasonably withhold its permission for such extension.
9. **INDEMNIFICATION.** Contractor agrees to indemnify and hold the Client (City of Pontiac) its affiliates, and all of their directors, officers, and employees harmless from and against all claims, actions, suits, judgments or loss (including without limitation property damage and personal injury including death), together with cost of litigation and attorney's fees, based on or arising out of a breach of this Agreement or the negligence or willful misconduct of Contractor, Contractor's employees, agents or subcontractors, in connection with the performance of Work under this Agreement.

Subject to Client's sovereign immunity and to the extent allowable by law concerning municipal corporations, the Client agrees to indemnify and hold the Contractor, its affiliates, and all of their directors, officers, employees and agents harmless from and against all claims, actions, suits, judgments or loss (including without limitation property damage and personal injury including death), together with cost of litigation and attorney's fees, based on or arising out of a breach of this Agreement or the negligence or willful misconduct of Client, its employees, agents directors or officers arising out of this Agreement.

14. **INDEPENDENT CONTRACTOR.** Contractor shall, for all purposes, be deemed an independent contractor. Neither the Contractor nor any subcontractor of the Contractor, nor their agents or employees, shall be deemed to be the servants, employees, partners, joint venturers, or agents of Client by virtue of this Agreement. Nothing in this Agreement shall operate to confer rights or benefits on persons or entities who are not parties to this Agreement.
15. **OWNERSHIP OF WORK.** Client shall own the Work Product resulting from or arising out of this Agreement upon payment in full for the Work. Work Product shall include all tangible materials, including work in progress. Client shall have the unlimited right to make, have made, use, reconstruct, repair, modify, reproduce, publish, distribute and sell the Work Product, in whole or in part, or combine the Work Product with other matter, or not use the Work Product at all, as it sees fit.
16. **CONFLICT OF INTEREST.** Contractor shall provide written notice to the Client prior to providing services to other persons, firms, or entities that would create a material conflict of interest for Contractor with regard to providing the Services to Client pursuant to this Agreement. Contractor shall not offer or provide anything of benefit to any Client's official or employee that would place the official or employee in a position of violating the public trust as provided under the City Charter, City Ordinance, state or federal statute, case law or ethical principles.
17. **MISCELLANEOUS.** A waiver of any term, condition or covenant by any party shall not constitute a waiver of any other term, condition or covenant. The invalidity of one or more phrases, sentences, clauses, sections or paragraphs of this Agreement shall not affect the validity of the remaining portions of the Agreement so long as the material purposes of this Agreement can be determined and effectuated. Section headings have been included in this Agreement for convenience and reference purposes only, and shall not affect any construction or interpretation of this Agreement. This Agreement shall be binding upon the successors, executors, administrators, assigns and legal representatives of the parties. This Agreement and each and every provision hereof are for the exclusive benefit of the parties hereto and not for the benefit of any other person or entity. The provisions of this Agreement regarding indemnification, warranty, dispute resolution and payment shall survive the expiration or termination of this Agreement. In case of any conflict between the terms of Contractor's Proposal and other provisions of this Agreement, this Agreement shall control.
18. **GOVERNING LAW AND VENUE.** This Agreement shall be governed by and interpreted according to the law of the State of Michigan. Venue for any action arising under this Agreement shall be in the 6th Judicial Circuit Court, Oakland County, Michigan. If there is any conflict between the language of this Agreement and any exhibit, appendix or attachment, the language of this Agreement shall govern.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED

MAR 30 2011

**PONTIAC
CITY CLERK'S OFFICE**

Dated: March 30, 2011

ORDER NO. S-56

RE: Pontiac Police Department Transition – Personnel Files

**TO: Mark Hotz, City Attorney
Wendy Keelty-Reyes, Acting Police Chief
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Devin Scott, Human Resources Director**

The **Local Government and School District Fiscal Accountability Act (Act 4 of 2011)** in **Section 17(1)** empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. **Section 19(1)** provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (l) Act as sole agent of the local government in collective bargaining with employees or representatives and approve any contract or agreement; and **19(2)** ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

It is hereby ordered:

Prior to release of the personnel file of a current active or laid-off employee to the Oakland County Sheriff's Department as part of the employee's application process to

writing by or authorized to be kept or gathered, in writing, by the employee to the employer. This prohibition on records shall not apply to the activities that occur on the employer's premises or during the employee's working hours with that employer that interfere with the performance of the employee's duties or the duties of other employees.

5. The provisions of Section 9(2) of the Bullard-Plawecki Employee Right To Know Act (MCL 423.509(2)) shall be followed as part of the review process. Said Section provides as follows:

If the employer is a criminal justice agency which is involved in the investigation of an alleged criminal activity or the violation of an agency rule by the employee, the employer may maintain a separate confidential file of information relating to the investigation. Upon completion of the investigation, if disciplinary action is not taken, the employee shall be notified that an investigation was conducted. If the investigation reveals that the allegations are unfounded, unsubstantiated, or disciplinary action is not taken, the separate file shall contain a notation of the final disposition of the investigation and information in the file shall not be used in any future consideration for promotion, transfer, additional compensation, or disciplinary action.

6. Should any information within the personnel file be considered "medical information" as defined by the Americans With Disabilities Act, same shall be removed from the personnel file and placed into the employee's "medical file."
7. Should an employee request the opportunity to review his or her personnel file, the employee shall be allowed the opportunity to do so by making an appointment through the City Attorney.
8. Should the employee dispute any document maintained in his or her personnel file or wish to add information to the personnel file, same shall be done pursuant to Section 5 of the Bullard-Plawecki Employee Right To Know Act (MCL 423.505), which provides as follows:

If there is a disagreement with information contained in a personnel file, removal or correction of that information may be mutually agreed-upon by the employer and the employee. If an agreement is not reached, an employee may submit a written statement explaining the employee's position. The statement shall not exceed 5 sheets of 8-1/2" by 11".



RECEIVED

APR 05 2011


PONTIAC
CITY CLERK'S OFFICE

CITY OF PONTIAC
OFFICIAL MEMORANDUM

Mayor Leon B. Jukowski

Law Department

TO: Mayor Leon B. Jukowski
Deputy Mayor Edward K. Glass, Jr.
Council President Lee A. Jones, District Six
Council President Pro-Tem Patrice Waterman, District One
Councilman George Williams, District Two
Councilwoman Mary Pietila, District Three
Councilman Randy Carter, District Four
Councilman Donald Watkins, District Five
Councilman Kermit Williams, District Seven
Interim Chief of Police Wendy Keelty-Reyes
Interim Fire Chief Antonio Macias
Acting Finance Director, John Naglick
Acting Director of the Department of Human Resources, Devin Scott
Executive Director of the Pontiac Growth Group, Khalfani Stephens
City Clerk Yvette Talley
Denise Buckley of Plante Moran
Carl Johnson of Plante Moran

FROM: 
Mark J. Hotz, City Attorney

DATE: Monday, April 4, 2011

RE: Order No. S-55
United Water – Interim Management of the
Department of Public Works and Utilities

Pursuant to the Local Government and School District Fiscal Accountability Act (Act 4 of 2011) Michael L. Stampfler, the Emergency Manager for the City of Pontiac previously issued the above-described Order (a copy of which is attached although you should have already received the document earlier).

Order S-55 requires that the City Attorney advise, "... in writing, the Mayor, City Council, City Department Heads and the head of all City of Pontiac affiliated entities and funds that United Water Environmental Services, Inc. will provide Interim Management Services." for the Department of Public Works and Utilities." [Emphasis added]

In addition, the **Order** requires that you be notified that: **‘The Emergency Manager orders the prompt and full cooperation of all City of Pontiac elected and appointed officials, department heads, employees and all other individuals with responsibility for the City of Pontiac, its affiliated entities and funds with United Water Environmental Services, Inc.** [Emphasis added] **Order S-55** further states that: **“Such prompt and full cooperation, with United Water Environmental Services, Inc. is essential in order for the City to provide Interim Management Services to the City, its residents and property owners and meet the goals of the City’s Amended Financial Plan.”** [Emphasis added]

So that we are all in full compliance with the requirements of **Order S-55**, I would respectfully request that you promptly and fully cooperate with the representatives of United Water Environmental Services, Inc. Please make sure that all City representatives, employees and staff and other individuals or companies working for or on behalf of the City are aware of the mandates incorporated in the **Order** and make certain they comply with said **Order**.

In an effort to fulfill my obligations as outlined in **Order S-55**, I have identified in this Memorandum those individuals affiliated with the City that I believe would be subject to its terms. It is my expectation that in his capacity as the Executive Director of the Pontiac Growth Group, Mr. Stephens will advise the various City economic development entities such as the Brownfield Redevelopment Authority, the Downtown Development Authority, the Economic Development Corporation, the General Building Authority, and the Tax Increment Finance Authority including but not limited to their respective chairmen of the terms and conditions of the **Order** as well as their obligation to comply. However, if I have overlooked a person or entity that should receive a copy of this Official Memorandum with **Order S-55** attached, I would appreciate it if you would provide me with that information as soon as possible.

Finally, I would recommend that you maintain copies of the **Order** and this Official Memorandum in your offices, departments and divisions so they are readily available should there be a need to review them in the future.

Attachment

cc: Michael L. Stampfler, Emergency Financial Manager
File

MJH/bms

RECEIVED

APR 08 2011

**PONTIAC
CITY CLERK'S OFFICE**



**CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER**

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: April 7, 2011

ORDER NO. S-57

RE: Animal Control/Oakland County

**TO: Mark Hotz, City Attorney
Wendy Keelty-Reyes, Police Chief
Antonio Macias, Fire Chief
Sheryl Stubblefield, City Treasurer
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Larry Obrecht, Oakland County
Carl Johnson, Controller (Plante & Moran)**

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In my capacity as Emergency Manager for the City of Pontiac, I have approved Oakland County taking responsibility for Animal Control in the City of Pontiac.

Pontiac, its affiliated entities and funds with this Order is necessary to maintain compliance with the City's Amended Financial Plan.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.

A handwritten signature in black ink, appearing to read "Michael Stampfle", is written over a horizontal line.

Michael Stampfle
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

RESCINDING ORDINANCES

It is my opinion that the City of Pontiac should rescind any and all ordinances contained within Chapter 18 (Animals) of Pontiac City Ordinances, as they were created under the Michigan State Dog Law of 1919 287.290 giving the City authority to create their own Animal Control. With the elimination of Animal Control in the City of Pontiac, thereto should be the elimination of the Ordinances.

Any ordinances that you wish to keep under this Chapter, should be moved to zoning or some other enforcement body.

After looking at your animal ordinances contained in Chapter 18 (Animals) of Pontiac City Ordinances, I have found that the following would be duplicated by the Michigan State Dog Law of 1919:

- Section 18-2 Enforcement of Chapter. This would need to be defined as to whom would be enforcing the ordinances not rescinded. This could fall to your Police Department or Ordinance Officer.
- Section 18-4 Animal Welfare Officer; Appointment; Powers
- Section 18-7 Keeping of Vicious Animals Prohibited
- Section 18-9 Animals Running at Large; Impoundment
- Section 18-11 Animal Carcasses; Removal; Burial
- Section 18-12 Burial of Dead Animals
- Section 18-14 Diseased Animals, Duty of Owner
- Section 18-15 Property Owner may Impound Animal
- Section 18-17 City Pound; Impounding
- Section 18-47 Reserved
- Section 18-48 Stray Dogs
- Section 18-49 Reserved
- Section 18-50 Dangerous Dog may be Slain
- Division 1.1 – All Sections
- Division 2 – All Sections
- Article III - All Sections
- Article IV – All Sections
- Article V – All Sections

Let it be known that the Oakland County Animal Control Division will not enforce any local ordinances.

CONCLUSION

In conclusion, the County is simply assuming Animal Control services for the City of Pontiac as it would in any case of a municipality rescinding their Animal Control Ordinances and no longer selling their own dog licenses, as per Michigan State Public Act 339 of 1919 287,290.

Please feel free to contact me should you have any questions or need any additional information.

Thank you.

Sincerely,

Michael Zehnder, Director
Oakland County Public Services



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

RECEIVED

APR 08 2011

PONTIAC
CITY CLERK'S OFFICE

Dated: April 8, 2011

ORDER NO. S-58

RE: Designation of Street Administrator

TO: Cortland Overmyer, Acting Director of Department of Public Works
Mark Hotz, City Attorney
—Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"),



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
APR 12 2011
PONTIAC
CITY CLERK'S OFFICE

Dated: April 12, 2011

ORDER NO. S-59

RE: Designation of Authorized Project Representative

TO: Cortland Overmyer, Acting Director of Department of Public Works
Mark Hotz, City Attorney
Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"),



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED

APR 12 2011

**PONTIAC
CITY CLERK'S OFFICE**

Dated: April 12, 2011

ORDER NO. S-60

RE: State of Michigan Emergency Manager – Reporting Requirements

TO: Mark Hotz, City Attorney
Joseph M. Sobota, Assistant to Emergency Manager
John Naglick, Acting Finance Director
Wendy Keelty-Reyes, Acting Police Chief
Antonio Macias, Acting Fire Chief
✓ Yvette Talley, City Clerk
Sheryl Stubblefield, Acting City Treasurer
Charles Smith, Wade Trim
Joe Morley, SARCOM
Carl Johnson, Plante & Moran
Cortland Overmyer, United Water

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"),

It is hereby ordered:

1. The Assistant to the Emergency Manager is designated as the coordinator who will be responsible for submitting all reports required by the Act to the State of

- (f) That remittance of payroll taxes, pension payments, 401(k) payments, debt payments, and taxes collected for other governmental units were completed on a timely basis.*
 - (g) That cash flow reported for the most recent preceding month is fairly stated in all material respects.*
 - (h) That overtime is properly disclosed and recorded in the most recent quarterly financial report of the City.*
 - (i) That the original of all source financial documents have been properly retained and preserved and that the City is in compliance with all other legal requirements, except to the extent specified in the report.*
3. If the response is a denial to the accuracy of a statement identified above, then an explanation must be given why the statement is denied and when the issue will be resolved.
 4. Plante & Moran shall also supply a copy of the most current cash flow and update and the deficit elimination plan

B. ACTING HUMAN RESOURCES DIRECTOR

1. The Acting Human Resource Director shall be responsible for tracking all personnel actions on a spreadsheet and providing a job description for each position effected to meet the following requirements of Section 22 of Public Act 4 of 2011:
 - (c) A description of any new position created or any vacancy in a position filled by the appointing authority.*
 - (d) A description of any position that has been eliminated or from which an employee has been laid off.*
2. The personnel actions as described above is due to the Assistant to the Emergency Manager by 5:00 p.m. on the ninth calendar day of the months of April, July, October and January and covers the previous quarter (i.e. April 9th for the period of January 1 – March 31.) If the ninth day falls on a Saturday or Sunday, the report is due the last day of the week ending prior to the due date of the ninth.

C. SARCOM

1. SARCOM shall be responsible for generating a purchase order report, an invoice report, and a quarterly gross payroll report to meet the following requirement of Section 22 of Public Act 4 of 2011:
 - (a) A description of each expenditure made, approved, or disapproved during the reporting period that has a cumulative value of \$5,000.00 or more and the source of the funds.*

\$12,500.00 multiplied by the proportion which the number of days of the month for which services were provided bears to the number of days of the whole month.

Unless otherwise authorized by the Local Emergency Financial Assistance Loan Board, any reimbursement for actual and necessary expense shall be included within, and shall not be in addition to, the compensation authorized under this Contract.

5. The Acting Finance Director shall facilitate the update of the compensation form and invoice to reflect correct month, date and amount, entering bi-weekly payment of \$6,250.00 into the accounting system to process check for payment on the fifteenth and last day of the month accordingly. The Acting Finance Director shall deliver the vendor check to the Emergency Manager's office, attaching copies of both vendor check and invoices together.
6. The compensation report as described above is due to the Assistant to the Emergency Manager by 5:00 p.m. on the ninth calendar day of each month and covers the previous month (i.e. April 9th for the month of March). If the ninth day falls on a Saturday or Sunday, the report is due the last day of the week ending prior to the due date of the ninth.

E. ASSISTANT TO EMERGENCY MANAGER

1. The Assistant to the Emergency Manager shall be responsible for tracking all contracts to meet the following requirement of Section 22 of Public Act 4 of 2011:

(b) A list of each contract that the emergency manager awarded or approved with a cumulative value of \$5,000.00 or more, the purpose of the contract, and the identity of the contractor.

2. The Assistant to the Emergency Manager shall also provide a copy of the current contract between the Emergency Manager and the State of Michigan to meet the following requirements of Section 22 of Public Act 4 of 2011:

(f) A copy of the contract with the emergency manager as provided in Section 15(5)(e).

(g) The salary and benefits of the emergency manager.

3. The Assistant to the Emergency Manager shall also provide a copy of the current Deficit Elimination Plan to meet the following requirement of Section 22 of Public Act 4 of 2011:

(h) The financial and operating plan as required under Section 18.

4. The Assistant to the Emergency Manager shall be responsible for compiling the complete report as defined in Section 22 of Public Act 4 of 2011. The Assistant to the Emergency Manager is responsible for compiling the information and presenting the packet to the Emergency Manager, by 5:00 p.m. on the tenth calendar day of each month. If the tenth day falls on a Saturday or Sunday, the report is due on the following Monday. Section 22 reads in part:



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: April 20, 2011

ORDER NO. S-61

RE: Actions Postponed by the Planning Commission

TO: Pontiac Planning Commission
Charles Smith, Wade Trim
Mark Hotz, City Attorney
Yvette Talley, City Clerk

RECEIVED
CITY OF PONTIAC
2011 APR 25 P 4:15

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(ee) Take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersede the power of any of the foregoing officers or entities..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"),

4. PF-11-07, 888 Orchard Lake Road, Site Plan Review, Statewide Pontiac, LLC

The proposed site plan for 888 Orchard Lake Road is conditionally approved subject to the following four conditions:

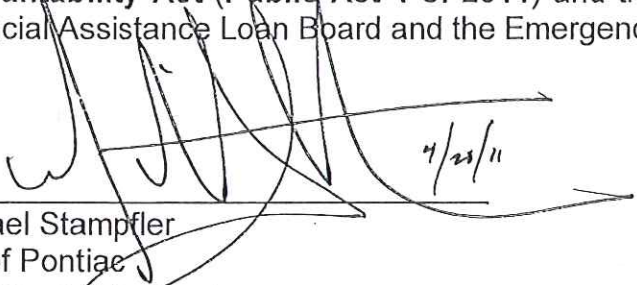
- a. Applicant must comply with the landscape and buffer requirements detailed in Sections 9.2.7 & 9.2.8 of the Zoning Ordinance.
- b. Applicant must maintain the landscaping in good condition in accordance with Section 9.3.5 of the Zoning Ordinance.
- c. Applicant must provide an additional 49 parking spaces as required by Section 10.3 of the Zoning Ordinance. Based on Section 10.2(m) of the City Zoning Ordinance, applicant may provide 25 parking spaces (50% fewer spaces), provided the applicant substitute an area of landscaped open space equal to the reduction in required parking square footage. Each standard parking space is 180 square feet. To reduce the number of required parking spaces to 25, applicant must provide an additional 4,500 square feet in landscaped open space.
- d. Applicant must provide three Handicapped parking spaces.

Within 180 days of the date of this Order and before final site plan approval and a certificate of occupancy can be granted, the applicant is also required to submit a revised site plan that includes the four conditions outlined above for administrative approval by the City Planner.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampflier
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Dated: April 12, 2011

ORDER NO: S-61

RE: Actions Following Dependent Verification Process
for Active Employees and Retirees

TO: Mark Hotz, City Attorney
Sheryl Stubblefield, City Treasurer
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Devin Scott, Acting Human Resources Director
Carl Johnson, Controller (Plante & Moran)
David Sheeran, CPA (Meadowbrook Insurance)
Mark Kopson (Plunkett Cooney)
Ellen Zimmermann, Retirement Office

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (ee) "Take any other action or exercise any power or authority of any officer, employee, department, board, commission or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government"; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

Pursuant to Order S-36 dated December 7, 2010, I authorized the City's Agent of Record, Meadowbrook Insurance, to engage Benefit Technologies to perform a dependent verification process to confirm eligibility of employees, retirees and their dependents enrolled in active employee and retiree health care plans.

On March 30, 2011, Meadowbrook Insurance reported that the dependent verification process had resulted in identifying both ineligible dependents and retirees/employees, as well as uncovering retirees enrolled in both the active employee (commercial) plan and retiree health care plan.

In addition, a significant number of retirees and employees failed to respond to the dependent verification process, which involved four letters being sent by first class mail to each retiree/employee informing them of the need to timely respond or be terminated from the plans. Failure to respond to these numerous requests to confirm and verify eligibility is grounds for removal from the plans.

As a result of the March 30, 2011 report of Meadowbrook Insurance concerning the results of the dependent verification process,

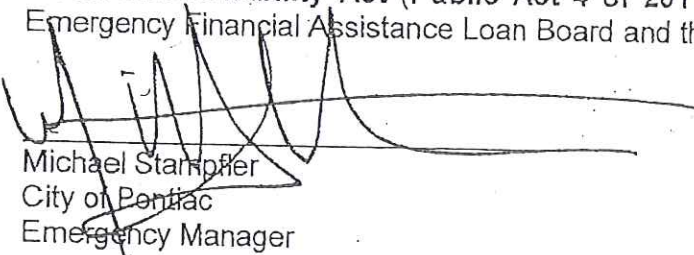
It is hereby ordered:

- (1) The Human Resources Department, in conjunction with receipt of information from Meadowbrook Insurance's March 30th report, is to take the following actions on or before April 19, 2011:
 - a. Transfer Medicare eligible retirees (7) to the City's Medicare Advantage Plan.
 - b. Remove non-respondents and their dependents (161) in the City's commercial health care plan and corresponding dental plans and group term life and disability insurance plans, except for any enrolled employees (but not their dependents) who are currently on City payroll.
 - c. Transfer dual-covered employees and dependents (11) from both plans into the appropriate City health care plan.
 - d. Remove all ineligible employees and retirees (19) from City health care plans.
 - e. Remove all ineligible dependents (115) from all City health care plans.
- (2) The Human Resources Department shall provide a status report regarding compliance with Paragraph 1 above to the Emergency Manager no later than April 25, 2011.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231, et. seq.).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue.

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Dated: April 12, 2011

ORDER NO. S-61

RE: Actions Following Dependent Verification Process
for Active Employees and Retirees

TO: Mark Hotz, City Attorney
Sheryl Stubblefield, City Treasurer
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Devin Scott, Acting Human Resources Director
Carl Johnson, Controller (Plante & Moran)
David Sheeran, CPA (Meadowbrook Insurance)
Mark Kopson (Plunkett Cooney)
Ellen Zimmermann, Retirement Office

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (ee) "Take any other action or exercise any power or authority of any officer, employee, department, board, commission or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government"; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

Pursuant to Order S-36 dated December 7, 2010, I authorized the City's Agent of Record, Meadowbrook Insurance, to engage Benefit Technologies to perform a dependent verification process to confirm eligibility of employees, retirees and their dependents enrolled in active employee and retiree health care plans.

On March 30, 2011, Meadowbrook Insurance reported that the dependent verification process had resulted in identifying both ineligible dependents and retirees/employees, as well as uncovering retirees enrolled in both the active employee (commercial) plan and retiree health care plan.

In addition, a significant number of retirees and employees failed to respond to the dependent verification process, which involved four letters being sent by first class mail to each retiree/employee informing them of the need to timely respond or be terminated from the plans. Failure to respond to these numerous requests to confirm and verify eligibility is grounds for removal from the plans.

As a result of the March 30, 2011 report of Meadowbrook Insurance concerning the results of the dependent verification process,

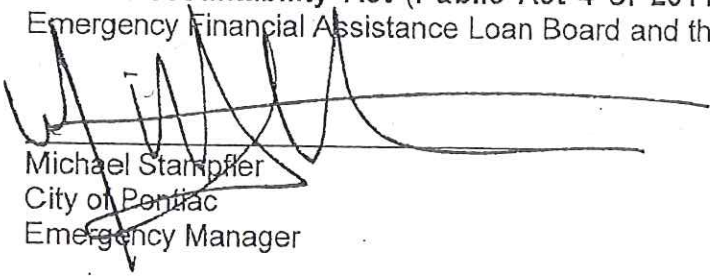
It is hereby ordered:

- (1) The Human Resources Department, in conjunction with receipt of information from Meadowbrook Insurance's March 30th report, is to take the following actions on or before April 19, 2011:
 - a. Transfer Medicare eligible retirees (7) to the City's Medicare Advantage Plan.
 - b. Remove non-respondents and their dependents (161) in the City's commercial health care plan and corresponding dental plans and group term life and disability insurance plans, except for any enrolled employees (but not their dependents) who are currently on City payroll.
 - c. Transfer dual-covered employees and dependents (11) from both plans into the appropriate City health care plan.
 - d. Remove all ineligible employees and retirees (19) from City health care plans.
 - e. Remove all ineligible dependents (115) from all City health care plans.
- (2) The Human Resources Department shall provide a status report regarding compliance with Paragraph 1 above to the Emergency Manager no later than April 25, 2011.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC
2011 APR 28 P 3:51

Dated: April 26, 2011

ORDER NO. S-62

RE: Administrative Appointment

TO: John Naglick, Acting Finance Director
Mark Hotz, City Attorney
Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(n) ...appoint, supervise, and at his or her discretion, remove administrators, including heads of departments other than elected officials...."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"),

It is hereby ordered:

The appointment of John Naglick as Acting Finance Director and Purchasing Agent is extended until July 31, 2011.

The Order shall have immediate effect.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Dated: April 27, 2011

ORDER NO. S-63

RE: State of Michigan Emergency Manager – Reporting Requirements Revised

TO: Mark Hotz, City Attorney
Joseph M. Sobota, Assistant to Emergency Manager
John Naglick, Acting Finance Director
Wendy Keelty-Reyes, Acting Police Chief
Antonio Macias, Acting Fire Chief
✓ Yvette Talley, City Clerk
Sheryl Stubblefield, Acting City Treasurer
Charles Smith, Wade Trim
Joe Morley, SARCOM
Carl Johnson, Plante & Moran
Cortland Overmyer, United Water

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"), and to change reporting dates as advised by the Michigan Department of Treasury,

It is hereby ordered that Order S-60 is replaced with Order S-63 as follows:

RECEIVED
CITY OF PONTIAC
2011 APR 28 P 3:55

- (e) That the reconciliation of bank accounts has been completed and appropriate adjusting journal entries have been made to the general ledger of the City.*
 - (f) That remittance of payroll taxes, pension payments, 401(k) payments, debt payments, and taxes collected for other governmental units were completed on a timely basis.*
 - (g) That cash flow reported for the most recent preceding month is fairly stated in all material respects.*
 - (h) That overtime is properly disclosed and recorded in the most recent quarterly financial report of the City.*
 - (i) That the original of all source financial documents have been properly retained and preserved and that the City is in compliance with all other legal requirements, except to the extent specified in the report.*
-

3. If the response is a denial to the accuracy of a statement identified above, then an explanation must be given why the statement is denied and when the issue will be resolved.
4. Plante & Moran shall also supply a copy of the most current cash flow and update and the deficit elimination plan

B. ACTING HUMAN RESOURCES DIRECTOR

1. The Acting Human Resource Director shall be responsible for tracking all personnel actions on a spreadsheet and providing a job description for each position effected to meet the following requirements of Section 22 of Public Act 4 of 2011:
 - (c) A description of any new position created or any vacancy in a position filled by the appointing authority.*
 - (d) A description of any position that has been eliminated or from which an employee has been laid off.*
2. The personnel actions as described above is due to the Assistant to the Emergency Manager by 5:00 p.m. on the ninth calendar day of the months of March, June, September, and December and covers the previous quarter (i.e. September 9th for the period of June 1 - August 31.) If the ninth day falls on a Saturday or Sunday, the report is due the last day of the week ending prior to the due date of the ninth.

C. SARCOM

1. SARCOM shall be responsible for generating a purchase order report, an invoice report, and a quarterly gross payroll report to meet the following requirement of Section 22 of Public Act 4 of 2011:
 - (a) A description of each expenditure made, approved, or disapproved during the reporting period that has a cumulative value of \$5,000.00 or more and the source of the funds.*

(b) For any portion of a month if this Contract is terminated after the successor emergency manager has provided services for a portion of the month, \$12,500.00 multiplied by the proportion which the number of days of the month for which services were provided bears to the number of days of the whole month.

Unless otherwise authorized by the Local Emergency Financial Assistance Loan Board, any reimbursement for actual and necessary expense shall be included within, and shall not be in addition to, the compensation authorized under this Contract.

5. The Acting Finance Director shall facilitate the update of the compensation form and invoice to reflect correct month, date and amount, entering bi-weekly payment of \$6,250.00 into the accounting system to process check for payment on the fifteenth and last day of the month accordingly. The Acting Finance Director shall deliver the vendor check to the Emergency Manager's office, attaching copies of both vendor check and invoices together.
6. The compensation report as described above is due to the Assistant to the Emergency Manager by 5:00 p.m. on the ninth calendar day of each month and covers the previous month (i.e. April 9th for the month of March). If the ninth day falls on a Saturday or Sunday, the report is due the last day of the week ending prior to the due date of the ninth.

E. ASSISTANT TO EMERGENCY MANAGER

1. The Assistant to the Emergency Manager shall be responsible for tracking all contracts to meet the following requirement of Section 22 of Public Act 4 of 2011:

(b) A list of each contract that the emergency manager awarded or approved with a cumulative value of \$5,000.00 or more, the purpose of the contract, and the identity of the contractor.

2. The Assistant to the Emergency Manager shall also provide a copy of the current contract between the Emergency Manager and the State of Michigan to meet the following requirements of Section 22 of Public Act 4 of 2011:

(f) A copy of the contract with the emergency manager as provided in Section 15(5)(e).

(g) The salary and benefits of the emergency manager.

3. The Assistant to the Emergency Manager shall also provide a copy of the current Deficit Elimination Plan to meet the following requirement of Section 22 of Public Act 4 of 2011:

(h) The financial and operating plan as required under Section 18.

4. The Assistant to the Emergency Manager shall be responsible for compiling the complete report as defined in Section 22 of Public Act 4 of 2011. The Assistant to the Emergency Manager is responsible for compiling the information and presenting the packet to the Emergency Manager, by 5:00 p.m. on the tenth calendar day of each month. If the tenth day



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: April 28, 2011

ORDER NO. S-64

RE: Tax Tribunal Settlement

TO: Eric S. Goldstein, Johnston, Szykiel, Hunt, Goldstein, Fitzgibbons & Clifford
Mark Hotz, City Attorney
Yvette Talley, City Clerk ✓

RECEIVED
CITY OF PONTIAC
2011 APR 28 10 35

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(c) ...make, approve, or disapprove any appropriation, contract, expenditure, or loan... (w) enter into agreements with creditors or other persons or entities for the payment of existing debts, including the settlement of claims by creditors...(ee) take any other action or exercise any power or authority of any ...board...whether elected or appointed, relating to the operation of the local government..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

Attached is a settlement agreement dated April 27, 2011 between the City of Pontiac, General Motors Corporation, and Motors Liquidation Corporation resolving certain matters pending before the Michigan Tax Tribunal.

I have, on behalf of the City of Pontiac, agreed to settle three pending property tax appeals by General Motors Corporation and Motors Liquidation Company, the property tax appeals of which originally would have cost the City a total of approximately \$6,761,263 if the plaintiffs had prevailed in the tax appeal.

The terms of the settlement provide that the City of Pontiac and the Tax Increment Financing Authority will pay a net total of \$1,000,000 per year in each of the years of 2011, 2012, 2013, and 2014, and will not pay any interest.

