

## NOTICE OF PONTIAC CITY COUNCIL MEETING

**June 17, 2020**

**at 9:00 a.m.**

### THE MEETING WILL BE HELD ELECTRONICALLY

The City Council of the City of Pontiac will hold a Special Meeting on the Budget on June 17, 2020 at 9:00 a.m. This meeting will be held electronically pursuant to the Open Meetings Act and Governor Whitmer's Executive Order 2020-75. The agenda of the Special Meeting on the Budget is attached Pursuant to Executive Order 2020-75, the Pontiac City Council gives notice of the following:

1. **Reason for Electronic Meeting.** The Pontiac City Council is meeting electronically because Executive Order 2020-75 requires that City Hall be closed to the public on the date of the meeting. Therefore, the public cannot be physically present and provide comment in City Hall.
2. **Procedures.** The public may view the meeting electronically through the following method.  
<http://pontiac.mi.us/council/pontiacvtv/index.php>
3. **Public Comment.** For individuals who desire to make a public comment, please submit your name and comment in writing to [publiccomments@pontiac.mi.us](mailto:publiccomments@pontiac.mi.us) no later than 8:30 a.m. on June 17, 2020. Public comments are limited to three (3) minutes. The City Clerk will read your comments during the public comment section of the meeting.
4. **Persons with Disabilities.** Persons with disabilities may participate in the meeting through the methods set forth in paragraph 2. Individuals with disabilities requiring auxiliary aids or services in order to attend electronically should notify the Interim City Clerk, Garland Doyle at (248) 758-3200 or [clerk@pontiac.mi.us](mailto:clerk@pontiac.mi.us) at least 24 hours in advance of the meeting.

Dated 6-16-2020, 5:00 p.m.

Garland S. Doyle, Interim City Clerk

City of Pontiac

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

# PONTIAC CITY COUNCIL

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



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

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

Website: [http://pontiac.mi.us/council/meeting/agendas\\_and\\_minutes/index.php](http://pontiac.mi.us/council/meeting/agendas_and_minutes/index.php)

## SPECIAL MEETING on the BUDGET

June 17, 2020

9:00 A.M.

171<sup>st</sup> Session of the 10<sup>th</sup> Council

Call to order

Roll Call

Authorization to Excuse Councilmembers

Amendments to and Approval of the Agenda

### Discussions

1. City Council Proposed Changes to the Mayor's Proposed 2020-2021 Annual Budget  
The discussion will focus on the following departments: Clerk, Elections and Medical Marihuana; Finance; Human Resources; Information Technology (I.T.); Income Tax; Treasury; Economic/Community Development; Mayor; Council and Law (Giarmarco, Mullin and Horton)
2. City Council Proposed Changes and Questions on the Mayor's Proposed 2020-2021 Annual Budget (The City Council proposed the following amendments to the proposed budget for 2020-21 at the June 15, 2020 City Council Meeting.)

#### Fire

- a. Add \$3840 to Account 101-336-921.000 Utilities
- b. Add \$7675.56 for Medical Marihuana Application Review

#### Public Safety (Oakland County Sheriff)

- c. What do the overtime expenses consist of? (Council Member Waterman)
- d. Add \$29,286.40 for Medical Marihuana Application Review

#### Department of Public Works (DPW)

- e. Account 101-265-818.037 Note: Contractual Janitorial Services (Floor Waxing, Carpet Cleaning)
- f. Reduce Account 445-265-976.001 to \$300,000 (Remove \$600,000 for City Window Replacement from budget)
- g. Add \$22,088.16 for Medical Marihuana Application Review
- h. Account 445-458-977.002 Vehicles \$712,000?