SETTLEMENT AGREEMENT

1. This Settlement Agreement (the "Agreement"), dated April 27, 2011 is entered into between General Motors Corporation, now known as Motors Liquidation Company ("MLC"), General Motors LLC ("GM LLC"), and the City of Pontiac ("Pontiac") (collectively the "Parties"), and the City of Pontiac Tax Increment Finance Authority ("TIFA"), in order to: i) provide a new payment plan for the Michigan Tax Tribunal ("MTT") cases with Docket Nos. 346619, 346602 and 367573; and ii) resolve the currently pending MTT cases (each of which cases originally involved either two or three of the Parties), which cases are identified on the attached Schedule of Pending Cases. All of the foregoing cases, including those in the attached Schedule of Pending Cases and MTT Docket Nos. 346619, 346602 and 367573, are hereinafter referred to as the "Cases" and MLC and GM LLC are collectively referred to herein as the "Taxpayers." The TIFA is not a party to the MTT proceedings but is a party to this Agreement as some of the parcels on the Schedule of Pending Cases fall within the TIFA's authority district. For purposes of this Agreement, "authority district" is defined as it currently is in section 1(d) of Public Act 450 of 1980, MCL 125.1801(1)(d) and "development area" is defined as it currently is in section 1(h) of Public Act 450 of 1980, MCL 125.1801(1)(h).

2. At issue in the Cases have been taxes imposed pursuant to the General Property Tax Act, MCL 211.1 et seq. and/or the Plant Rehabilitation and Industrial Development Districts Act, MCL 207.551 et seq. Accordingly taxes in this Agreement refers to taxes imposed pursuant to either or both of these Acts as applicable.

paid in full all 2010 tax amounts (including any penalties and interest) for which MLC is liable.

6. The Parties and the TIFA agree that once the applicable tax rolls contain the revised taxable values to which the Parties have agreed in the Cases, then with respect to any amounts owed attributable to the Cases, Pontiac and the TIFA will owe the Taxpayers a combined total of \$4,000,000 (four million dollars), of which Pontiac is to pay \$1,904,580.20 and the TIFA is to pay \$2,095,419.80. The Parties acknowledge that each has the excel files which contain the detailed parcel by parcel calculations of the amount that the TIFA and Pontiac are to pay and those excel files show a total amount of \$4,009,018.33 (\$1,908,874.23 designated as Pontiac and \$2,100,144.10 designated as TIFA). The Parties and the TIFA, however, have agreed that the payment of \$4,000,000 will be accepted as payment in full for the \$4,009,018.33. For clarification purposes, the \$4,009,018.33 original total and the \$4,000,000 to be paid:

- i) include certain taxes collected for parcels, all of which are within the entire City of Pontiac and some of which also are within the TIFA's authority district; and ii) do not include the taxes for which other government units are ultimately responsible for making the refunds, which other government units would include but are not necessarily limited to Oakland County, the State of Michigan, Pontiac Public Schools and the Oakland Intermediate School District.

7. Instead of the \$4,000,000 owed for the Cases being paid within 28 days of each applicable Judgment's entry, pursuant to this Agreement, Pontiac and the TIFA shall pay the \$4,000,000 as follows: starting in September of 2011, and each year thereafter through 2014, Pontiac and the TIFA shall pay a total of \$1,000,000 by

10. This Agreement is the entire, integrated agreement, and any and all discussions, understandings, representations, warranties, and agreements had by the Parties and the TIFA with respect to the subject matter hereof are merged into this Agreement, which alone fully and completely expresses the Parties' and the TIFA's agreement. This Agreement may not be amended, otherwise modified, or terminated, except in a written agreement signed by the Parties and the TIFA. This Agreement, including this paragraph, does not, and shall not be construed to in any way modify the Taxpayers' existing agreements with respect to allocating the subject taxes between themselves.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

12. The Parties and the TIFA may execute and exchange copies of this Agreement via electronic means (either electronic mail or facsimile). This Agreement shall be deemed to be fully executed, delivered and effective upon the receipt by the Parties of counterpart copies executed by each Party and the TIFA regardless of whether transmitted via fax or electronic mail. The Parties and the TIFA may execute and deliver manually executed copies subsequent to the execution of the copies sent electronically, however, this Agreement shall be deemed to be fully executed and effective upon receipt of the respective copies transmitted electronically, regardless of whether manually executed copies are executed and delivered.

13. Each Party and the TIFA acknowledges: i) reading and understanding this entire Agreement; and ii) no party is relying upon any other representations, written or oral, express or implied, made by any person. Each Party and the TIFA is duly



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC
2011 MAY -4 A 10:59

Dated: May 3, 2011

ORDER NO. S-65

RE: Excess City Fleet Auction

TO: Cortland Overmyer, Interim Director Department of Public Works
John Naglick, Acting Finance Director
Mark Hotz, City Attorney
Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(ee) Take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersede the power of any of the foregoing officers or entities..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the Terms and Conditions of the Auction Services Contract entered into by and between the City of Pontiac and Miedema Auctioneering and Appraisals, Inc. on May 1, 2008 and to assure that fleet vehicles no longer useful to the City be liquidated and proceeds from the sale be paid to the City of Pontiac Revolving Fund.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC

2011 MAY 31 A 10:21

Dated: May 10, 2011

ORDER NO. S-66

RE: Designation of Authorized Project Representative – Drinking Water and Wastewater

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the chief administrative officer and governing body concerning the adoption, amendment, and enforcement of ordinances or resolutions of the local government...; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

It is hereby ordered:

Order S-59 is hereby rescinded.

The Emergency Manager is designated as the authorized representative for all activities associated with the drinking water revolving fund improvement project and all activities associated with the wastewater system improvement project.

The Order shall have immediate effect.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: May 3, 2011

ORDER NO. S-67

**RE: Certain Amendments to the
City of Pontiac General Employees' Retirement System Ordinance**

**TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)
General Employees Retirement System
Ellen Zimmermann, Retirement Office**

RECEIVED
CITY OF PONTIAC
2011 MAY 11 A 10:41

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

The City of Pontiac General Employees' Retirement System (GERS) has requested that certain amendments be made to the City of Pontiac Employees Retirement System Ordinance, put into effect on January 1, 2009 (the "Ordinance"). GERS has requested these amendments to comply with its receipt of an IRS Favorable Determination Letter and to comply with the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act).

EXHIBIT A TO ORDER S-67

Certain Amendments to City of Pontiac General Employees' Retirement System Ordinance

1. Section 17.2 of the Retirement System Ordinance shall be amended by adding the following paragraph:

The provisions of this Retirement Ordinance notwithstanding, the accrued benefit for plan participants shall be non-forfeitable upon the attainment of normal retirement age. Upon termination of the System or upon complete discontinuance of City contributions under this Chapter, the rights of all members to benefit accrued to the date of such termination or discontinuance, to the extent then funded, shall be non-forfeitable.

2. Section 42.1(d) 1 through 3 shall be re-designated as (d) 2 through 4 and paragraph (d) 1 is hereby added as follows:

Joint life annuities where the beneficiary is not the member's spouse. If the member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the member and a non-spouse beneficiary, annuity payments to be made on or after the member's required beginning date to the designated beneficiary after the member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the member and a non-spouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

3. Section 13 shall be amended by adding the following provision thereto, for compliance with the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act):

Effective January 1, 2007, the beneficiary of a Member on a leave of absence to perform military service with reemployment rights described in Code Section 414(u) where the Member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under the Plan had the Member died as an active employee, in accordance with Code Section 401(a)37.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC
2011 MAY 18 A 9:2

Dated: May 17, 2011

ORDER NO. S-68

**RE: Certain Amendments to the
City of Pontiac Police and Fire Retirement System Ordinance**

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)
Police and Fire Retirement System
Ellen Zimmermann, Retirement Office

The **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** in **Section 17(1)** empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. **Section 19(1)** provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: **(f)** Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; **(g)** Make, approve or disapprove any appropriation, contract, expenditure...; **(dd)** Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and **19(2)** ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

The City of Pontiac Police and Fire Retirement System (PFRS) has requested that certain amendments be made to the City of Pontiac Police and Fire Retirement System Ordinance, put into effect on October 4, 2007 (the "Ordinance"). PFRS has requested these amendments to comply with its receipt of an IRS Favorable Determination Letter and to comply with the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act).

The PFRS Board of Trustees by Resolution 11-011 unanimously approved these requested Ordinance amendments at their meeting of February 24, 2011.

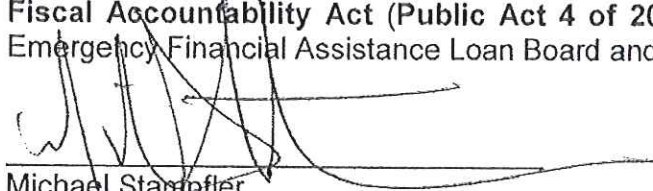
It is hereby ordered:

- (1) The attached four Ordinance amendments to Section 5(e), Section 6(b)(3), Section 15(a) and Section 19 are hereby adopted, effective May 17, 2011, except for Section 13, which is effective as of January 1, 2007 (see attached Exhibit A).
- (2) The City Attorney take all steps necessary to reflect the above Ordinance changes on the City books and records, including publication of adopted Ordinance amendments.
- (3) The Mayor, City Council, City Department Heads and the heads of all City of Pontiac affiliated entities and funds are hereby informed of the adopted Ordinance amendments, as requested by the PFRS Board of Trustees. The prompt and full cooperation of all City of Pontiac elected and appointed officials, department heads, employees and all other individuals with responsibility for the City of Pontiac, its affiliated entities and funds with this Order is necessary to maintain compliance with the City's Amended Financial Plan.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

EXHIBIT A TO ORDER S-68

Certain Amendments to City of Pontiac Police and Fire Retirement System Ordinance

1. Section 5 of the Police and Fire Retirement System Ordinance ("Ordinance") shall be amended by adding the following paragraph (e):
 - (e) The provisions of this retirement system ordinance notwithstanding, the accrued benefit for plan participants shall be non-forfeitable upon the attainment of normal retirement age.
2. Section 6(b) of the Ordinance shall be amended by adding the following paragraph (3):
 - (3) Compensation for purposes of IRC §415(c)(3) shall also include, (1) regular pay after severance from employment; (2) leave cashouts and deferred compensation including cash out of accrued sick, vacation or other leave time if the employee would have been able to use the leave if employment had continued or the payment of nonqualified deferred compensation that would have been paid to the employee at the same time if the employee had remained employed and only to the extent that the payment is includable in the employee's gross income. The compensation items listed in this paragraph must be paid by the later of two and one-half months of severance from employment or the end of the limitation year that includes the date of severance with the city.
3. Section 15(a) of the Ordinance shall be amended by adding the following sentence to the end of said section:

Each member shall at all times be 100% vested in his or her contributions.
4. Section 9 of the Ordinance shall be amended by adding the following provision thereto, for compliance with the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act):

Effective January 1, 2007, the beneficiary of a Member on a leave of absence to perform military service with reemployment rights described in Code Section 414(u) where the Member cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under the Plan had the Member died as an active employee, in accordance with Code Section 401(a) 37.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: May 20, 2011

ORDER NO. S-69

RE: City Planning Commission Ordinance

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Charles Smith (Wade Trim Associates)
Carl Johnson, Controller (Plante & Moran)
Planning Commission

RECEIVED
CITY OF PONTIAC
2011 MAY 23 A 9:57

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; (ff) Remove, replace, appoint or confirm the appointment to any office, board, commission, authority or other entity which is within or is a component unit of the local government; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

Under the Michigan Planning Enabling Act (MCLA §125.3801, et. seq.), as amended in 2008 ("New Act"), the City needs to adopt provisions of state law governing its Planning Commission. The deadline for such adoption and amendment to the current City ordinance is July 1, 2011.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: May 20, 2011

ORDER NO. S-70

RE: United Water Environmental Services, Inc. Contract

TO: Mark Hotz, City Attorney
Sheryl Stubblefield, City Treasurer
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Michael Wilson, Building Official
Wendy Keelty-Reyes, Acting Police Chief
Antonio Macias, Acting Fire Chief
Carl Johnson, Controller (Plante & Moran)
Cortland Overmyer, Interior Director of Public Works Utilities
Kevin Chandler (United Water)

RECEIVED
CITY OF PONTIAC
2011 MAY 23 A 9:52

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to provide the City with professional water/sewer services, I directed that requests for water and wastewater utility contract operations and maintenance services be competitively bid and the City issued a Request for Proposals on October 4, 2010. This

and proper and full compliance with all applicable Federal/State regulations guiding these funds achieved;

- E. The United Water Contract is projected to save the City \$2.8 million in the first year and additional savings during the five (5) year term with improved Services resulting from achievement of the Performance Goals;
 - F. The City of Pontiac will retain ownership of all water and wastewater facilities, plants, equipment and infrastructure;
 - G. The City retains all prerogatives regarding establishment of rates; and
-
- H. Despite the Contract being excluded from the provisions of Article VI of Chapter 2 of City Ordinance (Sec. 2-516, et seq.) as stated in Sec. 2-521, the City, at my directive, issued the Request for Proposals for the Services, and received proposals from two (2) firms that bid and responded, and awarded the Contract after review by staff and meetings with bidders.

It is hereby ordered:

- (1) The City Attorney advise by June 2, 2011, in writing, the Mayor, City Council, City Department Heads and the head of all City of Pontiac affiliated entities and funds that United Water will provide the Services. Such notification of the Order shall also include the express direction that "The Emergency Financial Manager orders the prompt and full cooperation of all City of Pontiac elected and appointed officials, department heads, employees and all other individuals with responsibility for the City of Pontiac, its affiliated entities and funds with United Water. Such prompt and full cooperation, with United Water is essential in order for the City to provide Services to the City, its residents and property owners."
- (2) The City Attorney take all steps necessary to have all City records reflect that United Water is providing Services in the City.
- (3) The Controller (Plante Moran) shall prepare the necessary budget amendment to provide funding for the Contract for approval by the Emergency Manager by June 15, 2011.
- (4) United Water shall report directly to the Emergency Manager as required under the Contract.
- (5) All prior City resolutions and ordinances inconsistent with this Order and Contract are hereby repealed.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: May 20, 2011

ORDER NO. S-71

RE: Implementation of Layoff and Position
Elimination, Water and Wastewater Operation

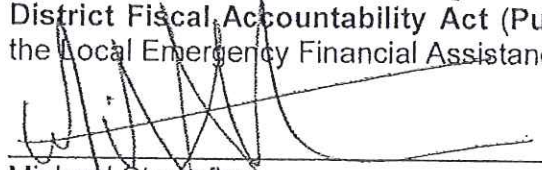
TO: John Naglick, Acting Finance Director
Devin Scott, Acting Human Resources Director
Mark Hotz, City Attorney
Yvette Talley, City Clerk
Jill Temple (SARCOM)
Carl Johnson, Controller (Plante & Moran)
Cortland Overmeyer, Interim Director of DPW & U

RECEIVED
CITY OF PONTIAC
2011 MAY 23 A 9:52

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(a) Analyze factors and circumstances contributing to the financial emergency of the local government and initiate steps to correct the condition; (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Financial Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER RECEIVED
MICHAEL L. STAMPFLER **CITY OF PONTIAC**

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

2011 MAY 31 A 10: 21

Dated: May 23, 2011

ORDER NO. S-72

RE: Administrative Appointment

TO: Devin Scott, Acting Human Resources Director
 Antonio Macias, Acting Fire Chief
 Mark Hotz, City Attorney
 ✓Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(n) ...appoint, supervise, and at his or her discretion, remove administrators, including heads of departments other than elected officials...."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

It is hereby ordered:

Mr. Tyrone Jarrett, Sr. is appointed Fire Chief for the City of Pontiac effective June 6, 2011.

The Order shall have immediate effect.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: June 7, 2011

ORDER NO. S-73

**RE: Pontiac Police & Fire Dispatchers Association
Contract Provision Termination**

**TO: Mark Hotz, City Attorney
Sheryl Stubblefield, City Treasurer
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Wendy Keelty-Reyes, Acting Police Chief
Devin Scott, Acting Human Resources Director
Carl Johnson, Controller (Plante & Moran)
Pontiac Police & Fire Dispatchers Association**

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (k) After meeting and conferring with the appropriate bargaining representative and, if in the emergency manager's sole discretion and judgment, a prompt and satisfactory resolution is unlikely to be obtained, reject, modify, or terminate 1 or more terms and conditions of an existing collective bargaining agreement. The rejection, modification, or termination of 1 or more terms and conditions of an existing collective bargaining agreement under this subdivision is a legitimate exercise of the state's sovereign powers if the emergency manager and state treasurer determine that all of the following conditions are satisfied...; (l) Act as sole agent of the local government in collective bargaining with employees or representatives and approve any contract or agreement; (y) Enter into

agreements with other local governments, public bodies, or entities for the provision of services, the joint exercise of powers, or the transfer of functions and responsibilities; (aa) Enter into agreements with 1 or more other local governments or public bodies for the consolidation of services; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager".

In October 2010, the City and the Oakland County Sheriff's Office ("County") entered into a Memorandum of Understanding in an effort to outline the terms of a more formal contractual agreement allowing the County to provide all police and dispatch services in the City.

Subsequently, the City engaged in good faith collective bargaining with the affected unions, including the Pontiac Police & Fire Dispatchers Association ("PPFDA"). Subsequent meetings with the PPFDA leadership team and its bargaining agent from the Michigan Association of Police ("MAP") and the City were held on October 19, 2010 and October 26, 2010. In order that the PPFDA and its members would know the exact parameters of the contracts with the County, including salary and benefits for dispatch personnel, the City sought to have the two contracts voted on by the Oakland County Board of Commissioners.

On January 20, 2011, the Oakland County Board of Commissioners ("OCBOC") approved both of the police and dispatch services contracts with the City. The contracts require that the County provide all police and fire dispatch services. Subsequent to the OCBOC vote on January 20th, the City commenced additional discussions with the three affected bargaining units. The PPOA (37 voting members) voted in early March 2011 to ratify a contract closing agreement with the City, which allows for the contracting services to the County. The PPSA has indicated that its 13-member union is fully supportive of the move to the County for police and dispatch services.

The City most recently met with the PPFDA on March 15, 2011 to discuss the contract with the County for dispatch services. Despite that meeting and frequent discussions between the City's legal counsel and MAP bargaining agent, there has been no resolution of outstanding issues.

On May 17, 2011, I requested that the State Treasurer concur in my determination under Section 19(k) of the Local Government and School District Fiscal Accountability Act, Public Act 4 of 2011 ("Act") to allow termination of Article II, Section 3 (Subcontracting) of the Collective Bargaining Agreement with the PPFDA.

As stated in the May 17, 2011 correspondence to the State Treasurer, in my sole discretion and judgement, and after conferring with the PPFDA and its representatives, a prompt and satisfactory resolution of outstanding issues is unlikely to be obtained. Thereafter, I determined that the four conditions of Section 19(k) of the Act had been satisfied.

On June 6, 2011, the State Treasurer concurred with my determination and made his separate determination (see attached) that the four conditions of Section 19(k) of the Act had been satisfied.

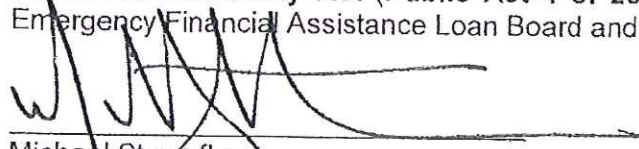
It is hereby ordered:

- (1) By operation of law, as provided in Section 19(k) of the Act, pursuant to the determinations made by me and the State Treasurer, Article II, Section 3 of the Collective Bargaining Agreement between the City and PPFDA has been terminated.
- (2) I hereby notify the PPFDA of the termination of Article II, Section 3 of its Collective Bargaining Agreement with the City.
- (3) I further notify the PPFDA that, pursuant to the City's rights under Section 8 of the Collective Bargaining Agreement with the PPFDA and the powers granted to me as Emergency Manager under the Act, that the City shall enter into the two contracts approved by the OCBOC to facilitate transfer of all police and fire dispatch services to Oakland County, effective July 1, 2011 or at a later date to be mutually determined by the City and County.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfler
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ANDY DILLON
STATE TREASURER

June 6, 2011

Michael L. Stampfler, Emergency Manager
City of Pontiac
47450 Woodward Avenue
Pontiac, MI 48342

Dear Mr. Stampfler:

Thank you for your May 17, 2011 letter, which is enclosed for reference. As Emergency Manager for the City of Pontiac (City), you have asked for my concurrence with your determination to terminate and remove a provision of an existing collective bargaining agreement between the City and the Pontiac Police and Fire Dispatchers Association (PPFDA) pursuant to the Local Government and School District Fiscal Accountability Act, Public Act 4 of 2011, MCL 141.1501 *et seq.* (the Act). As explained in further detail below, I concur with your determination.

As you are aware, the City is facing a broad, generalized economic problem, as illustrated by the following statistics:

1. The City lost approximately 22 percent of its tax base from 2010 to 2011. Due to restrictions in the Michigan Constitution upon property tax increases, even as economic conditions improve, the City will be able to recover its tax base only at the annual rate of 5 percent or inflation, whichever is less.
2. City property tax revenue decreased from \$12.9 million in fiscal year 2007 to \$10.9 million in the current fiscal year.
3. City income tax revenue decreased from \$13.3 million in fiscal year 2007 to an estimated \$8.7 million in the current fiscal year.
4. While City general fund expenditures decreased from \$56.1 million in fiscal year 2007 to \$47.2 million in the current fiscal year, general fund revenues decreased during the same period from \$54.2 million to \$38.4 million.
5. The City has a residential housing vacancy rate of 18 percent (per the 2010 Census compared to an 8 percent vacancy rate per the 2000 Census) and more than 4,700 vacant buildings.

6. The City population declined by 12 percent between 2000 and 2010, decreasing by 7,991 from 67,506 to 59,515.

The amended financial plan you submitted on September 1, 2010 to the Department of Treasury contained a number of proposed measures designed to address the City's financial emergency. You estimated that the City's general fund deficit in fiscal year 2013 would be \$8.5 million if these measures were implemented, but would be \$17.4 million without their implementation. Among the measures proposed was to contract with Oakland County to provide all police and dispatch services for the City at an estimated annual savings of approximately \$2.2 million.

You state that of the three relevant union bargaining units, the patrol officers and the command officers have both agreed to terminate their existing contracts with the City, as required by Oakland County, to effectuate the transfer of services. With respect to the remaining bargaining unit, the PPFDA, you have agreed to re-hire all active employees and recognize the PPFDA union if the City reestablishes its own dispatch services in the future. Oakland County has also agreed to create 10 new dispatch positions and offer those positions to eligible members of the PPFDA. Despite these efforts of negotiating a resolution, the PPFDA has not agreed to allow the City to contract with Oakland County to provide these services and you claim that "the City and PPFDA are at an impasse." As a result, you seek to terminate and remove Article II, Section 3 of the collective bargaining agreement between the City and the PPFDA, which addresses the City's contracting and subcontracting rights. You state that removing this section would allow the City to enter into the necessary contracts with Oakland County.

Section 19(1)(k) of the Act authorizes emergency managers to reject, modify, or terminate one or more terms and conditions of an existing collective bargaining agreement. In order to do so, however, the emergency manager and State Treasurer must both determine that the following four conditions of Section 19(1)(k) have been satisfied:

- (i) The financial emergency in the local government has created a circumstance in which it is reasonable and necessary for the state to intercede to serve a significant and legitimate public purpose.
- (ii) Any plan involving the rejection, modification, or termination of 1 or more terms and conditions of an existing collective bargaining agreement is reasonable and necessary to deal with a broad, generalized economic problem.
- (iii) Any plan involving the rejection, modification, or termination of 1 or more terms and conditions of an existing collective bargaining agreement is directly related to and designed to address the financial emergency for the benefit of the public as a whole.
- (iv) Any plan involving the rejection, modification, or termination of 1 or more terms and conditions of an existing collective bargaining agreement is temporary and does not target specific classes of employees.

Michael L. Stampfler
June 6, 2011
Page 3


I have reviewed your determinations in this regard and agree that all four statutory conditions have been satisfied.

In particular, I find that:

1. The financial emergency in the City is such that it is reasonable and necessary for the State to intercede in this instance to serve a significant and legitimate public purpose.
2. The termination and removal of Section 3 of Article II of the collective bargaining agreement between the City and the PPFDA is reasonable and necessary to help address the City's broad, generalized financial emergency.
3. The termination and removal of this provision in the collective bargaining agreement is critical to the execution of an agreement with Oakland County that is estimated to save the City substantial sums of money against their fiscal year 2011-2012 \$4.1 million deficit, and is directly related to and designed to address the City's financial emergency.
4. The plan involving the termination and removal of Section 3 of Article II, which is limited to the term of the existing contracts and involves all City employees providing police and dispatch services, is temporary and does not target specific classes of employees.

Therefore, pursuant to Section 19(1)(k) of the Act, I have also determined that the above statutory conditions have been satisfied.

Sincerely,


Andy Dillon
State Treasurer

Enclosure



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Dated: June 7, 2011

ORDER NO. S-74

RE: Implementation of Layoff and Position
Elimination, Police & Fire Dispatch Division

TO: Wendy Keelty-Reyes, Acting Police Chief
John Naglick, Acting Finance Director
Devin Scott, Acting Human Resources Director
Mark Hotz, City Attorney
Yvette Talley, City Clerk
Jill Temple (SARCOM)
Carl Johnson, Controller (Plante & Moran)
Cortland Overmyer, Interim Director of DPW & U

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(a) Analyze factors and circumstances contributing to the financial emergency of the local government and initiate steps to correct the condition; (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (I) Act as sole agent of the local government in collective bargaining with employees or representatives and approve any contract or agreement; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

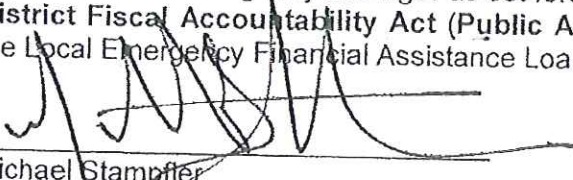
It is hereby ordered:

- (1) As a result of the City of Pontiac's severe financial situation, and the City of Pontiac's entry into contracts with Oakland County for police and fire dispatch services, layoffs and position eliminations will be effectuated in the Dispatch Division.
- (2) The Human Resources Director will provide the layoff list certification to the Emergency Manager by 4:00 p.m. on Wednesday, June 8, 2011.
- (3) No later than 12:00 p.m. on Wednesday, June 15, 2011, the Human Resources Director will distribute a copy of the list of employees to be laid off and all individual employee layoff notices to the Police Chief, who will distribute all individual employee layoff notices to each affected employee by 5:00 p.m. on Wednesday, June 15, 2011.
- (4) The Police Chief will require each affected employee to sign the individual employee layoff notice, and retain a copy for the City of Pontiac's records.
- (5) The final day of employment for each affected employee will be Thursday, June 30, 2011.
- (6) Each affected employee must return all property of the City of Pontiac, including but not limited to, equipment, documents, access keys/cards, uniforms, computers, cellular telephones, and radios to the Department by no later than 4:00 p.m. on June 30, 2011.
- (7) The Police Chief will prepare an inventory of all City of Pontiac property returned by all laid off employees, including but not limited to equipment, documents, access keys/cards, uniforms, computers, cellular telephones, and radios. A report of this inventory must be presented to the Emergency Manager by 5:00 p.m. on July 7, 2011.
- (8) SARCOM will be responsible to collect any and all returned employee information systems or technical equipment from the Police Chief by no later than noon, Friday, July 8, 2011 and will provide a report to the Emergency Financial Manager commenting on the completion of this task by 5:00 p.m. that date.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Financial Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC

2011 JUN 12 A 5:20

Dated: June 9, 2011

ORDER NO. S-75

RE: City of Pontiac Designation of Oakland County Sheriff Office
as PSAP for City 9-1-1 Calls

TO: Wendy Keelty-Reyes, Acting Police Chief
Antonio Macias, Acting Fire Chief
Mark Hotz, City Attorney
✓ Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)
Pat Coates, Oakland County 9-1-1 Coordinator
William Bullard, Oakland County Clerk

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

The Oakland County Board of Commissioners has approved two contracts with the City of Pontiac regarding the Oakland County Sheriff's Office ("OCSO") providing all police and dispatch services in the City. In anticipation of the contract services being provided by the OCSO, certain statutory notifications need to be issued by the City of Pontiac.

State law requires certain notification procedures in the event of changes in 9-1-1 service in Pontiac. In order to protect the public and effect an orderly transition of 9-1-1



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

RECEIVED
CITY OF PONTIAC

47450 Woodward Avenue
Pontiac, Michigan 48342 2011 JUN 12 A 5:21
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: June 13, 2011

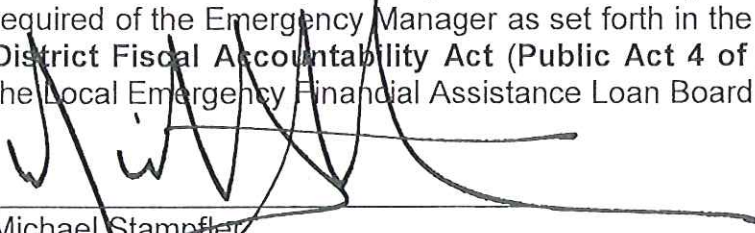
ORDER NO. S-76

RE: Implementation of Layoff and Position
Elimination, Police Department

TO: Wendy Keelty-Reyes, Acting Police Chief
John Naglick, Acting Finance Director
Devin Scott, Acting Human Resources Director
Mark Hotz, City Attorney
✓Yvette Talley, City Clerk
Jill Temple (SARCOM)
Carl Johnson, Controller (Plante & Moran)
Cortland Overmyer, Interim Director of DPW & U

~~The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)~~ in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(a) Analyze factors and circumstances contributing to the financial emergency of the local government and initiate steps to correct the condition; (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (l) Act as sole agent of the local government in collective bargaining with employees or representatives and approve any contract or agreement; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
JUN 14 2011
PONTIAC
CITY CLERK'S OFFICE

Dated: June 14, 2011

ORDER NO. S-77

RE: Water and sewer rates

TO: John Naglick, Acting Finance Director
Cortland Overmyer, Acting Director of the Department of Public Works
Mark Hotz, City Attorney
Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the chief administrative officer and governing body concerning the adoption, amendment, and enforcement of ordinances or resolutions of the local government... and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

Section 118-25(a) of the Code of Ordinances states that "[s]hould the City of Detroit change its water cost to the City of Pontiac, that percentage of change shall be applied to the water and sewer rates charged by the City of Pontiac. Any percentage increase shall be rounded up to the next whole number"; and,

The new rate provided to the City of Pontiac by Detroit Water and Sewerage reflects an 8.3% drop in commodity charges (\$9.68/mcf to \$8.88/mcf) and a 153% increase in the monthly fixed fee (\$39,008 to \$98,572). A comparison of fiscal year 2010-11 water costs (July through May) to those using the new rate indicates that this change results in a 13.3% increase in the cost for purchased water. Based on the requirements of the City Code, a 14.0% increase is required.

City of Pontiac
Department of Public Works & Utilities
Water and Sewer Maintenance Division
Water and Sanitary Sewer Rates

Public Notice

In accordance with **Chapter 118, Section 118-25 of the Municipal Code of Pontiac, Michigan**, all City of Pontiac water and sewer customers are hereby notified that the following rates will become effective July 1, 2011 to offset an automatic adjustment in rates by the Detroit Water and Sewerage Department effective the same date:

Michael L. Stampfler
Emergency Manager

Cortland V. Overmyer
Interim DPW/Utilities Director

All water/sewer payments should be mailed to:

City of Pontiac
P.O. Box 805046
Chicago, IL 60686-4111

Payments can still be made at the City of Pontiac, Treasurer's Office, City Hall, 1st Floor, Pontiac, MI 48342. If you have any questions, contact the Utilities Division at (248) 758-3733, Monday through Friday, 8:30 AM until 4:30 PM.

Water Rates: Inside City Customers

Monthly Capital Charges:

<u>Meter Size</u>	<u>Monthly Meter Charge</u>	<u>Monthly Fireline Charge</u>
5/8-3/4"	\$ 5.68	
1"	12.54	
1 1/4"	17.07	
1 1/2"	22.76	
2"	34.18	\$34.18
3"	56.97	56.97
4"	113.93	113.93
6"	199.33	199.33
8"	284.82	284.82
10"	398.72	398.72
12"	569.58	569.58

ADMINISTRATIVE CHARGE: \$ 6.88 monthly

Sewer Rates: Inside City Customers

MONTHLY CAPITAL CHARGES:

<u>Meter Size</u>	<u>Monthly Meter Charge</u>
5/8 – 3/4"	\$ 4.66
1"	10.33
1 1/4"	14.06
1 1/2"	18.77
2"	28.15
3"	46.90
4"	93.75
6"	164.11
8"	234.44
10"	328.21
12"	468.90

ADMINISTRATIVE CHARGE: \$7.39 monthly

COMMODITY CHARGE

PER 100 CUBIC FEET (748 GALLONS):

Residential and Commercial: \$2.75/100 cubic feet

Industrial: \$2.93/100 cubic feet

Monthly Flat Rate

(Single Family Residence Only): \$49.82/ month

Total sewer must include consumption. Furthermore, because federal grants have been used to improve sanitary sewers, the sewer administrative charge and the sewer consumption charge must be the same for inside-City and outside-City customers.

ANCILLARY CHARGES

Water Tapping Service Charge:

<u>Size of Service</u>	<u>Tapping Charges</u>
1"	\$3,245.00
1 1/2"	\$3,895.00
2"	\$4,500.00
Larger than 2"	Time and materials

Turn-on or Turn-off Charges:

During normal business hours: (Between 7:30 a.m.-4:30 p.m. Monday through Friday)	\$52.00 turn on, \$52.00 turn off
Non-business hours: (Between 4:30 p.m. and 7:30 a.m. Monday through Friday and all Weekend hours)	\$195.00 turn on, \$195.00 turn off (overtime)
Holiday Turn On/ Holiday Turn Off (Emergencies Only)	\$260.00 turn on, \$260.00 turn off (double-time)
<u>Removal or Installation of water meter:</u> (During business hours only.)	\$28.50 (plus water turn on, turn off)
<u>Meter tampering:</u>	\$95.00 charge, plus revised estimated bill
<u>Fire Hydrant Rental:</u>	\$95.00 first day, plus estimated water usage, \$4.00 per day thereafter, plus estimated water usage
<u>Private Fire Hydrant Maintenance:</u>	\$95.00 per year (covers routine maintenance) Additional charges for major maintenance on time and material basis.
<u>24- Hour Notice</u>	\$13.00 charge
<u>Customer Damaged Meter:</u>	Actual costs of repair.
Customer requested inspection & Customer requested meter test	\$28.50 charge, if problem is determined to be City responsibility, there is no charge.

Special Services Not Specifically Listed:

Actual cost of service (Labor, fringes, equipment, materials and overhead)
Administrative charge related to service requests \$25.00



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

RECEIVED

JUN 14 2011

PONTIAC
CITY CLERK'S OFFICE

Dated: June 8, 2011

ORDER NO. S-78

RE: ASO Contract for Active Employees and Pre-65 Retirees

TO: Mark Hotz, City Attorney
Sheryl Stubblefield, City Treasurer
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Devin Scott, Acting Human Resources Director
Carl Johnson, Controller (Plante & Moran)

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In prior Order S-20 dated September 24, 2010, I awarded the contract for the City of Pontiac's active and pre-65 medical plan ("Active Plan") for the balance of the period of September 1, 2010 through August 31, 2011 remaining after the then-existing contract extension to Humana Insurance Company on the terms generally outlined in its final proposal, and Plunkett Cooney to finalize appropriate contract documents for the Active Plan for execution by or on behalf of the City of Pontiac and Humana Insurance



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

FILED

JUN 14 2011

PONTIAC
CITY CLERK'S OFFICE

Dated: June 14, 2011

ORDER NO. S-79

RE: Amendment to Implementation of Layoff and
Position Elimination, Police Department

TO: Wendy Keelty-Reyes, Acting Police Chief
John Naglick, Acting Finance Director
Devin Scott, Acting Human Resources Director
Mark Hotz, City Attorney
Yvette Talley, City Clerk
Joe Morely (SARCOM)
Carl Johnson, Controller (Plante & Moran)
Cortland Overmyer, Interim Director of DPW & U

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(a) Analyze factors and circumstances contributing to the financial emergency of the local government and initiate steps to correct the condition; (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (l) Act as sole agent of the local government in collective bargaining with employees or representatives and approve any contract or agreement; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC

2011 JUN 16 P 2:11

Dated: June 14, 2011

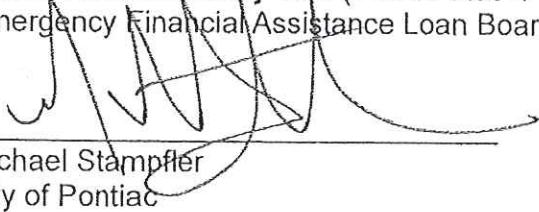
ORDER NO. S-80

RE: Issuance of Water and Sewer Revenue Bonds Not to Exceed \$650,000

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (u) Authorize the borrowing of money by the local government as provided by law; (v) Approve or disapprove of the issuance of obligations of the local government on behalf of the local government under this subdivision; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

WHEREAS, in order to maintain reasonable rates and charges and continue to provide sufficient funds for the operation and maintenance of the System, and to provide for the acquisition and construction of the Project, the City is authorized and does hereby determine it to be in the best interests of the City to issue revenue bonds, secured primarily or solely by a statutory lien against the System's revenues as provided by the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended (MCL 141.1, et seq.) (the "Act"), and to be further secured by the pledge of the City's limited tax full faith and credit, if necessary; and

WHEREAS, the conditions and requirements set forth in the Prior Bonds Authorizing Ordinances (as hereinafter defined) for the issuance of bonds of the City to finance the cost of the Project as Additional Bonds thereunder have been established by the financial records and audits of the System; and

WHEREAS, the Emergency Manager has determined that all or a portion of the cost of the Project is to be defrayed by the issuance of not to exceed Six Hundred Fifty Thousand Dollars (\$650,000) Sewage Disposal System Revenue Bonds (the "Bonds"), to be issued in one or more series; and

WHEREAS, the Emergency Manager has determined that it is in the best interest of the City to finance all or a portion of the cost of the Project through the issuance of the Bonds to the Michigan Municipal Bond Authority (the "MMBA" or the "Authority") pursuant to the Clean Water State Revolving Fund Program (the "CWSRF Program") administered by the Michigan Department of Environmental Quality (the "MDEQ"); and

WHEREAS, subject to the City obtaining approval from the Michigan Department of Treasury to issue the Bonds, all things necessary for the authorization and issuance of revenue bonds under the Constitution and laws of the State of Michigan, ordinances and resolutions of the City, and particularly the Act, have been done, and the City is now empowered and desires to authorize the issuance of the Bonds; and

WHEREAS, the Emergency Manager desires to negotiate the sale of the Bonds to the MMBA and to authorize the execution and delivery of any and all documents necessary to effectuate the sale and delivery of the Bonds to the Authority.

NOW, THEREFORE, THE EMERGENCY MANAGER FOR THE CITY OF PONTIAC ORDAINS:

1. Necessity; Cost Estimate; Useful Life. It is hereby determined and declared to be necessary for the public health and

Depository payments of the principal of, premium, if any, and interest on the Bonds in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (3) written notice of any redemption of the Bonds shall be given by the Issuer and received by the MMBA's Depository at least 40 days prior to the date on which such redemption is to be made.

In the event of a default in the payment of principal or interest thereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the MMBA's cost of providing funds (as determined by the MMBA) to make payment on the bonds of the MMBA issued to provide funds to purchase the Bonds, but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MMBA has been fully reimbursed for all costs incurred by the MMBA (as determined by the MMBA) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following the demand of the MMBA. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the MMBA) the investment of amounts in the reserve account established by the MMBA for the bonds of the MMBA issued to provide funds to purchase the Bonds fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MMBA issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro-rata share (as determined by the MMBA) of such deficiency as additional interest on the Bonds.

(c) Prior Redemption. The Bonds may be subject to redemption prior to maturity by the City only with the prior written consent of the MMBA and on such terms as may be required by the MMBA.

Notice of redemption of any bond shall be given at least forty (40) days prior to the date fixed for redemption by mail to the registered owner(s) at the registered address shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in an aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered owner thereof. No further interest payment on the bonds of portions of the bonds called for redemption shall accrue after the date fixed for redemption, provided funds are on hand with the Bond Registrar to redeem same.

a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

- (6) During the time funds are being drawn down by the Issuer under this Bonds, MMBA will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of MMBA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.
- (7) Such other standard terms and provisions as may be reasonable required by the MMBA for Bonds issued pursuant to the CWSRF Program.

4. The Bonds. The Bonds of the Issuer aggregating the principal sum of not to exceed Six Hundred Fifty Thousand Dollars (\$650,000) shall be issued for the purpose of paying all or a portion of the cost of the Project. The Bonds may be issued in one or more series, with the aggregate principal amount(s) not to exceed Six Hundred Fifty Thousand Dollars (\$650,000).

Except as changed by the provisions of the Prior Bonds Authorizing Ordinances shall apply to the Bonds, the same as though

the Bonds with respect to the Prior Bonds as determined by the Authorized Officer (after consultation with the City's bond counsel and financial consultant), bear interest at a rate or rates to be hereafter determined not exceeding 6.00% per annum, as determined and approved by the Authorized Officer, have maturity dates and amounts as determined by the Authorized Officer. The Authorized Officer is hereby authorized to adjust the maturity schedule, the interest payment dates, and/or reduce the principal amount of such borrowing(s) as deemed necessary and reasonable to the Project.

Based upon consultations with and recommendations from its financial consultant and bond counsel, the City hereby determines that it is in the best interests of the City to issue such subsequent series of Bonds through a negotiated sale to the MMBA, rather than sell the Bonds at a public sale, based upon the favorable terms [including the interest rate(s)] and reduced costs of issuance that are available through the MMBA pursuant to the MDEQ's CWSRF Program.

5. Bond Execution. The Emergency Manager shall manually sign, or cause his facsimile signature to be affixed to (if permitted by law), the Bonds in conformity with the above specifications, and is hereby further authorized to deliver the Bonds to the purchaser thereof upon receipt of the purchase price and accrued interest, if any.

6. Lost, Destroyed, Mutilated Bonds. If any Bond shall become mutilated, the Issuer, at the expense of the bondholder, shall execute, and the paying agent, if any, shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond upon surrender to the paying agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the paying agent and, if this evidence is satisfactory to both the paying agent and the Issuer, an indemnity satisfactory to the paying agent and the Issuer shall be given and the Issuer, at the expense of the owner, shall execute, and the paying agent shall thereupon authenticate and deliver a new Bond of like tenor and bearing the same statement required by Act 354, Public Acts of Michigan, 1972, as amended, being §§ 129.231 to 129.134, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the paying agent may pay the same without surrender thereof.

7. Bond Form. The Bonds shall be in substantially the form as attached hereto as Exhibit A. The Emergency Manager shall execute the Bonds manually or by facsimile signature if authorized by law.

13. Security for Bonds. The Bonds hereby authorized, together with interest thereon, shall be payable primarily or solely (as finally determined by the Authorized Officer upon the sale of the Bonds) from the net income and revenues to be derived from the operation of the System. To pay such principal and interest as and when same shall become due, there is hereby created a statutory lien upon the whole of the net revenues of the System, the priority of which lien shall be determined by the Authorized Officer, to continue until the payment in full of the principal and interest on said Bonds.

Further, if necessary or if required by the MMBA, the full faith and credit of the City, pursuant to the applicable provisions of the Act, shall be pledged as additional security for the payment of the Bonds when due, subject to existing constitutional, statutory and charter tax rate limitations. In the event the revenues received from the operation of the System are insufficient to pay principal and interest on the Bonds when due, the City will advance funds therefor from general funds of the City and will, if necessary, levy taxes within applicable tax rate limitations for the prompt payment of principal and interest on the Bonds. Should the City advance funds at any time for payment of the Bonds, it will be entitled to be reimbursed from the first funds thereafter available for such purpose.

14. Rates and Charges. Prior to the issuance of the Bonds, rates and charges for the services of said System will be fixed in an amount sufficient to pay the costs of operation and maintaining the System, and to provide sufficient revenue for principal and interest, debt service, replacement and improvement requirements and all other requirements provided herein, and otherwise comply with the covenants herein provided. The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the costs and value of said System and the cost of maintaining, repairing and operating the same and the amounts necessary for the retirement of all bonds and accruing interest on such bonds and such amounts as may be necessary to meet the requirements of this Ordinance.

15. Rates, Billing and Enforcement. The rates charged for the services of the System, and the billing, enforcement, and collection of charges for such services, as well as the general management of the System, shall be as in effect in the City as of the date of the issuance of the Bonds, and as adjusted from time to time by the City, provided by the ordinances and resolutions of the City.

16. No Free Service. No free service shall be furnished by the System to any individual, firm or corporation, public or private, or to any public agency or instrumentality.

17. Prior Bonds Authorizing Ordinances. The City has previously enacted the following ordinances to authorize the Prior

rights of the holders so long as said Bonds or interest thereon remains unpaid.

21. Bond Reserve Account. In the event that the Bonds are issued with a statutory first lien on the Net Revenues of the System of equal standing and priority with the lien established in favor of the Prior Bonds, the Reserve Account in the Bond and Interest Redemption Fund, as established by the Prior Bonds Authorizing Ordinances, shall be increased by an amount which, when added to the sums on account in the Reserve Account, shall be equal to the lesser of (a) the maximum annual debt service requirements on the Bonds and the Prior Bonds (b) 125% of the average annual debt service on the Bonds and the Prior Bonds, or (c) 10% of the principal amount of the Bonds and Prior Bonds. To provide said additional funds for the Bond Reserve Account, there shall be deposited into said account a sum of money sufficient to meet such requirements. All of the provisions relative to the use of the Bond Reserve Account, its maintenance and other detail relative thereto shall remain as specifically set forth in the Prior Bonds Authorizing Ordinances. However, in the event that the Bonds are issued with a lien on the Net Revenues of the System that is subordinate to the lien established in favor of the Prior Bonds, the Issuer shall not be obligated to increase the Reserve Account in the aforementioned manner.

22. Fiscal Year of System. The fiscal year for the operation of the System is from July 1 to June 30 of each year.

23. Application to Department of Treasury and Other Governmental Agencies. The Emergency Manager, Mayor, City Clerk, Treasurer, members, staff, counsel and Bond Counsel for the Issuer, or any of them, are authorized on behalf of the Issuer to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency and execute all necessary documents on behalf of the City in order that the Bonds may be validly issued and the interest thereon be exempt from federal income taxation and are further hereby authorized to execute, date and deliver such other certificates, documents, instruments, and opinions and other papers as may be required by the Purchase Contract or as may be necessary or convenient to effectuate the sale and delivery of the Bonds in accordance with the terms of the Purchase Contract.

24. Financial Consultant. The financial consulting firm of Municipal Financial Consultants, Inc., Grosse Pointe Farms, Michigan, is hereby appointed as financial consultant to the City with reference to the issuance of the Bonds herein authorized.

25. Conflict and Severability. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, and each section of this Ordinance and each subdivision of any section

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF PONTIAC
SEWAGE DISPOSAL SYSTEM REVENUE BOND, SERIES 2011
(GENERAL OBLIGATION - LIMITED TAX)

<u>Rate</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
_____ %	Per Schedule A	_____ 1 of each _____, 20____ year per Schedule A	

REGISTERED OWNER: MICHIGAN MUNICIPAL BOND AUTHORITY

CITY OF PONTIAC, COUNTY OF OAKLAND, STATE OF MICHIGAN (the "Issuer"), promises to pay to the Michigan Municipal Bond Authority (the "Authority" or "MMBA"), [solely/primarily] from the net revenues of the Issuer's sewage disposal system, including all appurtenances, additions, extensions and improvements thereto (the "System"), the Principal Amount of this Bond specified above, in lawful money of the United States of America on the Maturity Date specified above, with interest thereon from the Date of Original Issue specified above, or subsequent dates of the installment deliveries as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority, and the State of Michigan acting through the Department of Environmental Quality, until paid at the Rate specified above (the "Bond" or "Bonds"), provided that the principal repayments required herein to be paid to the Authority shall not exceed the total of the principal installments received.

Interest is first payable _____ 1, 20____, and semiannually thereafter, and principal is payable on the first day of April commencing April 1, 20____ (as identified in the Purchase Contract) and annually thereafter.

This Bond is a single instrument, numbered 1, evidencing multiple annual maturities delivered in installments aggregating the principal amount of \$____,000, is payable in installments as set forth in Schedule A, and is the _____ series of bonds issued pursuant to Ordinance No. _____, enacted by the Issuer's Emergency Manager on _____ (the "Ordinance"), and under and in full compliance with the constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, Act 34, Public Acts of Michigan, 2001, as amended, and Act 279, Public Acts of Michigan, 1909, as amended, for the purpose of defraying a

notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following the demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

During the time funds are being drawn down by the Issuer under this Bond, MMBA will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the MMBA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

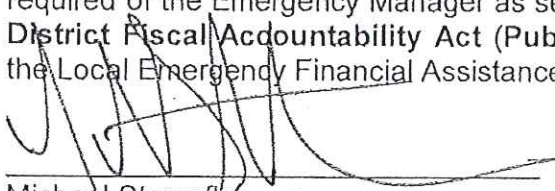
This Bond may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done, have happened and have been performed in regular and due time and form as required by law. Further, the total indebtedness of the Issuer, including this Bond, does not exceed any constitutional, statutory or charter limitation.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC

2011 JUN 16 P 2:45

Dated: June 14, 2011

ORDER NO. S-81


RE: Issuance of Water and Sewer Revenue Bonds Not to Exceed \$11,000,000

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (u) Authorize the borrowing of money by the local government as provided by law; (v) Approve or disapprove of the issuance of obligations of the local government on behalf of the local government under this subdivision; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

I have determined that it is necessary for the public health and welfare of the City to acquire, construct and install certain improvements to the City's public sewage disposal system (the "System"), including, but not limited to: equipment replacement and structural

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

WHEREAS, in order to maintain reasonable rates and charges and continue to provide sufficient funds for the operation and maintenance of the System, and to provide for the acquisition and construction of the Project, the City is authorized and does hereby determine it to be in the best interests of the City to issue revenue bonds, secured primarily or solely by a statutory lien against the System's revenues as provided by the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended (MCL 141.1, et seq.) (the "Act"), and to be further secured by the pledge of the City's limited tax full faith and credit, if necessary; and

WHEREAS, the conditions and requirements set forth in the Prior Bonds Authorizing Ordinances (as hereinafter defined) for the issuance of bonds of the City to finance the cost of the Project as Additional Bonds thereunder have been established by the financial records and audits of the System; and

WHEREAS, the Emergency Manager has determined that all or a portion of the cost of the Project is to be defrayed by the issuance of not to exceed Eleven Million Dollars (\$11,000,000) Sewage Disposal System Revenue Bonds (the "Bonds"), to be issued in one or more series; and

WHEREAS, the Emergency Manager has determined that it is in the best interest of the City to finance all or a portion of the cost of the Project through the issuance of the Bonds to the Michigan Municipal Bond Authority (the "MMBA" or the "Authority") pursuant to the Clean Water State Revolving Fund Program (the "CWSRF Program") administered by the Michigan Department of Environmental Quality (the "MDEQ"); and

WHEREAS, subject to the City obtaining approval from the Michigan Department of Treasury to issue the Bonds, all things necessary for the authorization and issuance of revenue bonds under the Constitution and laws of the State of Michigan, ordinances and resolutions of the City, and particularly the Act, have been done, and the City is now empowered and desires to authorize the issuance of the Bonds; and

WHEREAS, the Emergency Manager desires to negotiate the sale of the Bonds to the MMBA and to authorize the execution and delivery of any and all documents necessary to effectuate the sale and delivery of the Bonds to the Authority.

NOW, THEREFORE, THE EMERGENCY MANAGER FOR THE CITY OF PONTIAC ORDAINS:

1. Necessity; Cost Estimate; Useful Life. It is hereby determined and declared to be necessary for the public health and

Depository payments of the principal of, premium, if any, and interest on the Bonds in immediately available funds at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; and (3) written notice of any redemption of the Bonds shall be given by the Issuer and received by the MMBA's Depository at least 40 days prior to the date on which such redemption is to be made.

In the event of a default in the payment of principal or interest thereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the MMBA's cost of providing funds (as determined by the MMBA) to make payment on the bonds of the MMBA issued to provide funds to purchase the Bonds, but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MMBA has been fully reimbursed for all costs incurred by the MMBA (as determined by the MMBA) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following the demand of the MMBA. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the MMBA) the investment of amounts in the reserve account established by the MMBA for the bonds of the MMBA issued to provide funds to purchase the Bonds fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MMBA issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro-rata share (as determined by the MMBA) of such deficiency as additional interest on the Bonds.

(c) Prior Redemption. The Bonds may be subject to redemption prior to maturity by the City only with the prior written consent of the MMBA and on such terms as may be required by the MMBA.

Notice of redemption of any bond shall be given at least forty (40) days prior to the date fixed for redemption by mail to the registered owner(s) at the registered address shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in an aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered owner thereof. No further interest payment on the bonds of portions of the bonds called for redemption shall accrue after the date fixed for redemption, provided funds are on hand with the Bond Registrar to redeem same.

a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

- (6) During the time funds are being drawn down by the Issuer under this Bonds, MMBA will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of MMBA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.
- (7) Such other standard terms and provisions as may be reasonable required by the MMBA for Bonds issued pursuant to the CWSRF Program.

4. The Bonds. The Bonds of the Issuer aggregating the principal sum of not to exceed Eleven Million Dollars (\$11,000,000) shall be issued for the purpose of paying all or a portion of the cost of the Project. The Bonds may be issued in one or more series, with the aggregate principal amount(s) not to exceed Eleven Million Dollars (\$11,000,000).

Except as changed by the provisions of the Prior Bonds Authorizing Ordinances shall apply to the Bonds, the same as though

the Bonds with respect to the Prior Bonds as determined by the Authorized Officer (after consultation with the City's bond counsel and financial consultant), bear interest at a rate or rates to be hereafter determined not exceeding 6.00% per annum, as determined and approved by the Authorized Officer, have maturity dates and amounts as determined by the Authorized Officer. The Authorized Officer is hereby authorized to adjust the maturity schedule, the interest payment dates, and/or reduce the principal amount of such borrowing(s) as deemed necessary and reasonable to the Project.

Based upon consultations with and recommendations from its financial consultant and bond counsel, the City hereby determines that it is in the best interests of the City to issue such subsequent series of Bonds through a negotiated sale to the MMBA, rather than sell the Bonds at a public sale, based upon the favorable terms [including the interest rate(s)] and reduced costs of issuance that are available through the MMBA pursuant to the MDEQ's CWSRF Program.

5. Bond Execution. The Emergency Manager shall manually sign, or cause his facsimile signature to be affixed to (if permitted by law), the Bonds in conformity with the above specifications, and is hereby further authorized to deliver the Bonds to the purchaser thereof upon receipt of the purchase price and accrued interest, if any.

6. Lost, Destroyed, Mutilated Bonds. If any Bond shall become mutilated, the Issuer, at the expense of the bondholder, shall execute, and the paying agent, if any, shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond upon surrender to the paying agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the paying agent and, if this evidence is satisfactory to both the paying agent and the Issuer, an indemnity satisfactory to the paying agent and the Issuer shall be given and the Issuer, at the expense of the owner, shall execute, and the paying agent shall thereupon authenticate and deliver a new Bond of like tenor and bearing the same statement required by Act 354, Public Acts of Michigan, 1972, as amended, being §§ 129.231 to 129.134, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the paying agent may pay the same without surrender thereof.

7. Bond Form. The Bonds shall be in substantially the form as attached hereto as Exhibit A. The Emergency Manager shall execute the Bonds manually or by facsimile signature if authorized by law.

13. Security for Bonds. The Bonds hereby authorized, together with interest thereon, shall be payable primarily or solely (as finally determined by the Authorized Officer upon the sale of the Bonds) from the net income and revenues to be derived from the operation of the System. To pay such principal and interest as and when same shall become due, there is hereby created a statutory lien upon the whole of the net revenues of the System, the priority of which lien shall be determined by the Authorized Officer, to continue until the payment in full of the principal and interest on said Bonds.

Further, if necessary or if required by the MMBA, the full faith and credit of the City, pursuant to the applicable provisions of the Act, shall be pledged as additional security for the payment of the Bonds when due, subject to existing constitutional, statutory and charter tax rate limitations. In the event the revenues received from the operation of the System are insufficient to pay principal and interest on the Bonds when due, the City will advance funds therefor from general funds of the City and will, if necessary, levy taxes within applicable tax rate limitations for the prompt payment of principal and interest on the Bonds. Should the City advance funds at any time for payment of the Bonds, it will be entitled to be reimbursed from the first funds thereafter available for such purpose.

14. Rates and Charges. Prior to the issuance of the Bonds, rates and charges for the services of said System will be fixed in an amount sufficient to pay the costs of operation and maintaining the System, and to provide sufficient revenue for principal and interest, debt service, replacement and improvement requirements and all other requirements provided herein, and otherwise comply with the covenants herein provided. The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the costs and value of said System and the cost of maintaining, repairing and operating the same and the amounts necessary for the retirement of all bonds and accruing interest on such bonds and such amounts as may be necessary to meet the requirements of this Ordinance.

15. Rates, Billing and Enforcement. The rates charged for the services of the System, and the billing, enforcement, and collection of charges for such services, as well as the general management of the System, shall be as in effect in the City as of the date of the issuance of the Bonds, and as adjusted from time to time by the City, provided by the ordinances and resolutions of the City.

16. No Free Service. No free service shall be furnished by the System to any individual, firm or corporation, public or private, or to any public agency or instrumentality.

17. Prior Bonds Authorizing Ordinances. The City has previously enacted the following ordinances to authorize the Prior

rights of the holders so long as said Bonds or interest thereon remains unpaid.

21. Bond Reserve Account. In the event that the Bonds are issued with a statutory first lien on the Net Revenues of the System of equal standing and priority with the lien established in favor of the Prior Bonds, the Reserve Account in the Bond and Interest Redemption Fund, as established by the Prior Bonds Authorizing Ordinances, shall be increased by an amount which, when added to the sums on account in the Reserve Account, shall be equal to the lesser of (a) the maximum annual debt service requirements on the Bonds and the Prior Bonds (b) 125% of the average annual debt service on the Bonds and the Prior Bonds, or (c) 10% of the principal amount of the Bonds and Prior Bonds. To provide said additional funds for the Bond Reserve Account, there shall be deposited into said account a sum of money sufficient to meet such requirements. All of the provisions relative to the use of the Bond Reserve Account, its maintenance and other detail relative thereto shall remain as specifically set forth in the Prior Bonds Authorizing Ordinances. However, in the event that the Bonds are issued with a lien on the Net Revenues of the System that is subordinate to the lien established in favor of the Prior Bonds, the Issuer shall not be obligated to increase the Reserve Account in the aforementioned manner.

22. Fiscal Year of System. The fiscal year for the operation of the System is from July 1 to June 30 of each year.

23. Application to Department of Treasury and Other Governmental Agencies. The Emergency Manager, Mayor, City Clerk, Treasurer, members, staff, counsel and Bond Counsel for the Issuer, or any of them, are authorized on behalf of the Issuer to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency and execute all necessary documents on behalf of the City in order that the Bonds may be validly issued and the interest thereon be exempt from federal income taxation and are further hereby authorized to execute, date and deliver such other certificates, documents, instruments, and opinions and other papers as may be required by the Purchase Contract or as may be necessary or convenient to effectuate the sale and delivery of the Bonds in accordance with the terms of the Purchase Contract.

24. Financial Consultant. The financial consulting firm of Municipal Financial Consultants, Inc., Grosse Pointe Farms, Michigan, is hereby appointed as financial consultant to the City with reference to the issuance of the Bonds herein authorized.

25. Conflict and Severability. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, and each section of this Ordinance and each subdivision of any section

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF PONTIAC
SEWAGE DISPOSAL SYSTEM REVENUE BOND, SERIES 2011
(GENERAL OBLIGATION - LIMITED TAX)

<u>Rate</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
_____ %	Per Schedule A	_____ 1 of each _____, 20____ year per Schedule A	

REGISTERED OWNER: MICHIGAN MUNICIPAL BOND AUTHORITY

CITY OF PONTIAC, COUNTY OF OAKLAND, STATE OF MICHIGAN (the "Issuer"), promises to pay to the Michigan Municipal Bond Authority (the "Authority" or "MMBA"), [solely/primarily] from the net revenues of the Issuer's sewage disposal system, including all appurtenances, additions, extensions and improvements thereto (the "System"), the Principal Amount of this Bond specified above, in lawful money of the United States of America on the Maturity Date specified above, with interest thereon from the Date of Original Issue specified above, or subsequent dates of the installment deliveries as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority, and the State of Michigan acting through the Department of Environmental Quality, until paid at the Rate specified above (the "Bond" or "Bonds"), provided that the principal repayments required herein to be paid to the Authority shall not exceed the total of the principal installments received.

Interest is first payable _____ 1, 20____, and semiannually thereafter, and principal is payable on the first day of April commencing April 1, 20____ (as identified in the Purchase Contract) and annually thereafter.

This Bond is a single instrument, numbered 1, evidencing multiple annual maturities delivered in installments aggregating the principal amount of \$____,000, is payable in installments as set forth in Schedule A, and is the _____ series of bonds issued pursuant to Ordinance No. _____, enacted by the Issuer's Emergency Manager on _____ (the "Ordinance"), and under and in full compliance with the constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, Act 34, Public Acts of Michigan, 2001, as amended, and Act 279, Public Acts of Michigan, 1909, as amended, for the purpose of defraying a

notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following the demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

During the time funds are being drawn down by the Issuer under this Bond, MMBA will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the MMBA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

This Bond may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done, have happened and have been performed in regular and due time and form as required by law. Further, the total indebtedness of the Issuer, including this Bond, does not exceed any constitutional, statutory or charter limitation.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Dated: June 14, 2011

ORDER NO. S-82

RE: Issuance of Water and Sewer Revenue Bonds Not to Exceed \$1,250,000

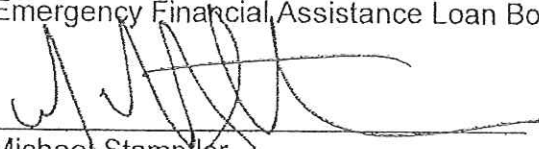
TO: Mark Hotz, City Attorney
—Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (u) Authorize the borrowing of money by the local government as provided by law; (v) Approve or disapprove of the issuance of obligations of the local government on behalf of the local government under this subdivision; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

I have determined that it is necessary for the public health and welfare of the City to acquire, construct and install certain improvements to the City's public sewage disposal system (the "System"), including, but not limited to: investigation for infiltration

RECEIVED
CITY OF PONTIAC
2011 JUN 16 P 2:11

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

of the System, and to provide for the acquisition and construction of the Project, the City is authorized and does hereby determine it to be in the best interests of the City to issue revenue bonds, secured primarily or solely by a statutory lien against the System's revenues as provided by the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended (MCL 141.1, et seq.) (the "Act"), and to be further secured by the pledge of the City's limited tax full faith and credit, if necessary; and

WHEREAS, the conditions and requirements set forth in the Prior Bonds Authorizing Ordinances (as hereinafter defined) for the issuance of bonds of the City to finance the cost of the Project as Additional Bonds thereunder have been established by the financial records and audits of the System; and

WHEREAS, the Emergency Manager has determined that all or a portion of the cost of the Project is to be defrayed by the issuance of not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) Sewage Disposal System Revenue Bonds (the "Bonds"), to be issued in one or more series; and

WHEREAS, the Emergency Manager has determined that it is in the best interest of the City to finance all or a portion of the cost of the Project through the issuance of the Bonds to the Michigan Municipal Bond Authority (the "MMBA" or the "Authority") pursuant to the Clean Water State Revolving Fund Program (the "CWSRF Program") administered by the Michigan Department of Environmental Quality (the "MDEQ"); and

WHEREAS, subject to the City obtaining approval from the Michigan Department of Treasury to issue the Bonds, all things necessary for the authorization and issuance of revenue bonds under the Constitution and laws of the State of Michigan, ordinances and resolutions of the City, and particularly the Act, have been done, and the City is now empowered and desires to authorize the issuance of the Bonds; and

WHEREAS, the Emergency Manager desires to negotiate the sale of the Bonds to the MMBA and to authorize the execution and delivery of any and all documents necessary to effectuate the sale and delivery of the Bonds to the Authority.