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

Office of the City Clerk 47450 Woodward Pontiac, Michigan 48342 Phone (248) 758-3200

Website: <http://pontiaccityclerk.com>

- i. Please provide a list of the right of way areas that MDOT is responsible for maintaining.
- j. What roads will be resurfaced with the 2,000,000 allocated to Account 203-463-974.074 Road Construction
- k. Reduce Account 585-564-974.035 Phoenix Center Projects to \$7,000,000.00
- l. Increase Park budget by \$150,000 to cover the cost of park camera, bathroom repairs and part-time park rangers)
- m. Add \$50,000 to Traffic Control for a Light Study

#### Building (Wade Trim)

- n. Add \$25,016.64 for Medical Marihuana Application Review

#### Code Enforcement

- o. Add \$150,000 to bring Animal Control in-house
- p. Increase Contractual Mowing Services \$40,000
- q. Add \$100,000 to Account 101-733-818.000 Other Professional Services (Blight Removal)
- r. Add Code Enforcement Officer-Business Monitoring position \$72,000 (includes salary and benefits)

#### Planning

- s. Add \$50,500 for Medical Marihuana Application Review

#### Cable

- t. Remove Intern/Cable position from the budget. Reduce \$16,875 from Account 231-291-702.000
- u. Council requested that the Studio/Council Chambers Renovations be added to the budget

#### Youth Recreation

- v. What positions are in Account 208-775-705.002 Part-Time Wages?

#### Other Council Requests

- w. Job Description for Contract Compliance Officer (Council President Williams)
- x. City Position List with Employees names and salaries (Council President Pro Tem Carter)

- 3. City Council Proposed Changes to the City of Pontiac 2020-2021 General Appropriations Act Ordinance

### **Resolution**

#### **City Council**

- 4. Resolution to engage Bonadio & Co, LLP, Certified Public Accountants to conduct an audit of Fiscal Year 2020 budget for the City Council and approve the \$10,000.00 retainer to retain the services of Bonadio & Co, LLP.

### **Public Comment**

### **Adjournment**

**#1**

# **DISCUSSION**

06/16/2020

## BUDGET REPORT FOR CITY OF PONTIAC

## City Clerk

GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	2019-20 ACTIVITY THRU 03/31/20	2019-20 PROJECTED ACTIVITY	2020-21 DEPARTMENT REQ. BUDGET	2020-21 FINANCE REC. BUDGET	2020-21 MAYOR REC. BUDGET	2020-21 DEPARTMENT UPDATED REQUEST
101-215-702.000	Salaries & Wages	189,841	132,059	181,483	202,180	202,180	195,535	189,114
101-215-702.004	Overtime Wages	1,000	1,250	200				
101-215-705.002	Part Time Wages							5,000
101-215-707.003	CELL PHONE STIPEND				600	600	600	600
101-215-715.000	F.I.C.A. - City Contribution	14,523	10,136	13,813	15,467	15,467	14,958	14,958
101-215-716.000	MEDICAL INSURANCE	43,038	16,760	23,240	32,234	32,234	32,234	32,234
101-215-717.000	Life Insurance	2,554	554	979	2,863	2,863	2,863	2,863
101-215-718.500	MERS EMPLOYER CONTRIBUTIONS	11,145	2,632	3,690	4,156	4,156	4,195	4,195
101-215-719.000	Workers Compensation Insurance	553	320	527	429	429	429	429
101-215-719.001	Dental Insurance	1,989	490	1,989	1,709	1,709	1,709	1,709
101-215-727.000	Office Supplies	3,863	3,215	4,239	4,000	4,000	4,000	4,000
101-215-728.000	Postage	1,030	362	440	1,030	1,030	1,030	1,030
101-215-731.003	COMPUTER EQUIPMENT	412		412	700	700	700	700
101-215-816.005	PROFESSIONAL SERVICES - PUBLIC RELATIONS	1,000						
101-215-818.000	Other Professional Services	1,000	534	1,000	500	500		
101-215-851.000	SERVICES - COMMUNICATIONS-TELEPHONE	654	649	815	680	680	680	680
101-215-852.010	SERVICES - CABLE TV/INTERNET	2,558	498	478	560	560	560	560
101-215-901.000	Printing and Bindery Service	1,000	22		1,000	1,000	1,000	1,000
101-215-902.004	Ordinances	42,000	21,982	31,033	30,000	30,000	30,000	30,000
101-215-902.005	Public Notices	9,000	7,136	9,000	9,000	9,000	9,000	12,960
101-215-914.000	Insurance Property Coverage	25,394	18,583	25,394	24,637	24,637	24,637	24,637
101-215-942.000	Services - Equipment Rentl Non-City	103	27	103				
101-215-942.002	COPIER SUPPLES	412	1,462	1,950	2,000	2,000	2,000	2,000
101-215-957.002	Training Expense	4,120	160	4,120	2,500	2,500	2,500	2,500
NET OF REVENUES/APPROPRIATIONS - FUND 101		357,189	218,831	304,905	336,245	336,245	328,630	331,169
BEGINNING FUND BALANCE		18,591,032	18,591,032	18,591,032	18,286,127	18,286,127	18,286,127	
ENDING FUND BALANCE		18,233,843	18,372,201	18,286,127	17,949,882	17,949,882	17,957,497	