NOW, THEREFORE, THE EMERGENCY MANAGER FOR THE CITY OF PONTIAC ORDAINS:

1. Necessity; Cost Estimate; Useful Life. It is hereby determined and declared to be necessary for the public health and welfare of the residents of the City to improve and extend the System by constructing, acquiring and installing the Project, and the Emergency Manager determines that the estimated cost of the Project, including incidental expenses and financing costs, is approximately

maturity, redemption or otherwise; and (3) written notice of any redemption of the Bonds shall be given by the Issuer and received by the MMBA's Depository at least 40 days prior to the date on which such redemption is to be made.

In the event of a default in the payment of principal or interest thereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the MMBA's cost of providing funds (as determined by the MMBA) to make payment on the bonds of the MMBA issued to provide funds to purchase the Bonds, but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MMBA has been fully reimbursed for all costs incurred by the MMBA (as determined by the MMBA) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following the demand of the MMBA. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the MMBA) the investment of amounts in the reserve account established by the MMBA for the bonds of the MMBA issued to provide funds to purchase the Bonds fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MMBA issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro-rata share (as determined by the MMBA) of such deficiency as additional interest on the Bonds.

(c) Prior Redemption. The Bonds may be subject to redemption prior to maturity by the City only with the prior written consent of the MMBA and on such terms as may be required by the MMBA.

Notice of redemption of any bond shall be given at least forty (40) days prior to the date fixed for redemption by mail to the registered owner(s) at the registered address shown on the registration books kept by the Bond Registrar. Bonds shall be called for redemption in multiples of \$5,000, and bonds of denominations of more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the bond by \$5,000, and such bonds may be redeemed in part. The notice of redemption for bonds redeemed in part shall state that, upon surrender of the bond to be redeemed, a new bond or bonds in an aggregate principal amount equal to the unredeemed portion of the bond surrendered shall be issued to the registered owner thereof. No further interest payment on the bonds of portions of the bonds called for redemption shall accrue after the date fixed for redemption, provided funds are on hand with the Bond Registrar to redeem same.

(d) The Issuer hereby agrees to and approves, in their substantial form(s), the inclusion of the following terms and

of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

- (6) During the time funds are being drawn down by the Issuer under this Bonds, MMBA will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of MMBA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.
- (7) Such other standard terms and provisions as may be reasonable required by the MMBA for Bonds issued pursuant to the CWSRF Program.

4. The Bonds. The Bonds of the Issuer aggregating the principal sum of not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) shall be issued for the purpose of paying all or a portion of the cost of the Project. The Bonds may be issued in one or more series, with the aggregate principal amount(s) not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000).

Except as changed by the provisions of the Prior Bonds Authorizing Ordinances shall apply to the Bonds, the same as though each of said provisions were repeated in this Ordinance in their entirety, the purpose of this Ordinance being to authorize the issuance of Additional Bonds to finance all or a portion of the cost

counsel and financial consultant), bear interest at a rate or rates to be hereafter determined not exceeding 6.00% per annum, as determined and approved by the Authorized Officer, have maturity dates and amounts as determined by the Authorized Officer. The Authorized Officer is hereby authorized to adjust the maturity schedule, the interest payment dates, and/or reduce the principal amount of such borrowing(s) as deemed necessary and reasonable to the Project.

Based upon consultations with and recommendations from its financial consultant and bond counsel, the City hereby determines that it is in the best interests of the City to issue such subsequent series of Bonds through a negotiated sale to the MMBA, rather than sell the Bonds at a public sale, based upon the favorable terms [including the interest rate(s)] and reduced costs of issuance that are available through the MMBA pursuant to the MDEQ's CWSRF Program.

5. Bond Execution. The Emergency Manager shall manually sign, or cause his facsimile signature to be affixed to (if permitted by law), the Bonds in conformity with the above specifications, and is hereby further authorized to deliver the Bonds to the purchaser thereof upon receipt of the purchase price and accrued interest, if any.

6. Lost, Destroyed, Mutilated Bonds. If any Bond shall become mutilated, the Issuer, at the expense of the bondholder, shall execute, and the paying agent, if any, shall authenticate and deliver, a new Bond of like tenor in exchange and substitution for the mutilated Bond upon surrender to the paying agent of the mutilated Bond. If any Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the paying agent and, if this evidence is satisfactory to both the paying agent and the Issuer, an indemnity satisfactory to the paying agent and the Issuer shall be given and the Issuer, at the expense of the owner, shall execute, and the paying agent shall thereupon authenticate and deliver a new Bond of like tenor and bearing the same statement required by Act 354, Public Acts of Michigan, 1972, as amended, being §§ 129.231 to 129.134, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted in lieu of and in substitution for the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the paying agent may pay the same without surrender thereof.

7. Bond Form. The Bonds shall be in substantially the form as attached hereto as Exhibit A. The Emergency Manager shall execute the Bonds manually or by facsimile signature if authorized by law.

8. Emergency Manager's Authority. The Emergency Manager, or a designee thereof, if permitted by law, is hereby authorized to:

operation of the System. To pay such principal and interest as and when same shall become due, there is hereby created a statutory lien upon the whole of the net revenues of the System, the priority of which lien shall be determined by the Authorized Officer, to continue until the payment in full of the principal and interest on said Bonds.

Further, if necessary or if required by the MMBA, the full faith and credit of the City, pursuant to the applicable provisions of the Act, shall be pledged as additional security for the payment of the Bonds when due, subject to existing constitutional, statutory and charter tax rate limitations. In the event the revenues received from the operation of the System are insufficient to pay principal and interest on the Bonds when due, the City will advance funds therefor from general funds of the City and will, if necessary, levy taxes within applicable tax rate limitations for the prompt payment of principal and interest on the Bonds. Should the City advance funds at any time for payment of the Bonds, it will be entitled to be reimbursed from the first funds thereafter available for such purpose.

14. Rates and Charges. Prior to the issuance of the Bonds, rates and charges for the services of said System will be fixed in an amount sufficient to pay the costs of operation and maintaining the System, and to provide sufficient revenue for principal and interest, debt service, replacement and improvement requirements and all other requirements provided herein, and otherwise comply with the covenants herein provided. The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into consideration the costs and value of said System and the cost of maintaining, repairing and operating the same and the amounts necessary for the retirement of all bonds and accruing interest on such bonds and such amounts as may be necessary to meet the requirements of this Ordinance.

15. Rates, Billing and Enforcement. The rates charged for the services of the System, and the billing, enforcement, and collection of charges for such services, as well as the general management of the System, shall be as in effect in the City as of the date of the issuance of the Bonds, and as adjusted from time to time by the City, provided by the ordinances and resolutions of the City.

16. No Free Service. No free service shall be furnished by the System to any individual, firm or corporation, public or private, or to any public agency or instrumentality.

17. Prior Bonds Authorizing Ordinances. The City has previously enacted the following ordinances to authorize the Prior Bonds of the City pledging the revenues of the System for the repayment thereof in order to finance the extension, enlargement, acquisition, construction and/or improvement of the System: Ordinance No. 2032, adopted October 17, 1995; Ordinance No. 2037, adopted

21. Bond Reserve Account. In the event that the Bonds are issued with a statutory first lien on the Net Revenues of the System of equal standing and priority with the lien established in favor of the Prior Bonds, the Reserve Account in the Bond and Interest Redemption Fund, as established by the Prior Bonds Authorizing Ordinances, shall be increased by an amount which, when added to the sums on account in the Reserve Account, shall be equal to the lesser of (a) the maximum annual debt service requirements on the Bonds and the Prior Bonds (b) 125% of the average annual debt service on the Bonds and the Prior Bonds, or (c) 10% of the principal amount of the Bonds and Prior Bonds. To provide said additional funds for the Bond Reserve Account, there shall be deposited into said account a sum of money sufficient to meet such requirements. All of the provisions relative to the use of the Bond Reserve Account, its maintenance and other detail relative thereto shall remain as specifically set forth in the Prior Bonds Authorizing Ordinances. However, in the event that the Bonds are issued with a lien on the Net Revenues of the System that is subordinate to the lien established in favor of the Prior Bonds, the Issuer shall not be obligated to increase the Reserve Account in the aforementioned manner.

22. Fiscal Year of System. The fiscal year for the operation of the System is from July 1 to June 30 of each year.

23. Application to Department of Treasury and Other Governmental Agencies. The Emergency Manager, Mayor, City Clerk, Treasurer, members, staff, counsel and Bond Counsel for the Issuer, or any of them, are authorized on behalf of the Issuer to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency and execute all necessary documents on behalf of the City in order that the Bonds may be validly issued and the interest thereon be exempt from federal income taxation and are further hereby authorized to execute, date and deliver such other certificates, documents, instruments, and opinions and other papers as may be required by the Purchase Contract or as may be necessary or convenient to effectuate the sale and delivery of the Bonds in accordance with the terms of the Purchase Contract.

24. Financial Consultant. The financial consulting firm of Municipal Financial Consultants, Inc., Grosse Pointe Farms, Michigan, is hereby appointed as financial consultant to the City with reference to the issuance of the Bonds herein authorized.

25. Conflict and Severability. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, and each section of this Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void,

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF PONTIAC
SEWAGE DISPOSAL SYSTEM REVENUE BOND, SERIES 2011
(GENERAL OBLIGATION - LIMITED TAX)

<u>Rate</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
_____ %	Per Schedule A	_____ 1 of each _____, 20____ year per Schedule A	

REGISTERED OWNER: MICHIGAN MUNICIPAL BOND AUTHORITY

CITY OF PONTIAC, COUNTY OF OAKLAND, STATE OF MICHIGAN (the "Issuer"), promises to pay to the Michigan Municipal Bond Authority (the "Authority" or "MMBA"), [solely/primarily] from the net revenues of the Issuer's sewage disposal system, including all appurtenances, additions, extensions and improvements thereto (the "System"), the Principal Amount of this Bond specified above, in lawful money of the United States of America on the Maturity Date specified above, with interest thereon from the Date of Original Issue specified above, or subsequent dates of the installment deliveries as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority, and the State of Michigan acting through the Department of Environmental Quality, until paid at the Rate specified above (the "Bond" or "Bonds"), provided that the principal repayments required herein to be paid to the Authority shall not exceed the total of the principal installments received.

Interest is first payable _____ 1, 20____, and semiannually thereafter, and principal is payable on the first day of April commencing April 1, 20____ (as identified in the Purchase Contract) and annually thereafter.

This Bond is a single instrument, numbered 1, evidencing multiple annual maturities delivered in installments aggregating the principal amount of \$____,000, is payable in installments as set forth in Schedule A, and is the _____ series of bonds issued pursuant to Ordinance No. _____, enacted by the Issuer's Emergency Manager on _____ (the "Ordinance"), and under and in full compliance with the constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, Act 34, Public Acts of Michigan, 2001, as amended, and Act 279, Public Acts of Michigan, 1909, as amended, for the purpose of defraying a

notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following the demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

During the time funds are being drawn down by the Issuer under this Bond, MMBA will periodically provide the Issuer a statement showing the amount of principal that has been advances and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the MMBA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

This Bond may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done, have happened and have been performed in regular and due time and form as required by law. Further, the total indebtedness of the Issuer, including this Bond, does not exceed any constitutional, statutory or charter limitation.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: June 14, 2011

ORDER NO. S-83

RE: National Incident Management System

TO: Oakland County Emergency Management
Mark Hotz, City Attorney
— Yvette Talley, City Clerk
Tyrone Jarrett, Fire Chief

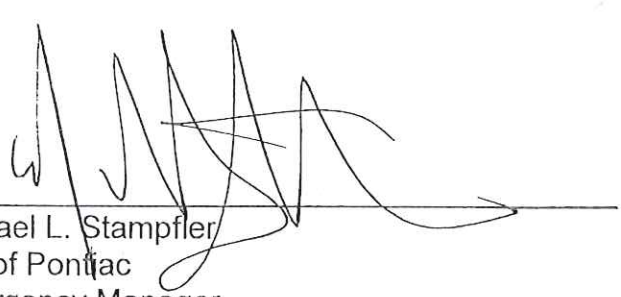
RECEIVED
CITY OF PONTIAC
2011 JUN 16 P 2:15

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(ee) Take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersede the power of any of the foregoing officers or entities... and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

WHEREAS, the President in Homeland Security Directive (HSPD)-5, directed the Secretary for the Department of Homeland Security to develop and administer a National Incident Management System (NIMS), which would provide a consistent nationwide approach for Federal, State, and local governments to work together more effectively and efficiently to prevent, prepare for, respond to and recover from domestic incidents, regardless of cause, size or complexity;

WHEREAS, the collective input and guidance from all Federal, State, and local homeland security partners has been, and will continue to be, vital to the development, effective implementation and utilization of a comprehensive NIMS;

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael L. Stampfler
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC
2011 JUL - 1 P 4: 07

Dated: June 28, 2011

ORDER NO. S-84

RE: Commitment of Revenue Sources

TO: John Naglick, Acting Finance Director
Carl Johnson, Plante & Moran
Mark Hotz, City Attorney
Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(ee) Take any other action or exercise any power or authority of any ...board...whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersede the power of any of the foregoing officers or entities....; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

Whereas, the District Court Fund and the Cemetery Fund have been reported as special revenue funds in the City's financial statements for many years; and,

Whereas the Governmental Accounting Standards Board has issued a statement, GASB 54, that changes the accounting rules for special revenue funds; and,

Whereas, in order for the City to continue to report the District Court and Cemetery as special revenue funds, the City must commit a specific revenue source for a specific purpose; and,

Whereas, the commitment of the revenue source must be made by the City's highest level of decision making authority and evidenced by a formal, written action by June 30, 2011.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC

2011 JUL - 1 P 4: 07

Dated: June 28, 2011

ORDER NO. S-85

RE: Adoption of 2011-12 budget and tax rates

TO: John Naglick, Acting Finance Director
Carl Johnson, Plante & Moran
Sheryl Stubblefield, City Treasurer
Mark Hotz, City Attorney
— Yvette Talley, City Clerk

The **Local Government and School District Fiscal Accountability Act (Act 4 of 2011)** in **Section 17(1)** empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. **Section 19(1)** provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: **"(b)** Amend, revise, approve, or disapprove the budget of the local government, and limit the total amount appropriated or expended" and **19(2)** ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

The City of Pontiac begins a new fiscal year on July 1, 2011.

It is hereby ordered:

That the budget for the City of Pontiac for the 2011-12 fiscal year is hereby adopted and tax rates are established in accordance with the attached General Appropriations Ordinance.

The City Attorney shall take all steps necessary to reflect the above ordinance changes on the City books and records, including publication of the adopted ordinance.

The Order shall have immediate effect.

An Ordinance to appropriate the sums of money necessary to meet the expenditures set forth in the budget recommended for the operation of the City of Pontiac, Michigan; to defray the debts, expenditures, and liabilities of said City for the fiscal year beginning the first day of July, 2011; to require levying the City tax levy upon all taxable property in the City.

The City of Pontiac Ordains:

SECTION 1: Title--This ordinance shall be known as the City of Pontiac 2011-2012 General Appropriations Act.

SECTION 2: Public Hearing on the Budget--Pursuant to MCLA 141.412 and .413, notice of a public hearing on the proposed budget was published in The Oakland Press, a newspaper of general circulation on Wednesday, June 8, 2011 and a public hearing on the proposed budget was held on Tuesday, June 14, 2011.

SECTION 3: Millage Levy, Administration Fee, and Penalties—The Emergency Manager of the City of Pontiac causes to be levied and collected the general property tax on all real and personal property within the City upon the current tax roll an allocated millage of: General Operating – 11.2737 mills; Capital Improvement – 1.4091 mills; Sanitation – 2.8183 mills; Senior Services - .5000 mills; Ordered Debt WB - .0470 mills; Ordered Debt JS - .0070 mills. The City Treasurer is hereby authorized to impose a one percent (1%) property tax administration fee for all property taxes due, and a late penalty charge when applicable, in conformance with Section 44 of Public Act 206 of 1893.

SECTION 4: Adoption of budget by Activity/Department— The Emergency Manager of the City of Pontiac adopts the 2011-2012 fiscal year budgets for the various funds by Activity/Department. City officials responsible for the expenditures authorized in the budget may expend City funds up to, but not to exceed, the total appropriation authorized for each Activity/Department.

SECTION 5: Payment of Bills--Pursuant to the Local Government and School District Fiscal Accountability Act and Accounting Procedures Manual for Local Governments in Michigan, all claims (bills) against the City shall be, approved by the Finance Director of the City of Pontiac prior to being paid.

2011-12 Fiscal Year Budget

Budget Center

2011-12 Emergency Manager Adopted Budget

General Fund

ESTIMATED REVENUES

Taxes	17,787,270
Licenses and Permits	1,564,396
Federal Grants	0
State Grants	8,006,297
Contribution from Local Units	300,000
Charges for Services	5,486,147
Fines and Forfeits	0
Interest and Rents	0
Other Revenue	<u>531,582</u>
TOTAL ESTIMATED REVENUES	33,675,692

APPROPRIATIONS

City Council	24,197
Emergency Manager	330,137
Mayor	23,637
Info Technology	616,395
Labor Relations	99,325
Elections	123,391
Accounting/Audit	367,500
Income Tax Admin	252,851
Finance Admin/Unemployment	486,425
Accounts Payable	75,276
Assessor	416,700
City Attorney	433,136
Outside Legal Services	830,000
Budget and Research	60,000
City Clerk	226,879
Personnel	222,693
Purchasing	5,775
Payroll	12,030
Treasurer	286,211
Building Maintenance	438,291
Police	9,983,295
Fire Admin	10,267,070
Building & Safety Eng	708,395
Street Lighting	752,952
Weed Abatement	11,013
Senior Services	121,456
Howard Dell Center	15,806
Galloway Park	8,494
Parks	464,867
Recreation	3,125
Planning Commission	3,500
Historic Commission	400
Pontiac School District	31,230
Retiree Fringe Benefits	7,001,019
Debt Service	<u>2,159,963</u>
TOTAL APPROPRIATIONS	36,863,434

PA 48 Telecommunications Fund

ESTIMATED REVENUES

State Grants		<u>210,000</u>
	TOTAL ESTIMATED REVENUES	210,000
Transfers In and Other Sources		0

APPROPRIATIONS

Engineering		<u>21,218</u>
	TOTAL APPROPRIATIONS	21,218
Transfers Out and Other Uses		188,782

PA 48 Telecommunications Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Sanitation Fund

ESTIMATED REVENUES

Taxes		2,012,444
Charges for Services		800,000
Interest and Rents		<u>25,000</u>
	TOTAL ESTIMATED REVENUES	2,837,444
Transfers In and Other Sources		1,356,617

APPROPRIATIONS

Sanitation Collection		<u>4,194,061</u>
	TOTAL APPROPRIATIONS	4,194,061
Transfers Out and Other Uses		0

Sanitation Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

District Court Fund

ESTIMATED REVENUES

Fines and Forfeits		1,657,300
Other Revenue		<u>18,000</u>
	TOTAL ESTIMATED REVENUES	1,675,300
Transfers In and Other Sources		1,586,800

APPROPRIATIONS

District Court		2,978,668
Court Probation		<u>243,432</u>
	TOTAL APPROPRIATIONS	3,222,100
Transfers Out and Other Uses		40,000

District Court Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Community Development Block Grant - R**ESTIMATED REVENUES**

Federal Grants		<u>54,322</u>
	TOTAL ESTIMATED REVENUES	54,322
Transfers In and Other Sources		0

APPROPRIATIONS

Rehabilitation		<u>54,322</u>
	TOTAL APPROPRIATIONS	54,322
Transfers Out and Other Uses		0

Community Development Block Grant R Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Blight Demolition Grant**ESTIMATED REVENUES**

State Grants		<u>263,770</u>
	TOTAL ESTIMATED REVENUES	263,770
Transfers In and Other Sources		0

APPROPRIATIONS

Clearance		<u>263,770</u>
	TOTAL APPROPRIATIONS	263,770
Transfers Out and Other Uses		0

Blight Demolition Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Senior Activities**ESTIMATED REVENUES**

Taxes		339,138
Charges for Services		<u>9,000</u>
	TOTAL ESTIMATED REVENUES	348,138
Transfers In and Other Sources		0

APPROPRIATIONS

Ruth Peterson Senior Citizens Center		245,856
Bowen Senior Citizens Center		<u>468,095</u>
	TOTAL APPROPRIATIONS	713,951
Transfers Out and Other Uses		0

Senior Activities Fund	NET OF REVENUES/APPROPRIATIONS	(365,813)
	Estimated Beginning Fund Balance	1,068,349
	Estimated Ending Fund Balance	702,536

Police Training Grant Act 302

ESTIMATED REVENUES

Transfers In and Other Sources

TOTAL ESTIMATED REVENUES	0
	0

APPROPRIATIONS

Administrative Services

40,105

Police Training

24,162

TOTAL APPROPRIATIONS	64,267
----------------------	--------

Transfers Out and Other Uses

0

Police Training Grant Act 302 Fund	NET OF REVENUES/APPROPRIATIONS	(64,267)
------------------------------------	--------------------------------	----------

Estimated Beginning Fund Balance	64,267
----------------------------------	--------

Estimated Ending Fund Balance	0
-------------------------------	---

Cable Fund

ESTIMATED REVENUES

Other Revenue

95,000

TOTAL ESTIMATED REVENUES	95,000
--------------------------	--------

Transfers In and Other Sources

0

APPROPRIATIONS

City Council

95,000

TOTAL APPROPRIATIONS	95,000
----------------------	--------

Transfers Out and Other Uses

0

Cable Fund	NET OF REVENUES/APPROPRIATIONS	0
------------	--------------------------------	---

Estimated Beginning Fund Balance	894,710
----------------------------------	---------

Estimated Ending Fund Balance	894,710
-------------------------------	---------

Neighborhood Stabilization I

ESTIMATED REVENUES

Federal Grants

2,138,211

TOTAL ESTIMATED REVENUES	2,138,211
--------------------------	-----------

Transfers In and Other Sources

0

APPROPRIATIONS

Special Activities

2,138,211

TOTAL APPROPRIATIONS	2,138,211
----------------------	-----------

Transfers Out and Other Uses

0

Neighborhood Stabilization I Fund	NET OF REVENUES/APPROPRIATIONS	0
-----------------------------------	--------------------------------	---

Estimated Beginning Fund Balance	0
----------------------------------	---

Estimated Ending Fund Balance	0
-------------------------------	---

Cemetery Fund

ESTIMATED REVENUES

Charges for Services	173,700
Other Revenue	<u>93,700</u>
TOTAL ESTIMATED REVENUES	267,400
Transfers In and Other Sources	450,000

APPROPRIATIONS

Cemetery Oak Hill	246,608
Cemetery Ottawa Park	<u>470,792</u>
TOTAL APPROPRIATIONS	717,400
Transfers Out and Other Uses	0

Cemetery Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Capital Improvement

ESTIMATED REVENUES

Taxes	1,001,908
Interest and Rents	<u>4,000</u>
TOTAL ESTIMATED REVENUES	1,005,908
Transfers In and Other Sources	0

APPROPRIATIONS

Administrative Services	158,891
Fire Administration	155,907
Appropriations - General	<u>1,190,611</u>
TOTAL APPROPRIATIONS	1,505,409
Transfers Out and Other Uses	2,194,540

Capital Improvement Fund	NET OF REVENUES/APPROPRIATIONS	(2,694,041)
	Estimated Beginning Fund Balance	2,694,041
	Estimated Ending Fund Balance	0

Pontiac Woods Development

ESTIMATED REVENUES

TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources	0

APPROPRIATIONS

Engineering	<u>111,609</u>
TOTAL APPROPRIATIONS	111,609
Transfers Out and Other Uses	0

Pontiac Woods Development Fund	NET OF REVENUES/APPROPRIATIONS	(111,609)
	Estimated Beginning Fund Balance	111,609
	Estimated Ending Fund Balance	0

Refinanced Golf Course Bonds

ESTIMATED REVENUES

	TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources		756,252

APPROPRIATIONS

Debt Service		<u>756,252</u>
	TOTAL APPROPRIATIONS	756,252
Transfers Out and Other Uses		0

Refinanced Golf Course Bonds Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

GBA Bonds

ESTIMATED REVENUES

	TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources		330,205

APPROPRIATIONS

Debt Service		<u>330,205</u>
	TOTAL APPROPRIATIONS	330,205
Transfers Out and Other Uses		0

GBA Bonds Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Equipment Revolving Fund

ESTIMATED REVENUES

Charges for Services		1,709,045
Other Revenue		<u>100,000</u>
	TOTAL ESTIMATED REVENUES	1,809,045
Transfers In and Other Sources		1,064,663

APPROPRIATIONS

Equipment Revolving		3,528,299
Debt Service		<u>196,130</u>
	TOTAL APPROPRIATIONS	3,724,429
Transfers Out and Other Uses		0

Equipment Revolving Fund	NET OF REVENUES/APPROPRIATIONS	(850,721)
	Estimated Beginning Net Assets	850,721
	Estimated Ending Net Assets	0

Employee Sick and Vacation Fund

ESTIMATED REVENUES

Other Revenue		<u>1,135,358</u>
	TOTAL ESTIMATED REVENUES	1,135,358
Transfers In and Other Sources		0

APPROPRIATIONS

Appropriations - General		<u>1,135,358</u>
	TOTAL APPROPRIATIONS	1,135,358
Transfers Out and Other Uses		0

Employee Sick and Vacation Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Net Assets	0
	Estimated Ending Net Assets	0

Insurance Fund

ESTIMATED REVENUES

Other Revenue		<u>19,079,956</u>
	TOTAL ESTIMATED REVENUES	19,079,956
Transfers In and Other Sources		0

APPROPRIATIONS

Risk Management		400,077
Employee Medical Insurance		16,055,000
Employee Life Insurance		274,948
Disability Insurance		49,931
Insurance and Bonds		<u>2,300,000</u>
	TOTAL APPROPRIATIONS	19,079,956
Transfers Out and Other Uses		0

Insurance Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Net Assets	12,918
	Estimated Ending Net Assets	12,918

Water Fund

ESTIMATED REVENUES

Charges for Services		10,800,720
Interest and Rents		15,000
Other Revenue		<u>700,000</u>
	TOTAL ESTIMATED REVENUES	11,515,720
Transfers In and Other Sources		0

APPROPRIATIONS

Water Supply		5,000,000
Water Administration		5,462,036
Debt Service		<u>176,091</u>
	TOTAL APPROPRIATIONS	10,638,127
Transfers Out and Other Uses		132,508

Water Fund	NET OF REVENUES/APPROPRIATIONS	745,085
	Estimated Beginning Net Assets	20,757,714
	Estimated Ending Net Assets	21,502,799

Tax Increment Financing Authority District 2**ESTIMATED REVENUES**

Taxes	228,555
Other Revenue	<u>38,000</u>
	266,555
Transfers In and Other Sources	2,439,659
TOTAL ESTIMATED REVENUES	

APPROPRIATIONS

TIFA Area #2 Administration	2,000
Debt Service	<u>2,323,569</u>
	2,325,569
Transfers Out and Other Uses	380,645
TOTAL APPROPRIATIONS	

Tax Increment Financing District 2 Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Tax Increment Financing Authority District 3**ESTIMATED REVENUES**

Taxes	<u>1,593,476</u>
	1,593,476
Transfers In and Other Sources	0
TOTAL ESTIMATED REVENUES	

APPROPRIATIONS

Debt Service	<u>1,301,707</u>
	1,301,707
Transfers Out and Other Uses	257,000
TOTAL APPROPRIATIONS	

Tax Increment Financing District 3 Fund	NET OF REVENUES/APPROPRIATIONS	34,769
	Estimated Beginning Fund Balance	573,788
	Estimated Ending Fund Balance	608,557

Tax Increment Financing Authority District 4**ESTIMATED REVENUES**

Taxes	<u>468,640</u>
	468,640
Transfers In and Other Sources	0
TOTAL ESTIMATED REVENUES	

APPROPRIATIONS

Debt Service	<u>-</u>
	0
Transfers Out and Other Uses	1,172,252
TOTAL APPROPRIATIONS	

Tax Increment Financing District 4 Fund	NET OF REVENUES/APPROPRIATIONS	(703,612)
	Estimated Beginning Fund Balance	703,612
	Estimated Ending Fund Balance	0

SECTION 7: Specific Appropriations—There are no specific appropriations contained in the budget.

SECTION 8: Periodic Financial Reports—The controller shall provide the Emergency Manager financial reports on a monthly basis.

SECTION 9: Budget Monitoring—Whenever it appears to the Finance Director or budget administrator that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures will exceed an appropriation, the Finance Director shall present to the Emergency Manager recommendations to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues or both. The Finance Director is hereby authorized to amend line items within budget centers during the fiscal year provided that such amendments do not change the total revenues or total expenditures for the budget center as approved by the Emergency Manager.



1
CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC
JUN 29 P 3:57

Dated: June 28, 2011

ORDER NO. S-86

RE: Public Hearing on Brownfield Plan for Lafayette Place Lofts

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (u) Authorize the borrowing of money by the local government as provided by law; (v) Approve or disapprove of the issuance of obligations of the local government on behalf of the local government under this subdivision; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

EXHIBIT A TO ORDER NO. _____

CITY OF PONTIAC

Resolution Setting Public Hearing

Adopted: June 28, 2011

THE CITY OF PONTIAC, COUNTY OF OAKLAND, MICHIGAN
RESOLVES AS FOLLOWS:

WHEREAS, the City of Pontiac Brownfield Redevelopment Authority (the "Authority") has met and considered a Brownfield Plan (the "Plan") submitted by Lafayette Place Lofts, LLC (the "Developer") for the property located at 154 & 158 N Saginaw, 149 & 155 N Perry, Pontiac, MI (the Property); and

WHEREAS, the Authority has reviewed the Plan, a copy of which is attached to this resolution as Appendix A, in accordance with the Act; and

WHEREAS, the Authority has approved the Plan and has deemed that the plan meets the legal requirements as set out by Public Act No. 381 of the Public Acts of Michigan of 1996, as amended ("Act 381"); and

WHEREAS, the City Council (now the Emergency Manager) in accordance with the Act is required to hold a hearing on the principal Plan before further action can be taken.

NOW, THEREFORE, BE IT ORDERED BY THE EMERGENCY MANAGER OF THE CITY OF PONTIAC as follows:

1. The Emergency Manager shall receive the Plan, which shall be filed with the City Clerk.
2. The Emergency Manager shall hold a public hearing on the Plan on July 20, 2011 at 2:00 p.m. Eastern Daylight Savings Time in City Council Chambers in the City of Pontiac.
3. The following persons are hereby appointed to serve as a sub-committee to hold the public hearing authorized by paragraph 2 and as authorized by Act 381 of this order:

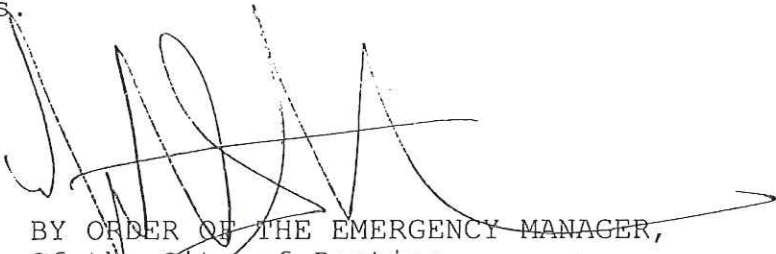
APPENDIX B

NOTICE OF PUBLIC HEARING
CITY OF PONTIAC, OAKLAND COUNTY

TO: ALL RESIDENTS AND TAXPAYERS IN THE CITY OF PONTIAC AND
ALL TAXING JURISDICTIONS COLLECTING TAXES IN THE CITY OF
PONTIAC

NOTICE IS HEREBY GIVEN that a sub-committee of the
Emergency Manager of the City of Pontiac, Oakland County,
Michigan, will meet beginning at 2:00 p.m., Eastern Daylight
Savings Time, on July 20, 2011 at the City Hall, City Council
Chambers, Second Floor, 47450 Woodward Ave, Pontiac, MI, Pontiac,
Michigan and during such meeting will conduct a public hearing to
hear objections to the Brownfield Plan for the Lafayette Place
Lofts Project Located at 154 & 158 N Saginaw, 149, & 155 N Perry
in the City of Pontiac:

PLEASE TAKE FURTHER NOTICE that the Brownfield plan
describing the Project and its location in the City and other
materials describing the Project, are on file with the City Clerk,
47450 Woodward Ave, Pontiac, MI 48342, for public examination
during regular business hours.



BY ORDER OF THE EMERGENCY MANAGER,
Of the City of Pontiac
Michael Stampfler

Dated: June 28, 2011

**CITY OF PONTIAC
BROWNFIELD REDEVELOPMENT AUTHORITY
BROWNFIELD PLAN
LAFAYETTE PLACE LOFTS**

TABLE OF CONTENTS

IV. ATTACHMENTS

A. Site Maps

Figure 1. Property Location Map and Eligible Parcels

Figure 2. Property Features Map

B. Legal Descriptions

C. Project Renderings

D. Functional Obsolescence Designation

**Capture for Revolving
Loan Fund Capture:**

\$0

Estimated Plan Duration 12 years (length for reimbursement eligible activities plus 5
years contingency)

Estimated MBT Credit: \$2,170,000

II. GENERAL PROVISIONS

A. Description of the Eligible Property (Section 13 (1)(h)) and the Project

The property to be included in this Plan consists of 4 parcels totaling approximately 1.4 acres ("the Property"). The Property addresses are 154 & 158 N Saginaw Street and 149 & 155 N Perry Street. The Property is located in downtown Pontiac, generally bounded by Lafayette Street to the north, Perry Street to the east, University Drive to the south, and Saginaw Street to the west (See Figure 1, Attachment A). Parcel boundaries for the Property are provided in the Site Features Map in Figure 2, Attachment A.

Parcel information is outlined below. Legal Descriptions are provided in Attachment B.

Address	154 N Saginaw
Tax ID	63-64-14-29-426-001
Owner	Lafayette Lofts, LLC

Address	158 N Saginaw
Tax ID	63-64-14-29-279-029
Owner	Lafayette Lofts, LLC

Address	149 N Perry
Tax ID	63-64-14-29-426-015
Owner	Lafayette Lofts, LLC

Address	155 N Perry
Tax ID	63-64-14-29-279-034
Owner	Lafayette Lofts, LLC

The Property is currently vacant with 4 structures located on it. Historic uses of the property include a car dealership, auto repair shop, Sears Store, and various retail stores. The structures were constructed between 1937 and 1957. West Construction (the "Developer") is applying for a historic designation for 154 N Saginaw and 155 N Perry.

- Arsenic, lead, and VOCs were found in soils at concentrations exceeding generic residential criteria. Thus, 149 N Perry Street and 154 and 158 N Saginaw were determined to be "Facilities" as defined by Part 201.

A Baseline Environmental Assessment for 149 N Perry Street and 154 & 158 N Saginaw was completed in February 2011.

III. PROJECT DESCRIPTION

A. Summary of Eligible Activities and Description of Costs (Section 13 (1)(a),(b))

The activities planned for the Property are considered Eligible Activities by Sec 2 of Act 381, because they include: site assessments, due care activities, asbestos and lead based paint abatement, soil remediation, demolition, and site preparation. These Eligible Activities are defined as those activities necessary to prepare the site for construction. A summary of the estimated cost of each eligible activity intended to be paid for with Tax Increment Revenues from the Property are shown in Table 1 and are defined as follows:

1. Site Assessments

This will include environmental assessment activities not funded through an Oakland County's EPA Site Assessment Grant such as the delineation of previously identified contamination and preparation of reports and assessments required to secure federal and state funding for the project.

2. Due Care Activities

This includes a Response Activities Plan and additional sampling to complete the Response Activities Plan.

3. Asbestos Abatement

This includes the removal and proper disposal of all asbestos containing building materials to prepare the building for interior demolition.

4. Lead Based Paint Abatement

This includes the removal and proper disposal of all lead based paint materials to prepare the building for interior demolition in addition to the lead clearance report.

5. Soil Remediation

This activity includes the excavation and off-site disposal of impacted soils that require removal before construction can commence. Following the

Unless otherwise agreed to in writing by the Authority, all eligible activities will be completed within five (5) years after execution of the Reimbursement Agreement with the Authority, however, any long-term monitoring or operation and maintenance activities or obligations that may be required will be performed in compliance with the terms of this Plan and any documents prepared pursuant to this Plan.

These Eligible Activities will be conducted on Eligible Property, and the Developer desires to be reimbursed for the costs of Eligible Activities. Financial support will be provided by the Authority in the form of Tax Increment Financing (TIF) to reimburse the Developer, including its successors and assignees, for the actual cost of eligible activities on the Eligible Property, as authorized by Act 381, and to allow the qualified taxpayer to apply for a Michigan Business Tax (MBT) Brownfield Tax Credit. To the extent that costs are claimed as an Eligible Investment for the MBT Brownfield Tax Credit, they will not be claimed as an Eligible Activity for reimbursement through TIF.

The costs listed in Table 1 are estimated costs and may increase or decrease depending on the nature and extent of unknown conditions encountered on the Property. The actual cost of those Eligible Activities encompassed by this Plan that will qualify for reimbursement from tax increment revenues generated by the Property shall be governed by the terms of the Reimbursement Agreement. No costs of Eligible Activities will qualify for reimbursement except to the extent permitted in accordance with the terms and conditions of the Reimbursement Agreement and Section 2 of Act 381. The Reimbursement Agreement and this Plan will dictate the total cost of Eligible Activities subject to payment, provided that the total cost of Eligible Activities subject to payment or reimbursement under the Reimbursement Agreement shall not exceed the estimated costs set forth above by more than 15% without requiring an amendment to this Plan. As long as the total costs, adjusted by the 15% factor, are not exceeded, line item costs of Eligible Activities may be adjusted after the date this Plan is approved by the City Council.

B. Estimate of Captured Taxable Value and Tax Increment Revenues (Section 13(1)(c));

This Plan anticipates the capture of tax increment revenues to reimburse the Developer for the costs of Eligible Activities under this Plan in accordance with the Reimbursement Agreement. This Plan will capture only local tax increment revenues for the full amount of the eligible activities described in this Plan.

The property is located in the Downtown Development District (the "DDD"). In order to accommodate the capture of tax increments under this Brownfield Plan, the City of Pontiac Downtown Development Authority (the "DDA") plans to enter

FINANCIAL ANALYSIS															Layfayette Lofts															
Table 2 - Example Brownfield Tax Capture															June 6, 2011															
	A	B	C	D	E	F	G	H	I	J	K	L	M	N																
1	FINANCIAL ANALYSIS																													
2	Table 2 - Example Brownfield Tax Capture																													
3	Jurisdiction: City of Pontiac																													
4	School District: City of Pontiac																													
5	Project Type: Mixed Use																													
6																														
7																														
8																														
9																														
10																														
11																														
12																														
13																														
14																														
15																														
16																														
17																														
18																														
19																														
20																														
21																														
22																														
23																														
24																														
25																														
26																														
27																														
28																														
29																														
30																														
31																														
32																														
33																														
34																														
35																														
36																														
37																														
38																														
39																														
40																														
41																														
42																														
43																														
44																														
45																														
46																														
47																														
48																														
49																														
50																														
51																														
52																														
53																														
54																														
55																														
56																														
57																														
58																														
59																														
60																														
61																														
62																														
63																														
64																														
65																														
66																														
67																														
68																														
69																														
70																														
71																														
72																														
73																														
74																														
75																														
76																														
77																														
78																														
79																														
80																														
81																														
82																														
83																														
84																														
85																														
86																														
87																														
88																														
89																														
90																														
91																														
92																														
93																														
94																														
95																														
96																														
97																														
98																														
99																														
100																														
101																														
102																														
103																														
104																														
105																														
106																														
107																														
108																														
109																														
110																														
111																														
112																														
113																														
114																														
115																														
116																														
117																														
118																														
119																														
120																														
121																														
122																														
123																														
124																														
125																														
126																														
127																														
128																														
129																														
130																														
131																														
132																														
133																														
134																														
135																														
136																														
137																														
138																														
139																														
140																														
141																														
142																														
143																														
144																														
145																														
146																														
147																														
148																														
149																														
150																														
151																														
152																														
153																														
154																														
155																														
156																														
157																														
158																														
159																														
160																														
161																														
162																														
163																														
164																														
165																														
166																														
167																														
168																														
169																														
170																														
171																														
172																														
173																														
174																														
175																														
176																														
177																														
178																														
179																														
180																														
181																														
182																														
183																														
184																														
185																														
186																														
187																														
188																														
189																														
190																														
191																														
192																														
193																														
194																														
195																														
196																														
197																														
198																														
199																														
200																														
201																														
202																														
203																														
204																														
205																														
206																														
207																														
208																														
209																														
210																														
211																														
212																														
213																														
214																														
215																														
216																														
217																														
218																														
219																														
220																														
221																														
222																														
223																														
224																														
225																														
226																														
227																														
228																														
229																														
230																														
231																														
232																														
233																														
234																														
235																														
236																														
237																														
238																														
239																														
240																														
241																														
242																														
243																														
244																														
245																														
246																														
247																														
248																														
249																														
250																														
251																														
252																														
253																														
254																														
255																														
256																														
257																														
258																														
259																														
260																														
261																														
262																														
263																														
264																														
265																														
266																														
267																														
268																														
269																														
270																														
271																														
272																														
273																														
274																														
275																														
276																														
277																														
278																														
279																														
280																														
281																														
282																														
283																														
284																														
285																														
286																														
287																														
288																														
289																														
290																														
291																														
292																														
293																														
294																														
295																														
296																														
297																														
298																														
299																														
300																														
301																														
302																														
303																														
304																														
305																														
306																														
307																														
308																														
309																														
310																														
311																														
312																														
313																														
314																														
315																														
316																														
317																														
318																														
319																														
320																														
321																														
322																														
323																														
324																														
325																														
326																														
327																														
328																														
329																														
330																														
331																														
332																														
333																														
334																														
335																														
336																														
337																														
338																														
339																														
340																														
341																														
342																														
343																														
344																														
345																														
346																														
347																														
348																														
349																														
350																														
351																														
352																														
353																														
354																														
355																														
356																														
357																														
358																														
359																														
360																														
361																														
362																														
363																														
364																														
365																														
366																														
367																														
368																														
369																														
370																														
371																														
372																														
373																														
374																														
375																														
376																														
377																														
378																														
379																														
380																														
381																														
382																														
383																														
384																														
385																														
386																														
387																														
388																														
389																														
390																														
391																														
392																														
393																														
394																														
395																														
396																														
397																														
398																														
399																														
400																														
401																														
402																														
403																														
404																														
405																														
406																														
407																														
408																														
409																														
410																														
411																														
412																														
413																														
414																														
415																														
416																														
417																														
418																														
419																														
420																														
421																														
422																														
423																														
424																														
425																														
426																														
427																														
428																														
429																														
430																														
431																														
432																														
433																														
434																														
435																														
436																														
437																														
438																														
439																														

F. Duration of Plan (Section 13(1)(f))

This Plan will remain in effect for the duration necessary to complete the reimbursement of eligible expenses for the project, whichever is less. In no event shall the duration of the Plan exceed 35 years following the date of the resolution approving the Plan, nor shall the duration of the tax capture exceed the lesser of the period authorized under subsection (4) and (5) of Section 13 of Act 381 or 30 years. Further, in no event shall the beginning date of the capture of tax increment revenues be later than five years after the date of the resolution approving the Plan.

G. Effective Date of Inclusion in Brownfield Plan

The Property will become a part of this Plan on the date this Plan is approved by the City Council.

H. Displacement/Relocation of Individuals on Eligible Property (Section 13(1)(i-l))

There are no persons or businesses residing on the eligible property and no occupied residences will be acquired or cleared. Therefore, no displacement or relocation of persons or businesses will occur as a result of this Plan.

I. Local Site Remediation Revolving Fund ("LSRRF") (Section 8; Section 13(1)(m))

The Authority does not intend to capture tax increment revenues for the LSRRF.

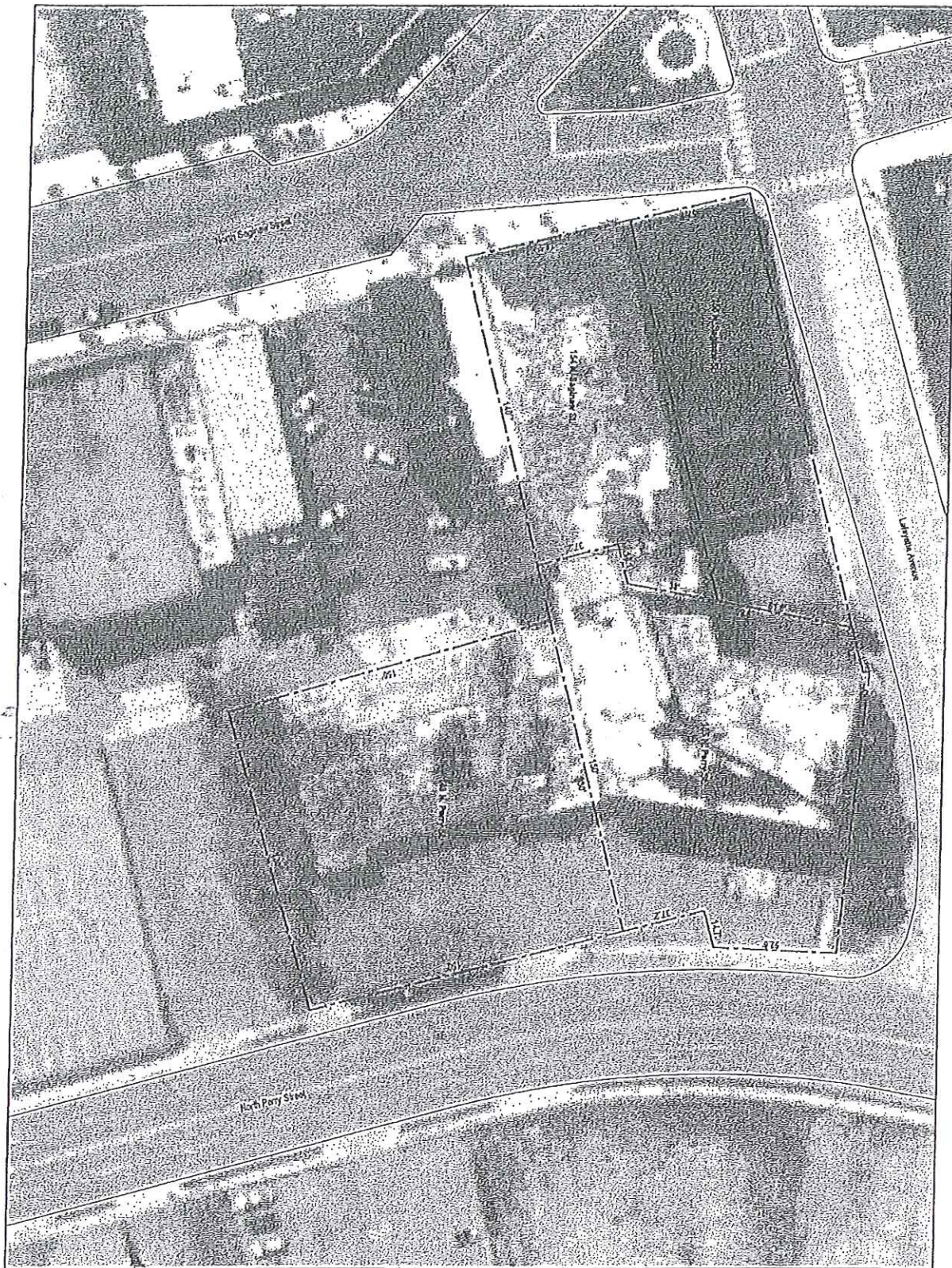
J. Michigan Business Tax Credit

The Property is included in this Plan to enable "qualified taxpayers" as defined by Michigan Public Act 36 of 2007, as amended (the "Michigan Business Tax Act") to avail themselves of eligibility for a credit against their Michigan business tax liability for "eligible investments", as defined by Section 437(31) of Michigan Business Tax Act, incurred on the Property after the adoption of this Plan. The eligible investment for the entire project is estimated at \$14.47 million (including contingency) for an estimated MBT credit of \$2.17 million.

By approval of this Plan, the Authority and the City of Pontiac neither intend to make nor have made representations to a developer or any other person of the availability, amount or value of any credit under the Michigan Business Tax Act or that adoption of this Plan will qualify or entitle a developer or any other person to apply for or receive pre-approval or approval of any credit under the Michigan Business Tax Act for the Property. The Authority and the City also assume no obligation to take any action or to modify or amend this Plan to facilitate or to allow any person to receive pre-approval or approval of any credit under the Michigan Business Tax Act for the Property.

ATTACHMENT A

Site Maps



0 40 80 120
Approximate Scale in Feet

LEGEND
Parcel Line

Lafayette Place Lofts
Created for: Lafayette Place Lofts, LLC
ASTI Project 7177-24, JMD, June 7, 2011

Pontiac, MI

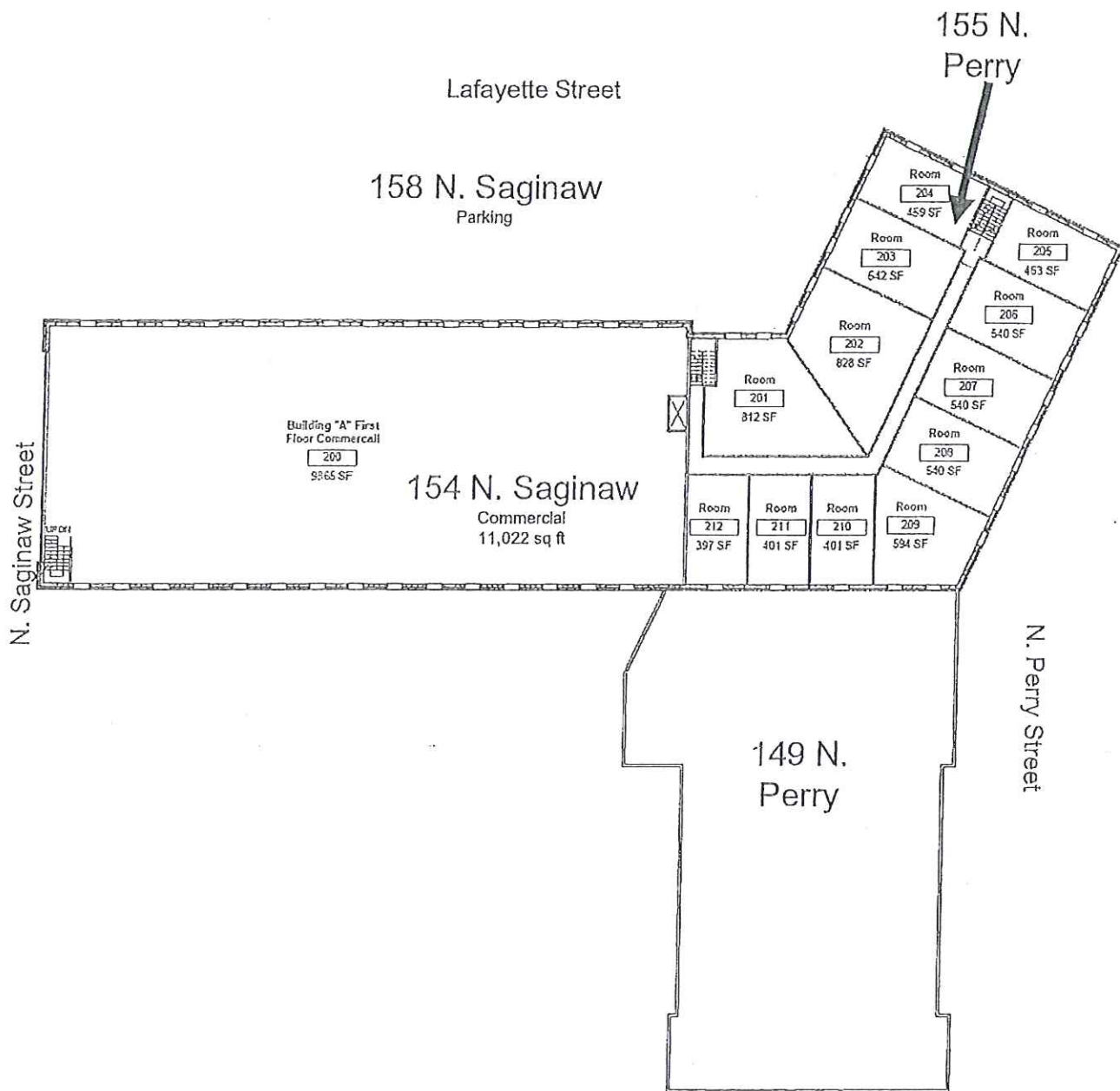
ASTI
Environmental

Figure 2 - Site Features Map

Address	154 N Saginaw
Tax ID	63-64-14-29-426-001
Owner	Lafayette Lofts, LLC
Legal Description	T3N, R10E, SEC 29 ORIGINAL PLAT N 30 FT OF LOT 77 & LOT 21 A.P. 28 EXC BEG AT THE EXTREME NW COR OF SD LOT 21 WHICH COR IS THE ELY LI OF SAG. ST. AS PLATTED & MONU IN THE ABOVE MENT. A.P. 28, TH ELY ALG THE NLY LI OF SD LOT 21, 50 FT M OR L TO THE PT OF INTER OF SD NLY LI WITH FACE OF THE N WALL OF THE 3 STY BRICK BLDG. NOW LOC ON SD LOT 21 TH IN A WLY DIR ALG THE FACE OF SD WALL 50 FT M OR L TO THE ELY LI OF SD ST. TH NLY ALG THE ELY LI OF SD ST. A DIST OF 1.28 FT M OR L TO THE PL OF BEG. THE INTENTION BEING TO DESC ALL OF SD TRI PAR WHICH IS NOT OCCUPIED BY ANY PT OF THE SD 3 STY BR. BLDG. ALSO A TRI PAR OF LOT 22 A.P. 28 DESC AS BEG AT A PT ON SLY LI OF LOT 22, 50 FT ELY FROM SW COR OF LOT 22 TH ALG SLY LI OF LOT 22, 117.45 FT TH NWLY ALG FACE OF WALL 0.65 FT M OR L TO A PT TH WLY TOBEG. SD PAR BEING ADJ TO EACH OTHER & OWNED BY SAME PARTY.

Address	158 N Saginaw
Tax ID	63-64-14-29-279-029
Owner	Lafayette Lofts, LLC
Legal Description	T3N, R10E, SEC 29 ASSESSOR'S PLAT NO 28 PART OF LOT 21 BEG AT NW LOT COR, TH ELY 50 FT M/L, TH WLY 50 FT M/L, TH NLY 1.28 FT ALG ELY LINE OF SAGINAW ST TO BEG, ALSO LOT 22 EXC BEG AT PT DIST ELY 50 FT M/L FROM SW LOT COR, TH ELY 117.45 FT M/L, TH SELY 0.65 FT M/L TO SLY LOT LINE, TH WLY ALG SLY LOT LINE TO BEG, ALSO EXC THAT PART OF SD LOT 22 DESC AS BEG AT NW LOT COR, TH N 78-20-21 E 205.70 FT, TH S 08-23-55 W 11.51 FT, TH S 75-37-26 W 201.26 FT, TH N 13-59-00 W 10.06 FT TO BEG 9/8/89 CORR.

ATTACHMENT C
Project Renderings



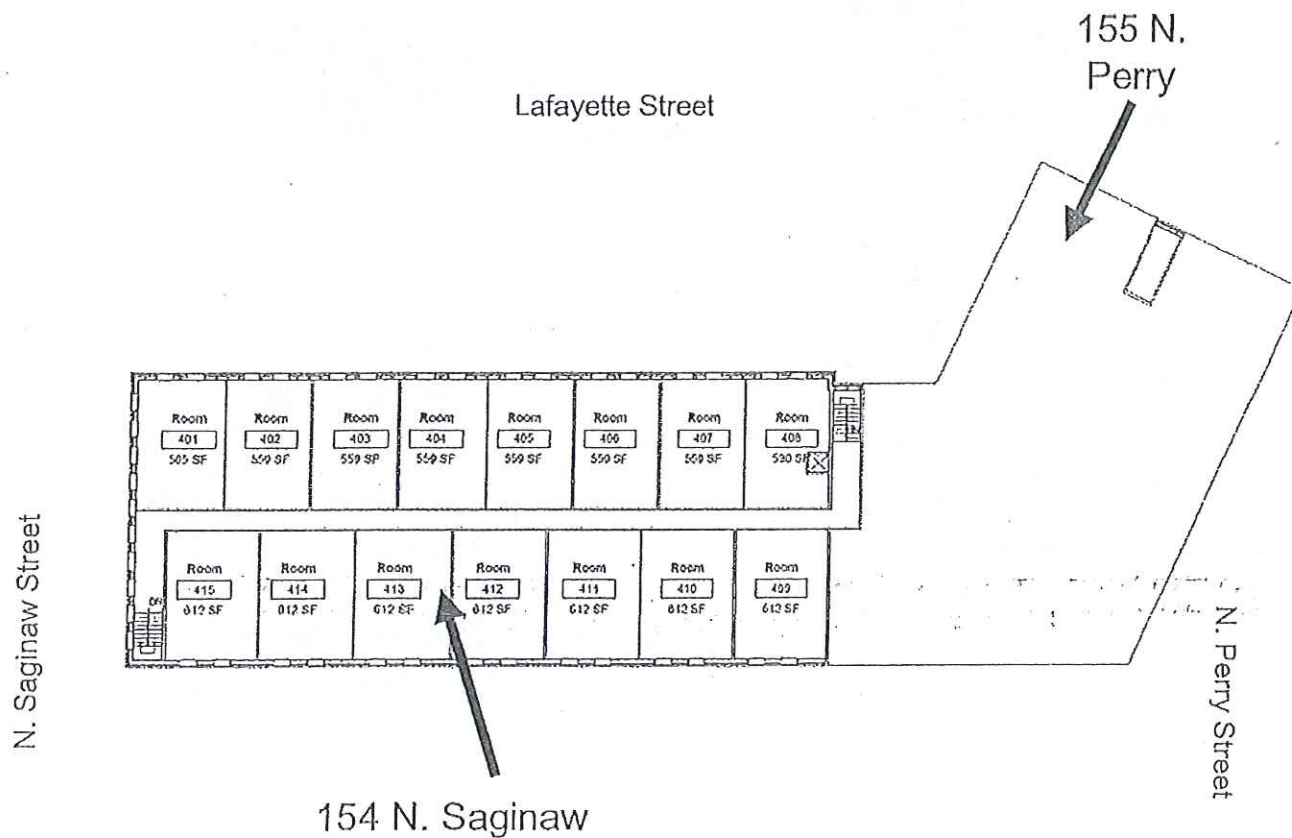
Lafayette Place Lofts

Pontiac, MI



Created for: Lafayette Place Lofts, LLC
Created by: SJP, February 10, 2011

Figure 2: Floor Plan – Level 2



Lafayette Place Lofts

Pontiac, MI



Created for: Lafayette Place Lofts, LLC
Created by: SJP, February 10, 2011

Figure 4: Floor Plan – Level 4

ATTACHMENT D
Functional Obsolescence Designation

AFFIDAVIT

STATE OF MICHIGAN)
)
COUNTY OF OAKLAND)

NOW COME David M. Hieber and Terry D. Schultz, of Oakland County Equalization, both being first duly sworn, depose and state as follows:

I, David M. Hieber, MMAO (4), am the Assessor for the City of Pontiac, Oakland County, Michigan and make this affidavit as required under MCL 125.2663 (1) (h) of the Brownfield Redevelopment Financing Act and in conjunction with the plan made for properties commonly known as the former Sears Building with a primary location at 154 & 158 North Saginaw Street, City of Pontiac, Oakland County, Michigan.


Parcel Nos. 64-14-29-426-001/-015, 64-14-29-279-029/-034

I, Terry D. Schultz, MAAO (3), did on February 23, 2011 inspect the above referenced parcels in the City of Pontiac and issue the following opinion:

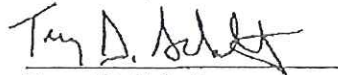
It is my expert opinion that the former Sears properties are functionally obsolete as defined in MCL 125.2652 (r) of the Brownfield Redevelopment Financing Act. My opinion is based on functional inutility, which is defined as an impairment of the functional capacity of a property or building according to market tastes and standards; equivalent to functional obsolescence because ongoing change renders layouts and features obsolete (Appraisal Institute's Dictionary of Real Estate Appraisal *Fourth Edition*).

I, David M. Hieber, after inquiry and review of the findings of Terry D. Schultz, as well as, review of records of the City of Pontiac related to these properties find the above properties functionally obsolete.

Further deponents sayeth not.




David M. Hieber



Terry D. Schultz

Subscribed and sworn to before me
this 18th day of March 2011.


Notary Public

Oakland County, Michigan.
My Commission Expires: 9-14-12
Acting in the County of Oakland.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC

2011 JUN 29 P

Dated: June 28, 2011

ORDER NO. S-87

RE: Approval of the By-Laws of the City of Pontiac Brownfield
Redevelopment Authority

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (u) Authorize the borrowing of money by the local government as provided by law; (v) Approve or disapprove of the issuance of obligations of the local government on behalf of the local government under this subdivision; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

EXHIBIT A TO ORDER NO. _____

CITY OF PONTIAC

Resolution Approving By-Laws

Adopted: June 28, 2011

THE CITY OF PONTIAC, COUNTY OF OAKLAND, MICHIGAN
RESOLVES AS FOLLOWS:

WHEREAS, the City of Pontiac Brownfield Redevelopment Authority (the "Authority") has met and considered By-Laws; and

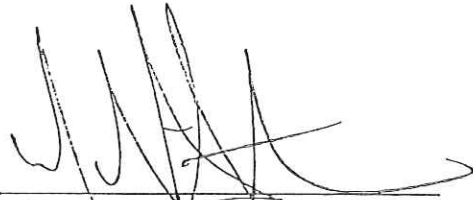
WHEREAS, the Authority has approved the By-Laws, a copy of which is attached to this resolution as Appendix A, in accordance with the Act; and

WHEREAS, the Emergency Manager of the City of Pontiac is required to approve the By-Laws before those By-Laws take effect.

NOW, THEREFORE, BE IT ORDERED BY THE EMERGENCY MANAGER OF THE CITY OF PONTIAC as follows:

The By-Laws of the City of Pontiac Brownfield Redevelopment Authority, attached hereto as Appendix A, are hereby approved.

APPROVED AND ENACTED by the Emergency Manager of the City of Pontiac, County of Oakland, State of Michigan on June 28, 2011.

A handwritten signature in black ink, appearing to read 'Michael L. Stampfler', written over a horizontal line.

Michael L. Stampfler
Emergency Manager
City of Pontiac

made available to the public not later than eight (8) business days after any meeting to which the minutes refer, and approved minutes shall be made available for public inspection not later than five (5) business days after approval. Such proposed and approved minutes shall be available for inspection during regular business hours, upon request, at the principal office of the Authority.

The Secretary and Treasurer shall be responsible for the preparation of formal plans under Act 450 and for the performance of other functions of the Authority in a manner authorized by the Act and the Board to implement those plans, after approval of the City Council. The Secretary and Treasurer shall also be responsible for preparation of a budget for the operation of the Authority subject to approval of the Board and City Council. The Secretary and Treasurer, together with the Chairperson shall approve all vouchers for the expenditure of funds by the Authority.

Section 6. Terms of Office. The Chairperson and Vice-Chairperson shall be members of the Board and shall be elected by the Board for a term of one year, unless sooner removed by the Board, or until their successors shall have been elected and qualified. The Secretary and Treasurer and any other officer established by resolution need not be members of the Board and shall be elected by the Board to serve until a successor is elected and qualified. If any officer shall be an employee of the City of Pontiac, the termination of their employment with the City for any reason shall serve to terminate their service as an officer of the Authority. In the event of termination by such termination of employment, the Authority shall nevertheless retain full power and authority to re-elect said person to such office.

Section 7. Removal from Office. The Chairperson, Vice-Chairperson and any other officer may be removed from said office by a vote of not less than three-quarters of the entire membership of the Authority (as opposed to a quorum), at any regular or special meeting, provided that said officer has been given not less than ten (10) days' written notice prior to said meeting that said removal action will be sought at said meeting. Said notice shall be issued by the Secretary and Treasurer at the direction of a majority of the Board.

Section 8. Committees. The Board may by resolution establish various committees to facilitate the conduct of its activities. Subject to the provisions of law and of these Rules of Procedure, such committees shall have such duration, composition, powers, and procedures as may be set forth in the resolution establishing same.

Section 9. Contracting Authority. Any other provision hereof notwithstanding, no member, officer or employee of the Authority or City shall have the power or authority to enter into contracts in the name of and on behalf of the Authority, except as may be granted by general or specific authorizing resolution.

the Board, without specific reference and objection to the lack or insufficiency of notice thereof, shall be deemed a waiver of any such objection.

ARTICLE V – Amendments

Amendments or additions to these Rules of Procedure may be adopted by a majority vote of the entire membership (as opposed to a quorum) of the Board, at any meeting of the Board, provided that said Amendment has been introduced and read at the last preceding meeting of the Board occurring at least seven (7) days prior to the meeting at which the Amendment is adopted, subject to the approval of the City Council.

Approved and adopted by the City of Pontiac Brownfield Redevelopment Board at a meeting held on this 28th of June, 2011

Michael Goldman

Chairperson

John Naglick

Secretary and Treasurer



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC
2011 JUN 29 P

Dated: June 28, 2011

ORDER NO. S-87

RE: Approval of the By-Laws of the City of Pontiac Brownfield
Redevelopment Authority

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (u) Authorize the borrowing of money by the local government as provided by law; (v) Approve or disapprove of the issuance of obligations of the local government on behalf of the local government under this subdivision; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

EXHIBIT A TO ORDER NO. _____

CITY OF PONTIAC

Resolution Approving By-Laws

Adopted: June 28, 2011

THE CITY OF PONTIAC, COUNTY OF OAKLAND, MICHIGAN
RESOLVES AS FOLLOWS:

WHEREAS, the City of Pontiac Brownfield Redevelopment Authority (the "Authority") has met and considered By-Laws; and

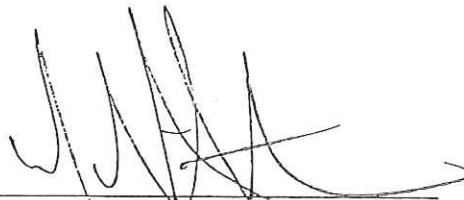
WHEREAS, the Authority has approved the By-Laws, a copy of which is attached to this resolution as Appendix A, in accordance with the Act; and

WHEREAS, the Emergency Manager of the City of Pontiac is required to approve the By-Laws before those By-Laws take effect.

NOW, THEREFORE, BE IT ORDERED BY THE EMERGENCY MANAGER OF THE CITY OF PONTIAC as follows:

The By-Laws of the City of Pontiac Brownfield Redevelopment Authority, attached hereto as Appendix A, are hereby approved.

APPROVED AND ENACTED by the Emergency Manager of the City of Pontiac, County of Oakland, State of Michigan on June 28, 2011.

A handwritten signature in black ink, appearing to read 'Michael L. Stampfer', is written over a horizontal line.

Michael L. Stampfer
Emergency Manager
City of Pontiac

made available to the public not later than eight (8) business days after any meeting to which the minutes refer, and approved minutes shall be made available for public inspection not later than five (5) business days after approval. Such proposed and approved minutes shall be available for inspection during regular business hours, upon request, at the principal office of the Authority.

The Secretary and Treasurer shall be responsible for the preparation of formal plans under Act 450 and for the performance of other functions of the Authority in a manner authorized by the Act and the Board to implement those plans, after approval of the City Council. The Secretary and Treasurer shall also be responsible for preparation of a budget for the operation of the Authority subject to approval of the Board and City Council. The Secretary and Treasurer, together with the Chairperson shall approve all vouchers for the expenditure of funds by the Authority.

Section 6. Terms of Office. The Chairperson and Vice-Chairperson shall be members of the Board and shall be elected by the Board for a term of one year, unless sooner removed by the Board, or until their successors shall have been elected and qualified. The Secretary and Treasurer and any other officer established by resolution need not be members of the Board and shall be elected by the Board to serve until a successor is elected and qualified. If any officer shall be an employee of the City of Pontiac, the termination of their employment with the City for any reason shall serve to terminate their service as an officer of the Authority. In the event of termination by such termination of employment, the Authority shall nevertheless retain full power and authority to re-elect said person to such office.

Section 7. Removal from Office. The Chairperson, Vice-Chairperson and any other officer may be removed from said office by a vote of not less than three-quarters of the entire membership of the Authority (as opposed to a quorum), at any regular or special meeting, provided that said officer has been given not less than ten (10) days' written notice prior to said meeting that said removal action will be sought at said meeting. Said notice shall be issued by the Secretary and Treasurer at the direction of a majority of the Board.

Section 8. Committees. The Board may by resolution establish various committees to facilitate the conduct of its activities. Subject to the provisions of law and of these Rules of Procedure, such committees shall have such duration, composition, powers, and procedures as may be set forth in the resolution establishing same.

Section 9. Contracting Authority. Any other provision hereof notwithstanding, no member, officer or employee of the Authority or City shall have the power or authority to enter into contracts in the name of and on behalf of the Authority, except as may be granted by general or specific authorizing resolution.

the Board, without specific reference and objection to the lack or insufficiency of notice thereof, shall be deemed a waiver of any such objection.

ARTICLE V – Amendments

Amendments or additions to these Rules of Procedure may be adopted by a majority vote of the entire membership (as opposed to a quorum) of the Board, at any meeting of the Board, provided that said Amendment has been introduced and read at the last preceding meeting of the Board occurring at least seven (7) days prior to the meeting at which the Amendment is adopted, subject to the approval of the City Council.

Approved and adopted by the City of Pontiac Brownfield Redevelopment Board at a meeting held on this 28th of June, 2011

Michael Goldman

Chairperson

John Naglick

Secretary and Treasurer



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER
MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC

2011 JUL -6 P 4:00

Dated: July 6, 2011

ORDER NO. S-88

RE: Appointment of LEPC Coordinator

TO: Tyrone Jarrett, Fire Chief
Theodore H. Quisenberry, Manager Oakland County Homeland Security
Mark Hotz, City Attorney
Yvette Talley, City Clerk

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(ee) Take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior and supersede the power of any of the foregoing officers or entities... and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

The Emergency Planning and Community Right to Know Act of 1986 (EPCRA) requires the City to appoint a representative to the Local Emergency Planning Committee to direct, train, and coordinate emergency disaster plans in the City.

It is hereby ordered:

That Tyrone Jarrett is appointed as the LEPC Coordinator for the City of Pontiac.

The Order shall have immediate effect.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER RECEIVED
MICHAEL L. STAMPFLER **CITY OF PONTIAC**
47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

2011 JUL 13 A 10: 1

Dated: July 12, 2011

ORDER NO. S-89

RE: Contracts with Oakland County for Police and Dispatch Services

TO: Wendy Keelty-Reyes, Acting Police Chief
 Mark Hotz, City Attorney
 Sheryl Stubblefield, City Treasurer
 Yvette Talley, City Clerk
 John Naglick, Acting Finance Director
 Michael Wilson, Building Official
 Tyrone Jarrett, Sr., Fire Chief
 Carl Johnson, Controller (Plante & Moran)

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (y) Enter into agreements with other local governments, public bodies, or entities for the provision of services, the joint exercise of powers, or the transfer of functions and responsibilities; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

Providing police services is among the fundamental services to be provided by any municipality to citizens. In order to provide the City with continued professional police and dispatch services, I executed a Memorandum of Understanding with the Oakland County Sheriff's Office on October 12, 2010.

cooperation, with the Oakland County Sheriff's Office is essential in order for the City to provide police and dispatch services to the City, its residents and property owners."

- (3) The City Attorney take all steps necessary to have all City records reflect that Oakland County Sheriff's Office is providing police and dispatch services in the City.
- (4) The Oakland County Sheriff's Office shall report directly to the Emergency Manager as required under the Contracts.
- (5) All prior City resolutions and ordinances inconsistent with this Order and Contract are hereby repealed.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Dated: July 27, 2011

ORDER NO. S-90

RE: Administrative Appointment

TO: John Naglick, Acting Finance Director
Mark Hotz, City Attorney
Yvette Talley, City Clerk

RECEIVED
CITY OF PONTIAC
2011 JUL 28 A 9:11

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011), Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(n) ...appoint, supervise, and at his or her discretion, remove administrators, including heads of departments other than elected officials...."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"),

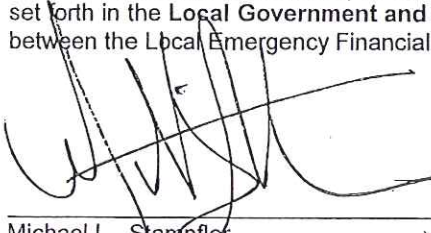
It is hereby ordered:

The appointment of John Naglick as Acting Finance Director and Purchasing Agent is extended until September 30, 2011.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231; et. seq.).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael L. Stampfler
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC
2011 AUG - 1 A 11:41

Dated: July 28, 2011

ORDER NO. S-91

RE: Planning Commission Appointments

TO: C. James Sabo, City Planner
Mark Hotz, City Attorney
Yvette Talley, City Clerk

The **Local Government and School District Fiscal Accountability Act (Act 4 of 2011)** in **Section 17(1)** empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. **Section 19(1)** provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(ff) [r]emove, replace, appoint, or confirm appointments to any office, board, commission, authority, or other entity which is within or is a component of the local government"; and **19(2)** ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"),

It is hereby ordered:

The following are appointed to the Pontiac Planning Commission to terms of office beginning August 3, 2011 and expiring to the terms of office as indicated:

- Scott Hudson, term expiring June 30, 2012
- Ashley Fegley, term expiring June 30, 2013
- Dayne Thomas, term expiring June 30, 2013
- Hazel Cadd, term expiring June 30, 2014
- Bruce Turpin, term expiring June 30, 2014

The Order shall have immediate effect.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Dated: July, 29, 2011

ORDER NO. S-92

RE: Board Composition Amendments to the
City of Pontiac Police and Fire Retirement System Ordinance

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)
Police and Fire Retirement System
Ellen Zimmermann, Retirement Office

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

The City of Pontiac Police and Fire Retirement System (PFRS) has requested that certain amendments be made to the City of Pontiac Police and Fire Retirement System Ordinance, put into effect on October 4, 2007 (the "Ordinance"). PFRS has requested these amendments to change potential membership of the Board of Trustees of the PFRS (see attached Exhibit A – Ordinance Amendments).

2011 AUG - 1 A 11:41
RECEIVED
CITY OF PONTIAC

EXHIBIT A TO ORDER S-92

Amendments to City of Pontiac Police and Fire Retirement System Ordinance Section 18 Management -- Policy Direction

The System created by this Chapter shall be construed to be a trust, separate and distinct from all other entities. The System is intended to qualify as a pension plan and trust meeting the requirements of Sections 401 and 501 of the Internal Revenue Code, as now in effect or hereafter amended, and shall be administered so as to fulfill this intent. The responsibility for the direction and operation of the System, and for making effective the provisions hereof, are hereby vested in a Board of Trustees. The Board shall consist of five (5) members, as follows:

- (a) Two (2) Members representing the City, who shall be the Mayor and Director of Finance of the City.
- (b) One (1) Policeman and one (1) Fireman, each having at least five (5) years of credited service, who shall be active Members of the System, from the respective occupational groups according to rules of election to be adopted by the Board. If there are no active members from either occupational group in the System willing to serve, then the Board shall include one (1) Policeman and one (1) Fireman who are vested members of the System, from their respective occupational groups according to rules of election to be adopted by the Board.

Until elections for Trustee are held, the City Council shall appoint two (2) temporary Trustees meeting the foregoing qualifications from among the Policemen and Firemen who shall hold office until permanent Trustees are elected but the terms of such temporary Trustees shall not extend for more than six (6) months.

The original elected Trustees shall serve for the following terms:

One representing Policemen for a term of two (2) years and one representing Firemen for a term of three (3) years.

The Trustees so elected shall take office upon their election and shall succeed the temporary Trustees appointed by the City Council. Their terms of office shall terminate on June 30th of the second and third year following the election as the case may be. The Trustees elected to succeed the original elected Trustees shall serve for terms of three (3) years.

- (c) One (1) Member who shall be selected by the remaining four (4) Members of the Board. The initial Member so selected shall serve until June 30, 1963. The successors in such office shall serve for terms of three (3) years.

EXHIBIT B TO ORDER S-92

Police and Fire Retirement System Resolution

CITY OF PONTIAC POLICE AND FIRE RETIREMENT SYSTEM

Adopted: July 28, 2011

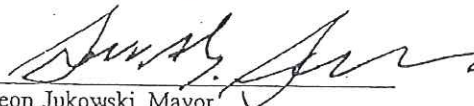
Re: Approving Proposed Ordinance Amendment


WHEREAS, The Board of Trustees is vested with the general authority and fiduciary responsibility for the proper administration, management and operation of the Retirement System, and


WHEREAS, The City of Pontiac Police and Fire Retirement System Trustees desire to request an amendment to the Retirement System Ordinance to expand the class of eligible Trustees to include those retirees and deferred vested members who are willing to serve from the Police Department and Fire Department; and

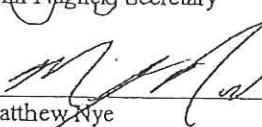
WHEREAS, The Trustees having consulted with each of the respective unions regarding this language; and, each union having indicated its approval to the amendment to the Trustees; therefore, be it


RESOLVED, That the Board of Trustees approve the attached proposed Ordinance Amendment regarding Board Composition and direct legal counsel to immediately submit the amendment to the Emergency Manager's attorney so that the Emergency Manager can enact his proposed Executive Order approving the Ordinance Amendment, effective August 1, 2011.


Leon Jukowski, Mayor


Brian Lee, Vice Chair


John Naglick, Secretary


Matthew Nye


Craig Storum, Chairman

Attachment
W1034292-2

RECEIVED
EFM - PONTIAC

11 JUL 28 PM 1:36

cc: D. O'Brien/AC ✓
JH

Trustee, a successor shall be elected for the unexpired term of office at the next regular annual election under the rules of the Board. If a vacancy occurs in the office of an appointive Trustee, such vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.

(e) Each Trustee shall take an oath that, so far as it devolves upon him, he will diligently and honestly administer the affairs of the Board, and that he will not knowingly or willfully permit to be violated any of the provisions of the Chapter applicable to the System. Such oath shall have been filed.

(f) Subject to the limitations prescribed herein, the Board shall, from time to time establish rules and regulations for the administration of the System and to implement the provisions of this Chapter as may be required. The Board shall be a quasi-judicial body, and its actions shall be reviewable as set forth in Section 14 herein. It shall hold regular meetings at least quarterly in each year and such special meetings as may be deemed necessary. All meetings shall be open to the public. A record of proceedings of all meetings shall be kept by the Board.

(g) Each Trustee shall be entitled to one (1) vote on the Board, and the concurrence of three (3) Trustees shall be necessary for a decision at any regular or special meeting.

W0989738-5/PPF/115999



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

RECEIVED
CITY OF PONTIAC

2011 AUG -4 A 10:00

Dated: August 3, 2011

ORDER NO. S-94

RE: Approval of Brownfield Plan for Lafayette Place Lofts

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)
Khalfani Stephens, Pontiac Growth Group

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (g) Make, approve or disapprove any appropriation, contract, expenditure...; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

After the public hearing on July 20, 2011 and based on the record of the hearing, a copy of which is ordered filed, I have determined that it is necessary for the public health and welfare of the City to approve the proposed Brownfield Plan for the Lafayette Place Lofts which will result in the expenditure by the private sector of \$22.6 million dollars and the creation of 107 new jobs under the proposed plan which has already been approved by the Board of the City of Pontiac Brownfield Redevelopment Authority all as required and authorized by Act No. 381 of the Public Acts of Michigan of 1996, as amended ("Act 381").

To accomplish this, the City needs to authorize and adopt a Resolution.

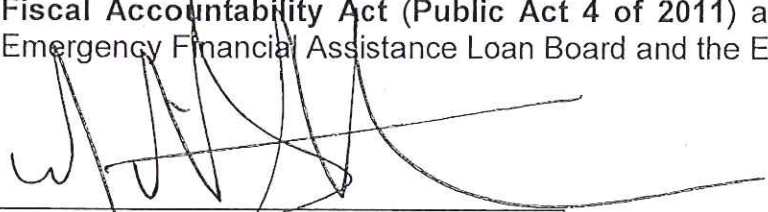
It is hereby ordered:

- (1) The attached Resolution Approving Brownfield Plan (Exhibit A) is hereby authorized and adopted by the City of Pontiac, effective July 28, 2011 ("Resolution").
- (2) The Brownfield Plan for the Lafayette Place Lofts described in the Resolution, is hereby approved.
- (3) The City Attorney shall take all steps necessary to reflect the adoption of the above Resolution on the City books and records.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (**Public Act 442 of 1976, MCL 15.231, et. seq.**).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael L. Stampfer
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council

EXHIBIT A TO ORDER NO. S-94

CITY OF PONTIAC

Resolution Approving Brownfield Plan

Adopted: August 3, 2011

THE CITY OF PONTIAC, COUNTY OF OAKLAND, MICHIGAN
RESOLVES AS FOLLOWS:

RESOLUTION OF THE EMERGENCY FINANCIAL MANAGER

WHEREAS, On December 18, 1997, the City Council adopted a resolution to create the Pontiac Brownfield Redevelopment Authority (the "Authority") and to designate the boundaries of the Brownfield Zone within which the Authority will exercise its powers; and

WHEREAS, Lafayette Place Lofts, LLC plans to acquire the four vacant buildings at 154 and 158 N. Saginaw and 149 and 155 N. Perry, which have been identified as a Brownfield Site, to remodel the structures, which vacant buildings are located on the property and were previously used for office space, retail, and auto repair. This project will transform three of these buildings into a mixed-use development with lofts, commercial space, and underground parking. The developer anticipates that a fresh food market, a gym, and other boutique retail will be located in the commercial space, at an estimated cost of approximately \$22.6 Million Dollars, including building, fixtures, equipment and training; and

WHEREAS, the new facility will employ up to 107 people within three years, beginning with most of the new employees at the end of year two; and

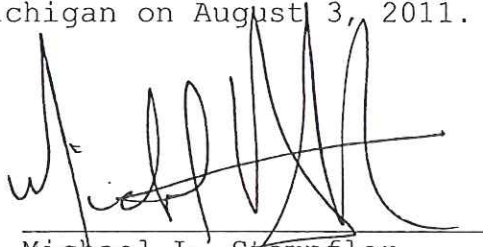
WHEREAS, on June 2, 2011 the Authority Board approved a Brownfield Plan (the "Plan") to assist Lafayette Place Lofts, LLC in their efforts to develop the subject property, by reimbursing the company for eligible costs associated with the environmental assessment, due care activities and related costs at the subject site; and

WHEREAS, the funds to reimburse Lafayette Place Lofts, LLC will come from taxes generated by the development which are eligible for capture the Authority and all funds over and above the reimbursement amount will be place in the Authority's General Fund; and

WHEREAS, in accordance with the Brownfield Redevelopment Financing Act, Public Act No. 381 of the Public Acts of Michigan of 1996, as amended, and Act No. 4 of the Public Acts of Michigan of 2011, the Brownfield Plan must be approved by the governing body of the City of Pontiac or the Emergency Manager of the City of Pontiac.

NOW, THEREFORE, IT IS ORDERED, that the City of Pontiac hereby approves the Brownfield Plan as submitted (which is attached hereto as Appendix A) and supports the proposed developments by the Brownfield Redevelopment Authority.

APPROVED AND ENACTED by the Emergency Manager of the City of Pontiac, County of Oakland, State of Michigan on August 3, 2011.



Michael L. Stampfler
Emergency Manager
City of Pontiac

CITY OF PONTIAC
BROWNFIELD REDEVELOPMENT AUTHORITY

At a special meeting of the City of Pontiac Brownfield Redevelopment Authority, (the "Authority"), held at 47450 Woodward Ave, Pontiac, MI 48342, on June 2, 2011 at 9:00 a.m. Eastern Daylight Savings Time, there were:

PRESENT: Michael Goldman, Thomas Taylor, Eric Walker,
Mayor Leon Jukowski, Joseph M. Sobota,
John Naglick

ABSENT: N.Z. Bryant, Lee Jones, Ray Cochran,
Lawrence Pitcole, Janet Sowell

The following preamble and resolution were offered by Mayor Leon Jukowski and seconded by John Naglick.

RESOLUTION APPROVING BROWNFIELD PLAN FOR
LAFAYETTE PLACE LOFTS

WHEREAS, the Authority has met and considered a Brownfield Plan (the "Plan") submitted by Lafayette Place Lofts, LLC (the "Developer") for the property located at 154 & 158 N Saginaw, 125, 149 & 155 N Perry, Pontiac, MI (the Property); and

WHEREAS, the Authority has reviewed the Plan, a copy of which is attached to this resolution as Appendix A, in accordance with the Act; and

WHEREAS, Axe & Ecklund, P.C. has deemed that the plan meets the legal requirements as set out by Public Act No. 381 of the Public Acts of Michigan of 1996, as amended ("Act 381"); and

NOW, THEREFORE, BE IT RESOLVED by the City of Pontiac Brownfield Redevelopment Authority as follows:

1. The Authority hereby approves a modified Plan, which shall exclude the premises at 125 North Perry Street, Pontiac, Michigan and determines that the Plan, in accordance with the Act, constitutes a public purpose.

2. The Plan meets the requirements of Section 13 of the Act.

3. The proposed method of financing the costs of the eligible activities is feasible and the Authority will not need to arrange the financing.

4. The costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381.

5. The amount of captured taxable value, estimated to result from adoption of the plan is reasonable.

The results of a roll-call vote on the foregoing resolution were as follows:

YES: Michael Goldman, Thomas Taylor, Eric Walker,
Mayor Leon Jukowski, Joseph M. Sobota,
John Naglick

NO: NONE

ABSTAIN: NONE

THE RESOLUTION WAS THEREUPON DECLARED ADOPTED.

SECRETARY'S CERTIFICATE

The undersigned, being the duly qualified and acting Secretary of the City of Pontiac Brownfield Redevelopment Authority, hereby certifies that (1) the foregoing is a true and complete copy of a resolution adopted by the Authority at a special meeting held on June 2, 2011, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Authority in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.



John Naglick, Secretary and Treasurer
City of Pontiac
Brownfield Redevelopment Authority

**Michigan Economic Growth Authority (MEGA)
Michigan Economic Development Corporation (MEDC)
Brownfield Redevelopment MBT Credit Application – PART II**

Project Name/Working Title Lafayette Place Lofts <small>(this name should be used consistently in all project correspondence, including TIF related requests)</small>	Qualified Taxpayer Legal Name Lafayette Place Lofts, LLC
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------

MUNICIPALITY CERTIFICATION OF APPROVED BROWNFIELD PLAN

To be completed by the municipality or county authorizing the Brownfield Redevelopment Authority and in which Eligible Property is located

Parcel Number(s) where the eligible property is located: 63-64-14-29-426-001 63-64-14-29-279-029 63-64-14-29-426-015 63-64-14-29-279-034	Brownfield Plan Approval Date - date the governing body of the municipality or county approved brownfield designation of the property. July 21, 2011
Eligible Property Address, City, Village, or Township and County 154 and 158 N Saginaw 149 and 155 N Perry Pontiac, Wayne County	Name of the Brownfield Redevelopment Authority Pontiac Brownfield Redevelopment Authority How does the property qualify in the Brownfield Plan? Pick one. <input checked="" type="checkbox"/> Facility <input type="checkbox"/> Blighted <input checked="" type="checkbox"/> Functionally Obsolete
Affix Seal Here	CERTIFICATION I certify that the property identified above is designated as an eligible property in an approved brownfield plan.
	Name of the Municipality or County City of Pontiac Signature of Authorized Clerk <i>[Signature]</i>
	Telephone Number (248) 758-3200 Date 8-4-11

DESIGNATED REPRESENTATIVE

The following qualified taxpayer will designate when the approved project is completed and determine how credits shall be distributed among the qualified taxpayers if there are cost overruns at the completion of the project.		
Name	Title	Telephone Number
Kyle Westberg		248.758.9925

QUALIFIED TAXPAYER CERTIFICATION

I certify that I am a qualified taxpayer and that the information contained in this application and all attachments are true and correct to the best of my knowledge. I further agree to the individual identified above as the designated representative for this project. I further authorize the MEGA to discuss the specifics of this project with the designated representative identified above.		
Signature of Qualified Taxpayer	Name and Title (typed)	Date
#1 <i>[Signature]</i>	Kyle Westberg, member.	7/27/11
#2		
#3		

To: Yvette Talley, City Clerk

Cc: Michael L. Stampfler, Financial Manager

From: Khalfani Stephens, Executive Director Commercial and Industrial Development *K.S.*

Re: Brownfield plan for Lafayette Place Lofts

Date: August 4, 2011

Attached is an executed order and resolution from Mr. Stampfler approving the Brownfield plan for the subject development project. Also attached is an application to the State of Michigan certifying that the City has approved the plan. Please review the resolution, sign the application, and return to me.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: August 25, 2011

ORDER NO. S-93

RE: Michigan Emergency Management Assistance Compact

TO: Tyrone Jarrett, Fire Chief
Michigan State Police
Mark Hotz, City Attorney ✓
Yvette Talley, City Clerk ✓

RECEIVED
CITY OF PONTIAC
2011 AUG 26 AM 11:13

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(ee) Take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government... and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

WHEREAS, the State of Michigan Emergency Management Act, Act 390 of the Public Acts of 1976, as amended, M.C.L. 30.401 *et seq.* authorizes the State and its political subdivisions to provide emergency aid and assistance in the event of a disaster or emergency; and,

WHEREAS, the statutes also authorize the State to coordinate the provision of any equipment, services, or facilities owned or organized by the State or its political subdivisions for use in the affected area upon request of duly constituted authority of the area; and,

WHEREAS, this Order authorizes the request, provision, and receipt of interjurisdictional mutual assistance in accordance with the Emergency Management Act, Act 390 of the Public Acts of 1976, as amended, among political subdivisions within the State;

MICHIGAN EMERGENCY MANAGEMENT ASSISTANCE COMPACT

The Michigan State Police Emergency Management Division
Revised - October 8, 2004

MICHIGAN EMERGENCY MANAGEMENT ASSISTANCE COMPACT

PREAMBLE

This agreement is entered into between the Michigan State Police Emergency Management Division on behalf of the State of Michigan, and by and among each county, municipality, township, federally recognized tribal nation and interlocal public agency that executes this agreement and adopts its terms and conditions, in view of the following facts:

WHEREAS, under MCL 30.403, the governor is responsible for coping with dangers to this state or the people of this state presented by a disaster or emergency and may issue executive orders, proclamations and directives having the force and effect of law to implement the provisions of the Michigan Emergency Management Act (P.A. 390 of 1976 as amended; MCL 30.401 *et seq.*); and

WHEREAS, under MCL 30.407, the director of the Department of State Police is ex officio the state director of emergency management, and the director or his or her designee is empowered to coordinate all federal, state, county, and municipal disaster prevention, mitigation, relief, and recovery operations within the state in compliance with the applicable provisions of the Michigan Emergency Management Plan; and

WHEREAS, under MCL 30.407a, the Emergency Management Division is charged with coordinating within this state the emergency management activities of county, municipal, state, and federal governments; and

WHEREAS, under MCL 30.407a(4)(h), the Emergency Management Division may provide for the coordination and cooperation of state agencies and departments with federal and local government agencies and departments in emergency management activities; and

WHEREAS, under MCL 30.410(2), municipalities and counties may enter into mutual aid or reciprocal aid agreements or compacts with other counties, municipalities, public agencies, private sector agencies, federally recognized tribal nations or all of these entities; and

WHEREAS, under MCL 30.407a (4) (j), the Emergency Management Division may propose and administer statewide mutual aid compacts and agreements; and

WHEREAS, under MCL 3.991 *et seq.*, the State of Michigan has entered into and agreed to participate in the interstate Emergency Management Assistance Compact (EMAC), with authority and responsibility for the coordination of the state's participation in EMAC delegated to the Emergency Management Division; and

ARTICLE I: DEFINITIONS

1. **Agreement:** Michigan Emergency Management Assistance Compact (MEMAC).
2. **Assisting Party:** Any participating governmental entity furnishing equipment, services and/or personnel to a requesting party under this agreement.
3. **Authorized Representative:** The chief executive of a participating governmental entity, or his or her designee, who has written authorization to request, offer, or provide assistance under the terms of this agreement.
4. **Disaster:** An occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from a natural or human-made cause, including, but not limited to, fire, flood, snowstorm, ice storm, tornado, windstorm, wave action, oil spill, water contamination, utility failure, hazardous peacetime radiological incident, major transportation accident, hazardous materials incident, epidemic, air contamination, blight, drought, infestation, explosion, or hostile military action or paramilitary action, or similar occurrences resulting from terrorist activities, riots, or civil disorders. (MCL 30.402(e))
5. **Emergency:** Any occasion or instance in which the governor determines state assistance is needed to supplement local efforts and capabilities to save lives, protect property and the public health and safety, or to lessen or avert the threat of a catastrophe in any part of the state. (MCL 30.402(h))
6. **Emergency Management Division:** The Michigan State Police Emergency Management Division (MSPEMD). (MCL 30.407a)
7. **Federal Emergency Management Agency (FEMA):** a former independent agency that became part of the new Department of Homeland Security in March 2003 - is tasked with responding to, planning for, recovering from and mitigating against disasters.
8. **Federally Recognized Tribal Nation:** A Native American Indian tribe located within the State of Michigan and recognized by the U.S. Department of Interior, Bureau of Indian Affairs.
9. **Interlocal Public Agency:** A governmental entity created by an agreement between other governmental entities pursuant to MCL 124.501 *et seq.*
10. **Local State of Emergency:** A proclamation or declaration by the chief executive official of a county or municipality that activates the response and recovery aspects

ARTICLE II: ELIGIBILITY AND PROCESS FOR PARTICIPATION

The State of Michigan, counties, municipalities, townships, political subdivisions, federally recognized tribal nations and interlocal public agencies of the State of Michigan may become a party to this agreement by executing a copy of this agreement and providing a copy with original signatures and authorizing resolution(s) to the Emergency Management Division. The list of authorized representatives for each participating governmental entity executing this agreement shall be attached as "Attachment A", and shall be updated as needed by means of written notification to the Emergency Management Division. Each participating government shall cooperate with the Emergency Management Division to the extent possible in providing requested information for the development of files or databases of relevant resources.

ARTICLE III: GENERAL IMPLEMENTATION PROCEDURES

When a participating government either becomes affected by, or is under imminent threat of, an emergency, disaster or other serious threat to public health and safety, an authorized representative of that entity may invoke this agreement by communicating a request for assistance by any practical means to the Emergency Management Division through the Michigan State Police Operations Desk, which is the central, 24-hour, emergency communications center for the State of Michigan. The Operations Desk shall immediately notify the Emergency Management Division of all such requests. Verbal requests shall be confirmed in writing within 24 hours of the original request. All requests for assistance under MEMAC must be made to the Emergency Management Division through the Operations Desk. Direct requests for assistance between or among participating governments shall be considered as activation of local or regional ~~mutual aid or reciprocal aid agreements, and not MEMAC; however, this does not~~ preclude later requests for MEMAC assistance through the prescribed system.

~~Requests for assistance under MEMAC shall be limited to emergencies, disasters or other serious threats to public health and safety. MEMAC is primarily intended to~~ facilitate a comprehensive and coordinated response to major or widespread threats or catastrophic events for which a local and gubernatorial declaration of a state of emergency or disaster for the affected jurisdiction(s) are anticipated or already issued. However, nothing precludes a requesting agency from invoking MEMAC for emergencies, disasters or other serious threats to public health and safety in the absence of a formal emergency or disaster declaration at any level. MEMAC assistance shall not be requested by any participating government unless it is anticipated that the resources available within the jurisdiction or through other, preexisting local or regional mutual aid or reciprocal aid compacts or agreements will be exhausted, inadequate or overwhelmed in response to the threat or event being faced.

- C. **The State as Requesting Party:** The state director of emergency management may, with the approval of the governor, invoke MEMAC as the requesting party on behalf of the State of Michigan when: the director believes and the governor concurs that the threat or actual occurrence of an emergency, disaster or other serious threat to public health and safety is so severe or widespread that it significantly affects the safety and welfare of the people of the State of Michigan; the governor has issued or is expected to issue a declaration of a state of emergency or disaster for the affected jurisdiction(s); and the combined resources of the affected jurisdiction(s) and the state would be exhausted, overwhelmed or inadequate to respond to the event without additional assistance from other participating governments. The director shall seek input from the Emergency Management Division and its district coordinators assigned in the affected area(s) in determining whether to invoke MEMAC on behalf of the state. The Emergency Management Division shall fulfill all the responsibilities pertaining to assessment, notification, organization, providing information and reimbursement on behalf of the state when the state is the requesting party under MEMAC.
- D. **Rights and Privileges:** The provisions of the Michigan Emergency Management Act (P.A. 390 of 1976 Sec.11 as amended; MCL 30.411) shall apply when the personnel, equipment or other resources of any participating government respond as an assisting party and provide emergency assistance outside their respective jurisdictions under any MEMAC request, for purposes of tort liability, immunity, authority, and worker's disability compensation.

Sec. 11. (1) Personnel of disaster relief forces while on duty shall:

~~(a) If they are an employee of the state, have the powers, duties, rights, privileges, and immunities of and receive the compensation incidental to their employment.~~

~~(b) If they are employees of a county, municipality, or other governmental agency regardless of where serving, have the powers, duties, rights, privileges, and immunities and receive the compensation incidental to their employment.~~

(c) If they are not employees of the state, a county, municipality, or other governmental agency, be entitled to the same rights and immunities as are provided by law for the employees of the state. All personnel of disaster relief forces shall, while on duty, be subject to the operational control of the authority in charge of disaster relief activities in the area in which they are serving, and shall be reimbursed for all actual and necessary travel and subsistence expenses.

Nothing in this agreement, including participation or non-participation by any eligible governmental entities, shall abrogate or supersede the powers and authority of the governor or state director of emergency management under MCL 30.401 *et seq.* to

G. **Duty to Assess Availability of Resources and Render Assistance:** When contacted by the Emergency Management Division, the authorized representative(s) of any participating government shall assess their own situation to determine available personnel, equipment and other appropriate resources. It shall be the duty of each participating government to render all reasonably available assistance when requested under this agreement to the fullest extent possible and as expeditiously as possible.

However, a participating government may withhold, decline or refuse to provide any or all requested assistance even if available if such compliance would unreasonably jeopardize public health and safety, security or emergency response capabilities in its own jurisdiction. In such a case, an authorized representative of the participating government which has withheld or refused to provide requested assistance under MEMAC shall immediately notify the requesting party and the Emergency Management Division with an explanation, which shall be confirmed in writing to both the requesting party and the division within ten days.

An authorized representative of a participating government that agrees to provide assistance upon request under this agreement shall immediately communicate that assent and the information set forth in this Article III, Paragraph G below, to the extent known, to the Emergency Management Division by any means practicable. If the information is being provided in written form see Article III, Paragraph L for written acknowledgement guidelines.

1. A complete description of the personnel, equipment, and other resources to be furnished to the requesting party;
2. The estimated length of time that each of the personnel, equipment, and other resources will be available;
3. The areas of experience, training, and abilities of the personnel and the capability of the equipment to be furnished;
4. The name of the person or persons to be designated as supervisory personnel; and
5. The estimated time when each type of the assistance to be provided will arrive at the location designated by the requesting party.

H. **Standardized Incident Command System Required:** All participating governments involved in MEMAC shall operate during exercises or actual activation pursuant to a standardized incident command system or unified command system (also known as incident management system) as currently endorsed and adopted by

extraordinary demands and limitations on local resources and disrupt vital facilities and services in the stricken areas, it is expected that assisting parties should be self-sufficient to the extent possible. A requesting party may even specify that it will accept assistance only from assisting parties with self-sufficient personnel and resources.

- K. **Communications:** Absent specific instructions or agreements to the contrary, the requesting party shall have the ultimate responsibility for coordinating communications among the personnel of the requesting and assisting parties. However, personnel, units, teams or task forces from each assisting party should be prepared to bring or obtain sufficient equipment for their own operations and communications needs.
- L. **Written Acknowledgement:** Assisting parties shall respond to requests for assistance under this agreement by providing written acknowledgement to the requesting party and the Emergency Management Division as soon as practicable of the assistance to be rendered. This information may be provided on the Assistance Confirmation form attached to this agreement as "Attachment C". The Emergency Management Division may subsequently and occasionally revise the format of "Attachment C" as needed. In that case, the division shall distribute copies of the revised form to all participating governments.

ARTICLE IV: REIMBURSEMENT

The terms and conditions governing reimbursement for any assistance provided under this agreement shall be in accordance with the following provisions, unless otherwise mutually agreed upon in writing by the requesting and assisting parties.

Nothing in this agreement, nor the activation of the provisions of this agreement, precludes the chief executive official of a participating government from requesting, through the Emergency Management Division, state and/or federal assistance, and/or the issuance of a gubernatorial or presidential declaration of emergency or disaster, according to the provisions of the Michigan Emergency Management Act and the federal Disaster Relief Act of 1974 (known as the Robert T. Stafford Act—Public Law 93-288, 88 Stat. 143), as amended by the Disaster Mitigation Act of 2000.

- A. **Personnel:** During the period of assistance, each assisting party shall continue to pay its employees according to its then prevailing ordinances, rules, contracts and regulations. The requesting party shall reimburse each assisting party for all direct and indirect payroll costs and expenses (including travel expenses) incurred during the period of assistance, including, but not limited to, employee pensions and benefits as provided by Generally Accepted Accounting Principles (GAAP).

- E. **Payment:** Unless otherwise mutually agreed upon in writing by the requesting and assisting parties, each assisting party shall bill the requesting party for all reimbursable expenses with an itemized invoice as soon as practicable after the expenses are incurred, but not later than sixty (60) days following the period of assistance, unless the deadline for identifying damage is extended in accordance with 44 CFR Part 206. The requesting party shall pay the invoice, or notify the billing party of any disputed items, as soon as practical. These time limits may be modified by mutual agreement.

The Emergency Management Division shall provide reimbursement for authorized expenses upon authorization from FEMA in the event of a presidential disaster declaration with public assistance provisions, or from the state disaster contingency fund under the provisions of MCL 30.419, or under such other law as may be applicable.

ARTICLE V: ARBITRATION OF DISPUTES REGARDING REIMBURSEMENT

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be resolved in the following manner:

1. The party asserting noncompliance shall serve written notice to the other party or parties. The notice shall identify the specific compact provision alleged to have been violated and shall specify the factual and legal basis for the alleged noncompliance. Representatives of both parties shall therefore meet within 30 days in an effort to resolve the dispute.
2. In the event the controversy or claim is not resolved to the satisfaction of both parties within 90 days after service of the notice set forth in Section 1, either party may request that the controversy or claim be resolved through arbitration. Any arbitration under this provision shall be conducted under the commercial arbitration rules of the American Arbitration Association.
3. All parties shall bear their own costs of arbitration and attorney fees.
4. Nothing herein shall be construed to waive, limit or restrict any defense that is otherwise available to either party.

ARTICLE VI: INSURANCE

Each requesting and assisting party operating under this agreement shall bear the risk of its own actions as it would with normal, day-to-day operations, and determine for itself what kinds and amounts of insurance it should carry. The amount of reimbursement from any requesting party, or from any authorized state or federal

by advance written notice. Notice of termination or withdrawal from this agreement shall be made in writing and shall be served personally or by registered mail upon the director of the Emergency Management Division. Termination or withdrawal shall not be effective until thirty (30) days after the Emergency Management Division has received written notice. The termination or withdrawal from the agreement shall apply only to the participating government that has tendered the required notice; this agreement shall otherwise remain in full force and effect as to all other parties.

ARTICLE XI: IMPLEMENTATION OF MEMAC

This agreement shall become operative immediately upon its execution by any two eligible governmental entities, one of which may include the Emergency Management Division on behalf of the State of Michigan. It shall become effective for each successive signatory upon its execution by that political subdivision and receipt of the required legal documents by the Emergency Management Division, with no other actions required of any of the other participating governments.

ARTICLE XII: ROLE AND RESPONSIBILITIES OF THE EMERGENCY MANAGEMENT DIVISION

The role and responsibilities of the Emergency Management Division pertaining to MEMAC are to: administer and implement MEMAC; coordinate all exercises, planning and activation pertaining to MEMAC; maintain and update files or databases of participating governments and relevant documents; gather data pertaining to the relevant personnel, training, skills, equipment and other resources available from participating governments and serve as the central repository for files or databases of those resources; and fulfill the duties of notification, reimbursement, etc. when the State of Michigan is the requesting party under MEMAC. Nothing in this agreement herein shall be construed to limit the division from otherwise performing such duties and responsibilities as it may have under MCL 30.401 *et seq.*

ARTICLE XIII: SEVERABILITY; EFFECT ON OTHER AGREEMENTS

Should a court of competent jurisdiction rule any portion, section, or subsection of this agreement invalid or nullified, that fact shall not affect or invalidate any other portion, section or subsection. All remaining portions and sections of this agreement not invalidated or nullified by a court ruling shall remain in full force and effect.

This agreement shall not be construed so as to make any other agreement, arrangement or contract, other than this agreement itself, binding on any parties to this agreement.

IN WITNESS WHEREOF, the parties set forth below have duly executed this Agreement on the date set forth below:

For Jurisdiction of: The City of Pontiac

Printed Name: Michael L. Stumpfler

Title: _____ Date: 8/25/11

Signature: [Signature]

Attest:

Printed Name: Joseph M. Sobota, M.P.A.

Title: Assistant to Emergency Manager Date: 8/25/11

Signature: Joseph M. Sobota, M.P.A.

Approved As To Form By Attorney For Signatory:

Printed Name: Mark J. Hotz

Title: City Attorney Date: August 15, 2011

Signature: Mark J. Hotz

Attachment B

MICHIGAN EMERGENCY MANAGEMENT ASSISTANCE COMPACT (MEMAC) ASSISTANCE REQUEST FORM			
TO BE COMPLETED BY THE REQUESTING AGENCY Type or print all information except signatures			
Date:	Time:	From the Political Subdivision of:	
Contact Person:	Telephone: ()	FAX: ()	
Incident Requiring Assistance:			
General Description of the Damage Sustained:			
Type of Assistance/Resources Needed:			
Date & Time Resources Are Needed:			
Incident Base Location:			
Approximate Return Date/Time for Resources:			
Title:		Agency:	
Authorized Official's Name:		Authorized Official's Signature:	

Attachment D

SCHEDULE OF EQUIPMENT RATES
FEDERAL EMERGENCY MANAGEMENT AGENCY
RESPONSE AND RECOVERY DIRECTORATE
INFRASTRUCTURE DIVISION
WASHINGTON, D.C. 20472

The rates on this Schedule of Equipment Rates are for applicant-owned equipment in good mechanical condition, complete with all required attachments. Each rate covers all costs eligible under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121, et seq., for ownership and operation of equipment, including depreciation, overhead, all maintenance, field repairs, fuel, lubricants, tires, OSHA equipment and other costs incident to operation. Standby equipment costs are not eligible.

Equipment must be in actual operation performing eligible work in order for reimbursement to be eligible. LABOR COSTS OF OPERATOR ARE NOT INCLUDED in the rates and should be approved separately from equipment costs.

Information regarding the use of the Schedule is contained in 44 CFR § 206.228 *Allowable Costs*. Rates for equipment not listed will be furnished by FEMA upon request. Any appeals shall be in accordance with 44 CFR § 206.206 *Appeals*.

Cost Code	Equipment	Capacity/Size	HP	Notes	Unit	Rate
8490	Aerial Lift, Self-Propelled	37 Ft	to 15	Articulated, Telescoping, Scissor.	hour	\$4.00
8491	Aerial Lift, Self-Propelled	60 Ft	to 30	Articulated, Telescoping, Scissor.	hour	\$11.00
8492	Aerial Lift, Self-Propelled	70 Ft	to 50	Articulated, Telescoping, Scissor.	hour	\$20.50
8493	Aerial Lift, Self-Propelled	125 Ft	to 85	Articulated and Telescoping.	hour	\$37.00
8494	Aerial Lift, Self-Propelled	150 Ft	to 130	Articulated and Telescoping.	hour	\$58.00
8486	Aerial Lift, Truck Mntd	25 Ft		Articulated and Telescoping.	hour	\$5.30
8487	Aerial Lift, Truck Mntd	50 Ft		Articulated and Telescoping.	hour	\$8.90
8488	Aerial Lift, Truck Mntd	75 Ft		Articulated and Telescoping.	hour	\$19.00
8489	Aerial Lift, Truck Mntd	100 Ft		Articulated and Telescoping.	hour	\$36.00
8010	Air Compressor	41 CFM	to 10	Hoses included.	hour	\$1.50
8011	Air Compressor	103 CFM	to 30	Hoses included.	hour	\$4.10
8012	Air Compressor	130 CFM	to 50	Hoses included.	hour	\$6.70
8013	Air Compressor	175 CFM	to 90	Hoses included.	hour	\$11.75
8014	Air Compressor	400 CFM	to 145	Hoses included.	hour	\$18.50
8015	Air Compressor	575 CFM	to 230	Hoses included.	hour	\$29.00
8016	Air Compressor	1100 CFM	to 355	Hoses included.	hour	\$43.00

8152	Broom, Pavement	96 In	to 100		hour	\$14.50
8153	Broom, Pavement, Mntd	72 In	to 18		hour	\$5.50
8154	Broom, Pavement, Pull	84 In	to 20		hour	\$7.50
8270	Bucket, Clamshell	1.0 CY		Includes teeth.	hour	\$4.00
8271	Bucket, Clamshell	2.5 CY		Includes teeth.	hour	\$7.10
8272	Bucket, Clamshell	5.0 CY		Includes teeth.	hour	\$11.75
8273	Bucket, Clamshell	7.5 CY		Includes teeth.	hour	\$16.00
8275	Bucket, Dragline	2.0 CY			hour	\$3.25
8276	Bucket, Dragline	5.0 CY			hour	\$6.80
8277	Bucket, Dragline	10 CY			hour	\$11.25
8278	Bucket, Dragline	14 CY			hour	\$13.25
8180	Bus		to 150		hour	\$11.50
8181	Bus		to 210		hour	\$17.75
8182	Bus		to 300		hour	\$24.00
8190	Chain Saw	16 In			hour	\$1.25
8191	Chain Saw	25 In			hour	\$2.45
8192	Chain Saw, Pole	18 In			hour	\$1.65
8200	Chipper, Brush	6 In	to 35	Trailer Mounted.	hour	\$10.75
8201	Chipper, Brush	12 In	to 65	Trailer Mounted.	hour	\$14.25
8202	Chipper, Brush	16 In	to 100	Trailer Mounted.	hour	\$18.25
8203	Chipper, Brush	18 In	to 125	Trailer Mounted.	hour	\$21.50
8204	Chipper, Brush	18 In	to 200	Trailer Mounted.	hour	\$31.00
8205	Chipper, Brush	19 In	to 300	Trailer Mounted.	hour	\$45.00
8206	Chipper, Brush	19 In	to 450	Trailer Mounted.	hour	\$68.00
8207	Chipper, Brush		to 650	Trailer Mounted.	hour	\$103.00
8210	Clamshell & Dragline		to 100	Bucket not included.	hour	\$64.00
8211	Clamshell & Dragline		to 155	Bucket not included.	hour	\$86.00
8212	Clamshell & Dragline		to 235	Bucket not included.	hour	\$117.00
8213	Clamshell & Dragline		to 350	Bucket not included.	hour	\$159.00
8214	Clamshell & Dragline		to 530	Bucket not included.	hour	\$221.00
8215	Clamshell & Dragline		to 800	Bucket not included.	hour	\$305.00
8712	Cleaner, Sewer/Catch Basin	5 CY		Truck Mounted.	hour	\$17.25
8713	Cleaner, Sewer/Catch Basin	14 CY		Truck Mounted.	hour	\$22.00
8220	Compactor		to 10		hour	\$7.90
8221	Compactor		to 45		hour	\$13.75
8222	Compactor		to 75		hour	\$19.75
8223	Compactor		to 95		hour	\$24.00
8224	Compactor		to 150		hour	\$38.00
8225	Compactor		to 235		hour	\$63.00
8226	Compactor		to 335		hour	\$101.00
8227	Compactor		to 535		hour	\$200.00
8228	Compactor, towed		to 15		hour	\$14.00
8229	Compactor, towed		to 50		hour	\$35.00
8230	Compactor, towed		to 100		hour	\$60.00
8500	Crane	8 MT	to 80		hour	\$25.50
8501	Crane	15 MT	to 150		hour	\$38.00

8240	Feeder, Grizzly		to 35		hour	\$18.75
8241	Feeder, Grizzly		to 55		hour	\$28.50
8242	Feeder, Grizzly		to 75		hour	\$45.00
8300	Fork Lift	6000 Lbs	to 60		hour	\$7.80
8301	Fork Lift	12000 Lbs	to 90		hour	\$11.00
8302	Fork Lift	18000 Lbs	to 140		hour	\$18.25
8303	Fork Lift	50000 Lbs	to 215		hour	\$33.00
8310	Generator	5.5 KW	to 10		hour	\$2.65
8311	Generator	16 KW	to 25		hour	\$5.90
8312	Generator	43 KW	to 65		hour	\$12.50
8313	Generator	85 KW	to 125		hour	\$18.25
8314	Generator	140 KW	to 200		hour	\$25.50
8315	Generator	210 KW	to 300		hour	\$36.00
8316	Generator	280 KW	to 400		hour	\$46.00
8317	Generator	350 KW	to 500		hour	\$56.00
8318	Generator	530 KW	to 750		hour	\$82.00
8319	Generator	710 KW	to 1000		hour	\$109.00
8320	Generator	1100 KW	to 1500		hour	\$166.00
8321	Generator	1500 KW	to 2000		hour	\$226.00
8322	Generator	1900 KW	to 2500		hour	\$280.00
8323	Generator	2400 KW	to 3000		hour	\$335.00
8755	Golf Cart	2 person			hour	\$2.15
8330	Graders	8 Ft	to 50	Includes Rigid and Articulate equipment.	hour	\$20.50
8331	Graders	10 Ft	to 100	Includes Rigid and Articulate equipment.	hour	\$27.00
8332	Graders	12 Ft	to 150	Includes Rigid and Articulate equipment.	hour	\$35.00
8333	Graders	14 Ft	to 225	Includes Rigid and Articulate equipment.	hour	\$49.00
8350	Hose, Discharge	3 In	Per 25 foot length. Includes couplings.		hour	\$0.15
8351	Hose, Discharge	4 In	Per 25 foot length. Includes couplings.		hour	\$0.20
8352	Hose, Discharge	6 In	Per 25 foot length. Includes couplings.		hour	\$0.35
8353	Hose, Discharge	8 In	Per 25 foot length. Includes couplings.		hour	\$0.55
8354	Hose, Discharge	12 In	Per 25 foot length. Includes couplings.		hour	\$1.10
8355	Hose, Discharge	16 In	Per 25 foot length. Includes couplings.		hour	\$1.85
8356	Hose, Suction	3 In	Per 25 foot length. Includes couplings.		hour	\$0.20
8357	Hose, Suction	4 In	Per 25 foot length. Includes couplings.		hour	\$0.30
8358	Hose, Suction	6 In	Per 25 foot length. Includes couplings.		hour	\$0.50
8359	Hose, Suction	8 In	Per 25 foot length. Includes couplings.		hour	\$0.80
8360	Hose, Suction	12 In	Per 25 foot length. Includes couplings.		hour	\$1.75
8361	Hose, Suction	16 In	Per 25 foot length. Includes couplings.		hour	\$3.10
8517	Jackhammer (Dry)	25-45 Lbs			hour	\$1.05
8518	Jackhammer (Wet)	30-55 Lbs			hour	\$1.20
8380	Loader, Crawler	0.5 CY	to 32	Includes bucket.	hour	\$11.75
8381	Loader, Crawler	1 CY	to 60	Includes bucket.	hour	\$20.50
8382	Loader, Crawler	2 CY	to 118	Includes bucket.	hour	\$40.00
8383	Loader, Crawler	3 CY	to 178	Includes bucket.	hour	\$63.00
8384	Loader, Crawler	4 CY	to 238	Includes bucket.	hour	\$88.00

8438	Pick-up, Asphalt		to 200			\$97.00
8439	Pick-up, Asphalt		to 275			\$135.00
8660	Plow, Cable	18 in	to 30			\$7.50
8661	Plow, Cable	36 in	to 65			\$15.75
8662	Plow, Cable	48 in	to 110			\$25.00
8450	Plow, Grader Mntd	to 10 Ft			hour	\$18.50
8451	Plow, Grader Mntd	to 14 Ft			hour	\$25.00
8452	Plow, Truck Mntd	to 15 Ft			hour	\$13.50
8453	Plow, Truck Mntd	to 15 Ft		With leveling wing.	hour	\$20.00
8470	Pump		to 3	Hoses not included.	hour	\$2.55
8471	Pump		to 6	Hoses not included.	hour	\$3.30
8472	Pump		to 10	Hoses not included.	hour	\$4.25
8473	Pump		to 15	Hoses not included.	hour	\$5.40
8474	Pump		to 25	Hoses not included.	hour	\$7.60
8475	Pump		to 40	Hoses not included.	hour	\$10.75
8476	Pump		to 60	Hoses not included.	hour	\$14.75
8477	Pump		to 95	Hoses not included.	hour	\$20.50
8478	Pump		to 140	Hoses not included.	hour	\$26.50
8479	Pump		to 200	Hoses not included.	hour	\$31.00
8463	Pump Extender	20 Ft			hour	\$1.20
8460	Pump, W/O Power	6 In			hour	\$2.25
8461	Pump, W/O Power	12 In			hour	\$2.95
8462	Pump, W/O Power	24 In			hour	\$7.00
8510	Saw, Concrete	14 In	to 14		hour	\$4.00
8511	Saw, Concrete	26 In	to 35		hour	\$9.10
8512	Saw, Concrete	48 In	to 65		hour	\$15.50
8513	Saw, Rock		to 65		hour	\$25.00
8514	Saw, Rock		to 90		hour	\$33.00
8515	Saw, Rock		to 120		hour	\$45.00
8520	Scraper	11 CY	to 175		hour	\$71.00
8521	Scraper	16 CY	to 250		hour	\$92.00
8522	Scraper	23 CY	to 365		hour	\$120.00
8523	Scraper	34 CY	to 475		hour	\$145.00
8524	Scraper	44 CY	to 600		hour	\$172.00
8560	Snow Blower	2,000 Tph	to 400		hour	\$121.00
8561	Snow Blower	2,500 Tph	to 500		hour	\$134.00
8562	Snow Blower	3,500 Tph	to 600		hour	\$153.00
8550	Snow Blower, Truck Mntd	600 Tph	to 75		hour	\$33.00
8551	Snow Blower, Truck Mntd	1100 Tph	to 150		hour	\$52.00
8552	Snow Blower, Truck Mntd	1600 Tph	to 250		hour	\$77.00
8553	Snow Blower, Truck Mntd	2500 Tph	to 400		hour	\$109.00
8630	Sprayer, Seed	750 Gal	to 30	Trailer & truck mounted.	hour	\$8.80
8631	Sprayer, Seed	1250 Gal	to 50	Trailer & truck mounted.	hour	\$11.00
8632	Sprayer, Seed	3500 Gal	to 115	Trailer & truck mounted.	hour	\$17.00
8458	Spreader, Chemical	5 CY	to 4	Trailer & truck mounted.	hour	\$3.65

8810	Truck, Bucket		Add Flatbed Truck to Truck Mounted Aerial Lift.			
8811	Truck, Cleaning		Add Flatbed Truck to Sewer Cleaner.			
8680	Truck, Concrete Mixer	10 CY	to 255		hour	\$58.00
8681	Truck, Concrete Mixer	13 CY	to 300		hour	\$67.00
8720	Truck, Dump	8 CY	to 210		hour	\$21.00
8721	Truck, Dump	10 CY	to 235		hour	\$24.00
8722	Truck, Dump	12 CY	to 255		hour	\$27.00
8723	Truck, Dump	18 CY	to 330		hour	\$40.00
8724	Truck, Dump	28 CY	to 400		hour	\$66.00
8725	Truck, Dump	40 CY	to 460		hour	\$72.00
8726	Truck, Dump	50 CY	to 620		hour	\$90.00
8690	Truck, Fire	1000 GPM			hour	\$44.00
8691	Truck, Fire	1250 GPM			hour	\$46.00
8692	Truck, Fire	1500 GPM			hour	\$59.00
8693	Truck, Fire	2000 GPM			hour	\$64.00
8700	Truck, Flatbed	15000 Lbs	to 150		hour	\$11.25
8701	Truck, Flatbed	25000 Lbs	to 180		hour	\$13.75
8702	Truck, Flatbed	30000 Lbs	to 215		hour	\$17.75
8703	Truck, Flatbed	45000 Lbs	to 250		hour	\$23.00
8704	Truck, Flatbed	50000 Lbs	to 300		hour	\$28.00
8705	Truck, Flatbed		to 375		hour	\$34.00
8706	Truck, Flatbed		to 450		hour	\$40.00
8730	Truck, Garbage	25 CY	to 255		hour	\$31.00
8731	Truck, Garbage	32 CY	to 325		hour	\$38.00
8812	Truck, Knuckle Boom		Add Flatbed Truck to Truck Mounted Crane.			
8813	Truck, Ladder		Add Flatbed Truck to Truck Mounted Aerial Lift.			
8814	Truck, Line		Add Flatbed Truck to Hydraulic Digger Derrick.			
8800	Truck, Pickup		to 130	When transporting people.	mile	\$0.33
8801	Truck, Pickup		to 130		hour	\$7.40
8802	Truck, Pickup		to 180		hour	\$9.30
8803	Truck, Pickup		to 230		hour	\$11.75
8804	Truck, Pickup		to 280		hour	\$14.75
8790	Truck, Tractor		to 210		hour	\$22.00
8791	Truck, Tractor		to 265		hour	\$28.50
8792	Truck, Tractor		to 310		hour	\$32.00
8793	Truck, Tractor		to 350		hour	\$35.00
8780	Truck, Water	2500 Gal	to 175	Include pump and rear spray system.	hour	\$20.50
8781	Truck, Water	4000 Gal	to 250	Include pump and rear spray system.	hour	\$29.00
8620	Tub Grinder		to 400		hour	\$61.00
8621	Tub Grinder		to 500		hour	\$74.00
8622	Tub Grinder		to 600		hour	\$86.00

Example 1

Aircraft data:

1990 Cost = \$150,000

Shaft Horsepower = 200 hp

Average 3-year operation = 600 hours

Ownership:

Depreciation $\$150,000/15 \text{ years} = \$10,000$

Overhead $25\% \times \$10,060 = \$2,500$

Total = \$12,500

$\$12,500/600 \text{ hours} = \21 (rounded)

Operational:

$200 \text{ hp} \times \$0.50 = \100

Total rate (ownership + operational) = \$121

Example 2

Aircraft data:

1980 Cost = \$150,000

Shaft Horsepower = 300 hp

Average 3-year operation = 600 hours

Ownership:

Depreciation = \$0

Overhead $\$0.02 \times 300 = \6

Total = \$6

Operational:

$300 \text{ hp} \times \$0.50 = \150.00

Total rate (ownership + operational) = \$156

Example 3

Aircraft data:

1985 cost = \$0

Cost to make equipment operational = \$30,000

Shaft horsepower = 400 hp

Average 3-year operation is unknown

Ownership:

Depreciation $\$30,000/15 = \2000

Overhead $25\% \times \$2000 = \500

Use minimum of \$4 for overhead, since overhead $\$500/1200 \text{ hours}$ would be less than \$4.00.

Calculate depreciation separately.

Depreciation $\$2000/1200 \text{ hours} = \2

Overhead = \$4

Total = \$6

Operational:

$400 \text{ hp} \times \$0.50 = \200.00

Total rate (ownership + operational) = \$206

How to request assistance

A participating government can implement the Compact when it either becomes affected by, or is under imminent threat of a disaster, emergency, or other serious threat to public health and safety. An authorized representative of the requesting agency may invoke this agreement by communicating a request for assistance by any practical means to the Emergency Management Division through the Michigan State Police Operations Desk, which is the central, 24-hour, emergency communications center for the State of Michigan [800.993.4677]. The Operations Desk shall immediately notify the Emergency Management Division of all such requests. Verbal requests shall be confirmed in writing within 24 hours of the original request.

All requests for mutual assistance shall be accompanied by the required information outlined in the Assistance Request (MEMAC Attachment B) and includes the following information:

1. A general description of the damage or harm sustained or threatened;
2. Identification of the emergency service function(s) for which assistance is needed (e.g. fire service, law enforcement, emergency medical services, transportation, search and rescue, communications, public works, engineering, building, inspection, planning and information assistance, mass care, resource support, public health, etc.), and the particular type of assistance needed;
3. The amount and type of personnel, equipment, materials, and supplies needed with a reasonable estimate of the length of time that each will be needed;
4. A proposed time and place for representatives of both the requesting and assisting parties to coordinate their activities and resources.

NOTE: Any participating government shall not request mutual assistance unless they determine resources available within the affected jurisdiction to be inadequate.

How to provide assistance when requested

Upon receiving a request for assistance, a participating government of the MEMAC ~~should assess its personnel, equipment, and other resources to determine the extent to which it will be able to render assistance.~~ Assisting parties shall respond to requests for assistance under this agreement by providing written acknowledgement of the assistance to be rendered to the requesting party and the Emergency Management Division as soon as practicable. The recommended format for this acknowledgment is attached as "Attachment C" and includes the following information:

1. A complete description of the personnel, equipment, and other resources to be furnished to the requesting party.
2. The estimated lengths of time that each of the personnel, equipment, and other resources will be available.
3. The areas of experience, training, and abilities of the personnel and the capability of the equipment to be furnished.
4. The name of the person or persons to be designated as supervisory personnel.

MEMAC - Frequently Asked Questions

1. Explain the difference between EMAC and MEMAC.

EMAC is an interstate mutual aid compact that allows participating states to send or accept personnel, equipment, technical support and other forms of assistance between states. Typically those are state agency resources (e.g., state police, national guard, highway trucks and crews, etc.) under the control of the governors of the assisting states, rather than assets from local governments. MEMAC is an intrastate assistance compact among local political subdivisions within the state of Michigan. MEMAC does not involve any authority or plans for the governor to mobilize or send local personnel or assets out of state.

2. Who inventories the resources that each signatory possesses in order to determine the best agency to respond to a requesting party?

The Michigan State Police Emergency Management Division will maintain the MEMAC resource database in the SEOC.

3. Can the incident commander of the event cancel or terminate the services of the assisting party at any time?

The local incident commander is in charge of the scene and when he/she believes that the local resources can manage the situation, he/she can terminate the MEMAC assistance.

4. How will this work with proposed regional response teams?

All the governmental legal entities of the regional response teams will be required to be signatories of the compact and then will be requested to assist where appropriate.

-
5. Will there be a directory/listing provided to all agencies participating in the MEMAC agreement?

Absolutely there will be a directory/listing provided to all agencies participating in the MEMAC agreement.

6. Is the requesting agency required to be under a Local State of Emergency prior to requesting assistance?

No, MEMAC is primarily intended to facilitate a comprehensive and coordinated response to major or widespread threats or catastrophic events for which a local and gubernatorial declaration of a state of

No, the elected supervisor of the fire authority can sign for the fire authority.

12. How can this be called a "mutual" aid compact? Many smaller agencies and jurisdictions will never have the resources to provide the same level of assistance provided by larger metro departments. Won't this just encourage these agencies to "rent" public safety protection from the bigger players and avoid "stepping up to the plate" to properly develop their own capabilities?

We have learned a great deal about ourselves as Americans through the tragic events of September 11th. We learned that we are people that care about our neighbors, and that we will sacrifice much to help fellow Americans wherever they may be in times of crisis. MEMAC creates an organized process and structure spelled out in advance for jurisdictions large and small across the state to render or receive assistance in times of crisis. It addresses problematic issues concerning workman's compensation insurance, expense reimbursement and liability coverage, before assistance is needed and requested.

13. It has been stated that participating governments cannot request or render aid through this mutual assistance agreement "contingent" upon state or federal disaster assistance. What does that mean?

Operating under the authority of the public assistance provisions of the federal Stafford Act and Disaster Mitigation Act 2000, FEMA will not reimburse a local government for any costs associated with securing assistance from another local government entity unless that assistance was obtained through a pre-existing mutual aid agreement that required reimbursement. Further a local jurisdiction would be disqualified for federal reimbursement for those costs if the mutual aid agreement had been entered into, or mutual aid requested or rendered, contingent upon there being a federal declaration with public assistance reimbursement. In other words, local jurisdictions that receive emergency assistance under the MEMAC ~~must be prepared to expend resources and accept their obligations for reimbursement to the assisting parties regardless of whether a federal declaration is ever forthcoming.~~

14. What are the major advantages or benefits for local units of government that participate in the proposed MEMAC?

No single, local entity can afford to purchase, hire or maintain all the personnel, equipment and other resources that would be necessary to respond to every possible disaster or emergency. Direct state and federal disaster response may be limited and/or delayed. Participation in the proposed Michigan Emergency Management Assistance Compact allows each local entity to leverage the collective resources of all other

RECEIVED
CITY OF PONTIAC

2011 AUG 18 AM 11:20

City of Pontiac
Amended Financial and Operating Plan
July 22, 2011

Amended Financial and Operating Plan Rationale

- D. City Assumption of TIFA Debt. Oakland County Equalization notified the City on May 9, 2011 that the taxable value of Tax Increment Financing Authority District Number Two (TIFA#2) dropped 80% from fiscal year 2010-11 to 2011-12, resulting in a loss in tax collections of \$1,668,174. In 1997, the TIFA board began issuing debt, with the City Council agreeing to pledge the City's full faith and credit to cover any deficits as a part of the 2006 debt refinancing with Oakland County. TIFA#2 has only \$216,115 in tax collections anticipated for the 2011-12 fiscal year to make bond payments of \$2,655,774 for the Phoenix Center, Marriott Hotel, and General Motors in Centerpoint, requiring a General Fund subsidy of \$2,439,659 because of the pledge of the full faith and credit of the City for these bonds.

These four revenue reductions total \$7.1 million for the 2011-12 fiscal year and combined with the \$4.2 million one-time VEBA reimbursement received in 2010-11, which is not anticipated to be received in the 2011-12 fiscal year, results in a total anticipated revenue loss of \$11.3 million for the 2011-12 fiscal year. This fact means additional steps are necessary to bring the City into compliance with the State-approved DEP as are listed in the "Enumeration of Amended Financial and Operating Plan Action Steps" section that follows.

2. Overreaching Commitments

Over the years, the City has engaged in activities and made promises that the City did not have the ability to properly manage or financially support. Principal among these major problems looming in the future are:

- A. Subsidy of Parking System. One example of financial mismanagement and poor planning is the City's parking system. Annually, the City subsidizes operating expenses by \$150,000. In addition, adequate provision was not made for future capital improvements or maintenance needs that are estimated to be nearly \$870,000 at this time.
- B. Subsidy of Cemetery Operations. A second example of financial mismanagement is cemetery operations. The fee schedule has not been revised since 1998 and operating costs were not controlled. As a result, a transfer of \$450,000 is required to be made to the cemetery fund beginning in the 2011-12 fiscal year and annually thereafter.
- C. Underfunded Retiree Health and Life Insurance. One final example of financial mismanagement and poor management was the City's commitment over the years to cover the cost of retiree health and life insurance without setting aside money to pay for the future expenditures. As of June 30, 2010, the City had a total liability over \$306 million for retiree health and life insurance obligations and had only set aside approximately \$36 million, just below 12% of the amount to meet these costs. The failure of the City over many years to set aside adequate funding in the General Employees' Retiree Health and Insurance Benefits Trust when the benefits were granted requires using General Fund resources to meet current expenditures.

Enumeration of Amended Financial and Operating Plan Action Steps

Report to the EM
Regarding the Current Status of
the State Approve Deficit Elimination Plan
(DEP) Dated July 7, 2011

running out of cash and required the borrowing of cash from other funds of the City (which is usually not allowed under the Uniform Budget and Accounting Act, MCLA 141.421 and was one of the factors leading to the appointment of an EM). The reduction in the cumulative deficit over the past three years has allowed the General Fund to repay over half the money borrowed from other funds in 2007. If the operating shortfall for 2012 is not resolved, the General Fund will again run out of money during November 2011.

City of Port-C
Assumptions for Updated Deficit Elimination Plan

Significant one time revenue sources and or expenditure reductions by fiscal year:
2007

- 1) City transferred available fund balance from the Refuse Fund to the General Fund totaling \$2,699,910 (primarily from transfer station agreement) and \$109,282 from the Growth Group Admin Fund
- 3) NOMC defaulted on their operating agreement with the City which required an annual payment of \$2M to the General Fund. City received \$660,000 which was included in interest (accounting rule require the long-term lease payment to be broken down between principal and interest)

2008

- 2) General Fund received a credit enhancement fee for pledging the full faith and credit of the City for the refinanced debt for TIFA 2, 3 and 4 totaling \$2,301,857
- 4) NOMC defaulted on their operating agreement with the City which required an annual payment of \$1M to the General Fund during 2007. No payments received.

2009

- 5) City transferred available fund balance from the Sale of Land Fund to the General Fund totaling \$537,125 and \$171,995 from the Neighborhood Revitalization Fund completely closing both funds
- 6) The General Fund received \$2M as final settlement of the NOMC bankruptcy related to the operating agreement. City received additional settlement in 2010 related to medical malpractice reserves

2010

- 7) Property tax revenue was reduced by \$1,150,000 to record possible refund liability due on GM tax appeal cases (based on GM claim)
- 8) The General Fund received \$2,212,460 as final settlement of the NOMC bankruptcy related to medical malpractice reserves
- 9) The General Fund received \$643,543 from the sale of the Holland Center building
- 10) The City sold stock that was previously unrecorded in the City records. The sale resulted in net proceeds of \$1,260,651 - \$117,562 as a prior period and \$443,099 as gain on sale of securities

The 2011 approved budget passed by the former EFM was adjusted as follows:

- 11) Property tax revenue was reduced by \$200K to increase the estimated uncollectable taxes from chargeback's from \$600K to \$800K
- 12) Property tax revenue was reduced by \$750,000 to record possible refund liability due on GM tax appeal cases (based on GM claim)
- 13) Income tax revenue was increased by \$600K to adjust the budget for the assumed 10% decrease during the current year (2010 actual better than anticipated)
- 14) Revenue sharing was reduced by \$204,330 to adjust the budget for the assumed 11% decrease during the current year (2010 actual less than anticipated)
- 15) Fire overtime expense was increased by \$1.5M to bring 11 budget equal to 10 actual (2011 budget was \$500K, 2010 actual \$2.0M)
- 16) The 2010/2011 budget included a new reimbursement from the GERS VEBA for retiree healthcare cost totaling \$3,811,407. The City is working with the VEBA board to determine if they will authorize reimbursement for eligible costs. Budgeted reimbursement removed from contra expenditure account.
- 17) Budget assumes that HUD will ultimately approve the admin plan and the City will be allowed to charge the \$400K already budgeted
- 24) The parking fund deficit continues to grow and is not in compliance with the State approved CEP. The General Fund will need to transfer approximately \$803,000 in 2011 to eliminate the cumulative deficit.
- 26) One of the City largest taxpayers, GM, has appealed their property tax assessments for the 2008, 2009 and 2010 tax years. The tax appeals, if successful, would significantly effect the property tax revenue of the General and TIFA Funds. Based on estimates provided by consultants at MFCI, if GM were successful the TIFA 2 Fund's loss of tax revenue and related refunds from prior year would result in the fund requiring a contribution from the General Fund to eliminate their deficit of approximately \$2,018,000. Budget assumes no contribution for 2011 and \$504,500 in subsequent four fiscal years.
- Significant assumptions for 2012 and 2013:
 - 18) Property tax revenue will continue to decline at the rate of 2011 which was 11.5%
 - 19) Income tax revenue will continue to decline at a rate of 10% per year. The amount of compliance work performed within the department has decreased significantly over the past few fiscal years. Future income tax revenues could increase as much as \$250,000 to \$500,000 annually if the City implemented strict compliance procedures. No amounts have been included for new compliance efforts.
 - 20) Revenue sharing revenue will continue to decline at a rate of 10% per year
 - 21) All other revenues will remain constant
 - 22) No salary increases and all expenditures except fringe benefits will remain constant
 - 23) Fringe benefit costs will increase 5% annually (10% increase in healthcare and 3% or constant for the other fringe benefits)
 - 25) Assumes the annual operating surplus to other funds will remain constant for all fund in addition to a new contribution to the parking fund to eliminate the fund's annual operating shortfall of approximately \$150,000

City of Pontiac
Assumptions for Updated Deficit Elimination Plan

Additional assumptions for the month of May 18, 2011 through June 30, 2011:

- 67) Income tax revenue compliance efforts will be in place to maintain income tax revenue at 6/30/11 level;
- 68) Governor's final budget resulted in a 33% reduction to statutory portion of revenue sharing for the 11/12 year vs 40% originally announced. Reduction to statutory revenue sharing is \$1,394,705 vs \$2,477,856 (see #65) resulting in increase to revenue of \$483,191. Assume same level of funding for the 12/13 year.
- 69) Admin plan updated for 2012 incorporating the significant loss in General Fund personnel during 2011. Admin revenue decreased by an additional \$143,118.
- 70) Revenue increased \$19,250 due to miscellaneous revenue adjustments from the various departments.
- 71) Transfers assumptions updated as follows:
 - Count transfer subsidy to decrease by \$949,000. Count subsidy will not remain constant (see #25) and will instead decrease from \$2,535,800 in 2011 to \$1,586,800.
 - Sanitation transfer subsidy to increase by \$1,356,617. Sanitation subsidy was not in original assumptions and is required to eliminate the fund's annual operating shortfall.
 - TIFA 2 transfer to increase by \$25,440. TIFA contribution as noted in #59 will increase from \$2,414,219 to \$2,439,659 to cover debt service.
 - Parking transfer remains the same as noted in #25 at \$150,000.
 - Cemetery transfer remains the same as noted in #38 at \$450,000.
 - Net change to transfers as a result of the above items is an increase of \$433,057.
- 72) The GM tax appeal (see #26) will be placed on the tax roll eliminating the General Fund contribution to the TIFA Funds in 2012.
- 73) City contracted with Oakland County for police services beginning July 1, 2011. Total police costs for 2012 will be \$9,983,295 under the new contract eliminating remaining City costs to run the department, after 2011 layoffs, of \$9,986,103 resulting in additional savings of 2,808. City costs have been reduced in the following categories: Wages \$5,602,338, Fringes \$2,322,322, P&F VEBAs \$918,691, GERS VEBAs \$20,270, Services \$853,082 and Supplies \$269,350.
- 74) The 6/30/11 Pension and VEBAs contribution budget developed by the prior budget administrator used the incorrect % contribution rate resulting in \$3,100,000 being included as a contribution in 2011. The actual contribution required as calculated by the Payroll Division is \$1,600,000. The Payroll Division historically has calculated this liability each pay period, however, the City decided to wait until June 2011 to determine the funding source and the liability calculation was done at that time. The additional \$1,500,000 contribution will be included in 2012 when the funding is accomplished by adding the amount to the tax roll.
- 75) The City overfunded the GM tax appeal estimated liability in 2010 and 2011. A liability of \$1,550,000 was based on estimates at the time prior to the tax appeal being settled. Per the settlement agreement dated 4/27/11, the City is required to pay \$1 million in fiscal year 2012. The overfunding is not required and will be returned to the General Fund.
- 76) If successful, these items are shown to calculate the impact to the fund deficit. \$2,273,035 represents funding of the 6/30/12 Pension & VEBAs contributions accomplished by adding to the tax roll. \$1,000,000 represents the funding of the 2013 GM tax appeal refund liability accomplished by adding to the tax roll, and the additional \$1,000,000 represents the estimated ERFP grant reimbursement for 2013.
- 77) Projected ending deficit assumes fund deficit at end of 2012 will be \$1,244,420.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ANDY DILLON
STATE TREASURER

July 22, 2011

RECEIVED
EFM - PONTIAC

11 JUL 25 AM 9:58

Michael L. Stampfer, Emergency Manager
City of Pontiac
47450 Woodward Avenue
Pontiac, Michigan 48342

Dear Mike:

This letter is prepared as a follow-up to our meeting with Treasurer Dillon on Tuesday, July 19 and our phone conversation yesterday, July 21. Those conversations provided certain directions which I will confirm with this writing.

You are expected to continue working in earnest during the coming weeks to address the effects of the most recent revenue shortfalls and increased expenditure obligations. While the deficit elimination strategy you prepared and discussed with us has many viable components, we are concerned that time is of the essence and additional expenditure reductions must be effected in the very near-term.

The most concerning expense is the fire service. The recent agreement with the fire employees was executed before you received the bad economic news in May. You should proceed immediately to cut costs in the fire service, including significant reductions in staffing. We also discussed alternatives to providing fire service besides the current, expensive model. We encourage you to explore those alternatives in full.

The police services agreement with Oakland County was a struggle to accomplish and seems to be in the long term best interests of the City of Pontiac. Again, given the cash difficulties in the near term, you should talk with the Sheriff about reducing the number of people assigned to Pontiac, with a commensurate decrease in your contract costs. We suggest you attempt to reduce the number of officers by 10.

Another major liability for the City is the legacy costs for retiree benefits. You should aggressively pursue reductions in that liability, particularly for health care. Sufficient benefit reductions should also reduce the City's VEBA payments.

We share your perspective on the water treatment system as an asset that should be preserved, if possible, for the enduring benefit of Pontiac citizens. There appears to be an opportunity to

EM Plan to Align 2011-12 Projected Deficit
to 2007 DEP dated July 22, 2011

Projected General Fund Deficit - Fiscal Years 2007-2013
Updated July 22, 2011

Prepared by: Plante & Moran, CIO
July 22, 2011

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Quoted 2011	Estimated 2011	Estimated 2012	Estimated 2013
Revenue								
Property Taxes	\$ 12,550,004	\$ 14,011,187	\$ 15,066,717	\$ 15,299,606	\$ 15,812,764	\$ 16,734,010	\$ 17,680,131	\$ 18,650,000
Income Taxes	13,000,000	13,770,400	14,011,406	14,011,406	14,000,000	14,000,000	14,000,000	14,000,000
Permitted & Unpermitted Taxes	934,134	964,430	962,136	962,136	960,000	960,000	960,000	960,000
State Revenue Sharing	12,347,500	12,347,500	12,347,500	12,347,500	12,347,500	12,347,500	12,347,500	12,347,500
Federal/State/Local	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556
Unrestricted Grants	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556
Interest Earnings	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556
Administrative Charges	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556
Transfers from other funds	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556
Contributions from other sources	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556
Miscellaneous & Other	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556
Fed/State Grants & Other	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556	1,075,556
Total Revenue	\$ 54,372,122	\$ 62,035,812	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432
Expenditures								
Salaries & Wages	\$ 10,011,406	\$ 10,770,400	\$ 11,011,406	\$ 11,011,406	\$ 11,011,406	\$ 11,011,406	\$ 11,011,406	\$ 11,011,406
Police Department	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Village Administration	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Village Public Works & Fire	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Public Works	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Police	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Professional Services	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Capital Outlay	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Maintenance & Administrative Support	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Board of Directors	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Transfer to Other Funds	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Contingencies	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Total Expenditures	\$ 54,372,122	\$ 62,035,812	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432
Net Revenue over Expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net Balance Forward - Beginning	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net Balance Forward - Ending	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

See attached for specific assumptions.

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Quoted 2011	Estimated 2011	Estimated 2012	Estimated 2013
Expenditures								
Salaries & Wages	\$ 10,011,406	\$ 10,770,400	\$ 11,011,406	\$ 11,011,406	\$ 11,011,406	\$ 11,011,406	\$ 11,011,406	\$ 11,011,406
Police Department	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Village Administration	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Village Public Works & Fire	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Public Works	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Police	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Professional Services	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Capital Outlay	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Maintenance & Administrative Support	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Board of Directors	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Transfer to Other Funds	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Contingencies	10,011,406	10,770,400	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406	11,011,406
Total Expenditures	\$ 54,372,122	\$ 62,035,812	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432	\$ 66,204,432
Net Revenue over Expenditures	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net Balance Forward - Beginning	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net Balance Forward - Ending	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

See attached for specific assumptions.

See attached for specific assumptions.

See attached for specific assumptions.

See attached for specific assumptions.

See attached for specific assumptions.

Actual budget amendments for the month of September 2010:

- 27) PILOT charged by the General Fund to the Water and Sewer Fund previously not budgeted increased revenue by \$222,000
- 28) Monthly accounting contract was reduced by \$27,000 annually and the new audit contract was \$20,000 greater than budgeted

Additional assumptions for the month of October through November 5, 2010:

- 29) Estimated additional unemployment costs associated with November police and other layoffs totaling \$770,000 (reduced by 110 below)
- 30) Estimated additional costs for sick and vacation payouts related to police outsourcing and November non police layoffs totaling \$371,000 (reduced by 110 below)

Additional assumptions for the month of November 5, 2010 through December 15, 2010:

- 31) Final fund balance for the year ended June 30, 2010 is \$4,080,100. The actual result is \$382,750 higher than the estimated amount used for the original budget
- 32) Budgets are amended to increase outside attorney fees by \$225,000

Additional assumptions for the month of December 16, 2010 through January 31, 2011:

- 33) Original budget had P&F VEDA reimbursement net with contribution. Revised budgeted reimbursement to finger benefit line - net contribution of \$1,877,229
- 34) Actual savings from November 12, 2010 layoff totaling \$2,624,984 for 2011 fiscal year. Savings by type was: \$2,041,083 wages, \$591,579 fringe, \$29,752 GERS VEDA & \$12,581 P&F VEDA
- 35) General Fund actual reimbursement from GERS VEDA reimbursement totaled \$4,350,975 received during October and December 2010
- 36) Sick and vacation payouts from the November and December 2010 layoffs resulted in an additional expenditure to the General Fund of \$300,000
- 37) Actual savings from December 31, 2010 layoff totaling \$517,200 for 2011 fiscal year. Savings by type was: \$277,605 wages, \$162,240 fringe and \$76,631 P&F VEDA
- 38) Cemetery perpetual care funds will be depleted by June 30, 2011. Acquired subsidy from the General Fund to the cemetery operating fund of \$450,000 required annually thereafter.
- 39) In addition to 6/22, the city assumes a payment of \$5,000,000 towards settlement of the GMA property tax appeal (additional \$250,000). Assumes online settlement paid in installments over four years
- 40) Fire department overtime costs are running less than estimated in assumption 11/25 - budget reduced by \$275,000 to a total of \$1,925,000.

Additional assumptions for the month of February 1, 2011 through February 15, 2011:

- 41) Projected savings from March 1, 2011 layoff total \$419,672 for 2011 fiscal year. Savings by type is: \$202,584 wages, \$89,228 fringe, \$4,274 GERS VEDA & \$36,576 P&F VEDA
- 42) Reduction to other year actual expenditures for one time additional sick and vacation payouts and unemployment from layoff of \$300,000 (see 11/30) and \$150,000 (see 11/4)
- 43) Increase to other year actual expenditures for one time GERS reimbursement of retiree healthcare of \$1,250,792 (see 11/3)
- 44) November, December and March layoffs resulted in an additional unemployment expenditure to the General Fund of \$150,000
- 45) Additional annual savings from November 12, 2010 layoff totaling \$1,574,986 for 2011 fiscal year. Savings by type was: \$1,226,648 wages, \$334,947 fringe, \$17,052 GERS VEDA & \$7,549 P&F VEDA
- 46) Additional annual savings from December 31, 2010 layoff totaling \$517,200 for 2011 fiscal year. Savings by type was: \$277,605 wages, \$162,240 fringe and \$76,631 P&F VEDA
- 47) Additional annual savings from March 1, 2011 layoff total \$1,252,003 for 2011 fiscal year. Savings by type is: \$675,310 wages, \$173,463 fringe, \$14,209 GERS VEDA & \$88,021 P&F VEDA
- 48) City hired a contractor to assume duties of Building and Safety and handling department beginning 3/2/11 with annual cost of \$600,000 and \$214,000. June 30, 2011 impact \$320,000 building and \$38,000 planning.
- 49) In February the Governor announced a 40% reduction to the up-story portion of revenue sharing for the 11/11 fiscal year. Total statutory is \$6,194,740 and reduction total \$2,477,880. Assume same level for 12/13.

Additional assumptions for the month of February 16, 2011 through March 15, 2011:

- 50) The city had a third party audit review the liability for dependents for healthcare insurance. The audit resulted in a savings of approximately \$1.3 million annually beginning 4/1/11. The savings is in Fund 759 of which approximately 70% is allocated to the General Fund (\$227,200 for 2011 and an additional \$682,500 for 2012).

Additional assumptions for the month of March 16, 2011 through May 10, 2011:

- 51) The budget for PILOT's revenue from this source originally included all entities (schools, community colleges). Budget amended to only city's share reducing budget by \$400,500 (approved 9/26/10)
- 52) City hired a contractor to assume duties of the income tax department beginning 12/20/10 with annual cost of \$215,326.05. June 30, 2011 impact \$107,664 (6 months)
- 53) City hired a contractor to assume duties of the information technology department beginning 10/16/10 with annual cost of \$1,277,706. Annual for 2012 total \$414,900.
- 54) City hired a contractor to assume duties of the budget department beginning 4/15/11 with annual cost of \$60,000. Impact on 2011 \$36,000 and \$60,000 for 2012 and 2013.
- 55) City hired the auditors to perform additional non-traditional work. Total cost for 2011 is \$36,001
- 56) The City was notified by HUD that the admin plan would not be approved for 2011. The admin changes to the grant funds will be reversed totaling \$389,967 (see 11/27 above)
- 57) Also includes a release of \$5,046 from wages (related to increase admin change reversal)
- 58) The City had already anticipated an 11% drop (line 10) throughout the 2011 budget with the result of the census drop is a loss of constitutional revenue sharing of \$471,712 for the 2011 fiscal year and each subsequent year.
- 59) The 2012 budget starts with the 2011 budget and decreases the operation line by \$2,035,394. The collection line by \$201,315 and increased the changeback by \$400,000. Originally the 2012 budget assumed a 10% decrease in taxes (from the original budget) and assumed the \$1,000,000 fund amount was a one time change (ultimately used to increase changeback and keep an allowance).
- 60) The problem from 7/15/2 dropped 79.0% to \$429,000 from \$2,200,000. TIF 2 is expected to use all remaining fund balance at 6/30/11. The debt service for 2011 total is \$2,655,774. A transfer will be received from the General Fund of \$2,434,218 for 2012 and 2013

Additional assumptions for the month of March 16, 2011 through May 12, 2011:

- 61) Admin plan updated for 2012 incorporating the additional loss in General Fund personnel during 2011. Admin revenue decreased by \$417,271.
- 62) Per department head budget, General Fund will receive an increase in reimbursement from CDOS for the 2012 fiscal year. Contribution revenue increased by \$132,000.
- 63) Fund 725 was changed to an indirect transfer fund at 6/30/11 therefore the contributions are now classified as finger benefits rather than transfer - change between line items total \$342,027
- 64) Due to the 2011 layoffs and subsequent re-hires, the million healthcare net reimbursed by the P&F VEDA is anticipated to increase by \$725,023
- 65) The motor pool fund balance not provided for subsequent years will be refunded to the various funds in accordance with the accounting rules resulting in cost reductions to the General Fund of approximately \$200,000
- 66) The City will be receiving reimbursement of the remaining \$300,000 in the GERS VEDA. The General Fund share of the reimbursement is estimated at \$310,000 to be received in June 2011
- 67) The City will reduce the amount left over for the GMA fund by \$120,000 (line 11/3 and 11/2)



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

Dated: August 29, 2011

ORDER NO. S-95

RE: Purchase of Additional Service Credit Amendments to the
City of Pontiac Police and Fire Retirement System Ordinance

TO: Mark Hotz, City Attorney
Yvette Talley, City Clerk
John Naglick, Acting Finance Director
Carl Johnson, Controller (Plante & Moran)
Police and Fire Retirement System
Ellen Zimmermann, Retirement Office

RECEIVED
CITY OF PONTIAC
2011 SEP - 1 A 11:30

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government; (g) Make, approve or disapprove any appropriation, contract, expenditure...; (dd) Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the local government of the chief administrative officer and governing body concerning the adoption, amendment and enforcement of ordinances or resolutions of the local government...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

The City of Pontiac Police and Fire Retirement System (PFRS) has requested that certain amendments be made to the City of Pontiac Police and Fire Retirement System Ordinance, put into effect on October 4, 2007 (the "Ordinance"). PFRS has requested these amendments to allow the purchase of additional service credit pursuant to the Contract Termination Agreement, effective July 31, 2011, between the City of Pontiac and the Pontiac Police Supervisors Association and Command Officers Association of Michigan (see attached Exhibit A – Ordinance Amendments).

EXHIBIT A TO ORDER S-95

Amendments to City of Pontiac Police and Fire Retirement System Ordinance Section 13 Refund of Contributions

- (a) Any member withdrawing from service prior to retirement shall be entitled to a refund, in a single sum, of the accumulated credits in the Member's contribution reserve.

The receipt of a refund on the part of any Member shall automatically effect a waiver and forfeiture of all accrued rights and benefits in the System. The Board may, in its discretion, regardless of cause, withhold payment of a refund for a period not to exceed one year after the filing of an application therefor.

- (b) Any Member who has received a refund shall be considered a new Member upon subsequent reemployment, provided that such Member shall render at least 3 years of service following his latest reentry into service. He shall be entitled to regain his previously forfeited credited service upon repayment of all amount received as refunds, including regular interest from dates of refunds to date of repayment. The time and manner of making such repayments shall be fixed by the Board.
- (c) Upon death of a Member leaving no survivors eligible for annuity from the System, his accumulated contribution credits in the Member's contribution reserve shall be paid in a single sum to such person or persons as he shall have nominated by written designation duly executed and filed with the Board. If no such designation shall have been made, payment shall be made to the legal representative.
- (d) After termination of all annuity payments to the Member, his or her spouse and minor children, arising out of the service of the Member, a refund shall be payable to the designated beneficiary of the Member or his legal representative consisting of the excess, if any, of his or her accumulated contribution credits in the Member's contribution reserve over all such annuity payments made by the System.
- (e) Annuity withdrawal.
- (1) With respect to the Pontiac Police Supervisors Association, effective January 1, 1985, its members may exercise an option at the time of retirement (when monthly pension commences) to withdraw their contributions which will reduce the monthly pension based on the actuarial schedule.
 - (2) With respect to members of the Pontiac Firefighters Union, effective January 1, 1985, Members' contributions to the Members' contribution reserve will be refunded at the time of retirement.

- (iv) Direct rollover: A direct rollover is a payment by the retirement system to the eligible retirement plan specified by the distributee.
- (2) If a distribution is one to which sections 401(a)(11) and 417 of the Internal Revenue Code do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:
- (i) The Board clearly informs the member that the member has a right to a period of at least 30 day after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
- (ii) The member, after receiving the notice, affirmatively elects a distribution.
- (g) This subsection shall apply to distributions made after December 31, 2001.
- (1) For purposes of the direct rollover provisions in this section, an eligible retirement plan shall also mean an annuity contract described in section 403(b) of the Internal Revenue Code and an eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to account separately for amounts transferred into such plan from this retirement system. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Internal Revenue Code, or an eligible domestic relations order under the eligible domestic relations order act.
- (2) For purposes of the direct rollover provisions in this section, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in section 408(a) or (b) of the Internal Revenue Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Internal Revenue Code that agrees to account separately for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.
- (h) On July 31, 2011, the City of Pontiac and the Pontiac Police Supervisors Association and Command Officers Association of Michigan entered into a Contract Termination Agreement, effective July 31, 2011, which allows Members to purchase additional service credit. The System has determined such purchase must be made in compliance with section 415(n) of the Internal Revenue Code.

There was no order Issued for number #96.



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: September 8, 2011

ORDER NO. S-97

RE: Administrative Appointment

TO: John Naglick, Acting Finance Director
Mark Hotz, City Attorney
Yvette Talley, City Clerk

RECEIVED
CITY OF PONTIAC
2011 SEP - 9 A 11

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(n) ...appoint, supervise, and at his or her discretion, remove administrators, including heads of departments other than elected officials...."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

In order to assure compliance with the significant reporting requirements of the Local Government and School District Fiscal Accountability Act – Public Act 4 of 2011 (the "Act"),

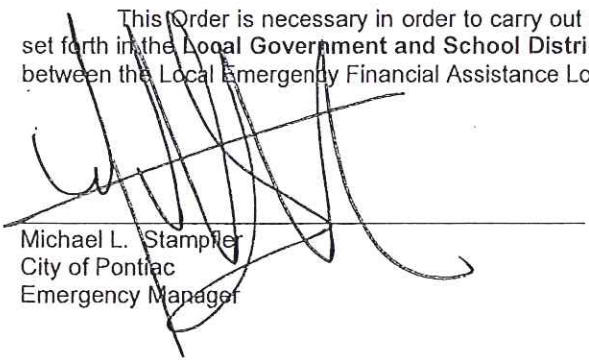
It is hereby ordered:

The appointment of John Naglick as Acting Finance Director and Purchasing Agent is extended until December 31, 2011.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231, et. seq.).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Michael L. Stampfler
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council



CITY OF PONTIAC
EMERGENCY FINANCIAL MANAGER

MICHAEL L. STAMPFLER

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: September 8, 2011

ORDER NO. S-98

RE: Administrative Appointment

TO: Jarvis Middleton, Director Department of Public Works
Mark Hotz, City Attorney
Yvette Talley, City Clerk

RECEIVED
CITY OF PONTIAC
2011 SEP - 9 A 11:3

The Local Government and School District Fiscal Accountability Act (Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: "(n) ...appoint, supervise, and at his or her discretion, remove administrators, including heads of departments other than elected officials...."; and 19(2) ... the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager."

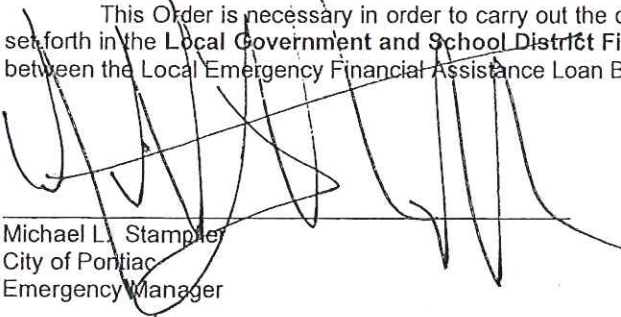
It is hereby ordered:

Jarvis Middleton is appointed Director Department of Public Works effective August 29, 2011.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231, et. seq.).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.


Michael L. Stampfler
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council