06/16/2020

## BUDGET REPORT FOR CITY OF PONTIAC

## Elections

GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	2019-20 ACTIVITY THRU 05/31/20	2019-20 PROJECTED ACTIVITY	2020-21 DEPARTMENT REQ. BUDGET	2020-21 FINANCE REC. BUDGET	2020-21 MAYOR REC. BUDGET	2020-21 Dept Updated Request
101-191-702.000	Salaries & Wages	21,837	8,256.50	11,870	65,800	65,800	66,047	65,000
101-191-702.020	SALARIES & WAGES (NON FICA)	31,475	17,446	12,010	65,260	65,260	65,260	60,000
101-191-702.100	MAINTENANCE WAGES	1,596	215	1,596	554	554	1,972	1,972
101-191-702.104	MAINTENANCE - OVERTIME	3,198	1,440	3,198	1,080	1,080	1,080	1,080
101-191-705.002	PART-TIME WAGES	5,415	3,926.65	5,415	12,000	12,000	5,953	13,300
101-191-715.000	F.I.C.A. - City Contribution	6,881	1,041	6,881	5,089	5,089	5,252	5,252
101-191-716.000	MEDICAL INSURANCE	18,393	169	144	18,658	18,658	18,795	18,795
101-191-717.000	Life Insurance	730	15	20	808	808	831	831
101-191-718.500	MERS EMPLOYER CONTRIBUTIONS	3,897	34	24	4,301	4,301	4,315	4,315
101-191-719.000	Workers Compensation Insurance	3,913	147	242	447	447	527	527
101-191-719.001	Dental Insurance	416	4	416	889	889	901	901
101-191-721.010	Health Care Waiver	7,293		7,293				
101-191-727.000	Office Supplies	3,650	984	1,389	2,650	2,650	2,650	2,650
101-191-728.000	Postage	16,840	6,359	9,055	40,000	40,000	40,000	40,000
	FOOTNOTE AMOUNTS:						40,000	
	ELECTION NEWSLETTER AND ACTIVE ENCOURAGEMENT OF ABSENTEE BALLOT USE							
101-191-729.001	Printed Forms	4,905	2,470	4,905	9,000	9,000	9,000	12,000
101-191-731.003	COMPUTER EQUIPMENT	13,000	12,275	12,275				
101-191-740.000	Operating Supplies	5,150		5,150	9,500	9,500	9,500	9,500
101-191-809.000	Services-Elections	18,630	10,900	18,630	30,000	30,000	15,000	15,000
101-191-809.001	COVID 19 EXPENDITURES						5,000	5,000
101-191-818.000	Other Professional Services				10,000	10,000	10,000	5,000
101-191-851.000	SERVICES - COMMUNICATIONS-TELEI	38	649	815	100	100	100	100
101-191-852.010	SERVICES - CABLE TV/INTERNET	366	344	478	190	190	190	190
101-191-861.000	Travel Expenses	1,030	840	1,030	1,000	1,000	1,000	1,000
101-191-882.000	Prof Services - Public Relations				2,500	2,500	2,500	2,500
101-191-901.000	Printing and Bindery Service				2,000	2,000	2,000	4,260
101-191-902.005	Public Notices	5,150	1,902	5,150	6,000	6,000	6,000	6,000
101-191-932.010	Services - Maintenance-All Other Eq	2,884		2,884				
101-191-942.000	Services - Equipment Rentl Non-City	824	305	824	824	824	824	824
101-191-957.002	Training Expense	5,150	587	5,150	10,000	10,000	5,000	2,500
101-191-957.003	Employee Meals - Commission Food	824	527	824				
101-191-959.000	Miscellaneous Expenses				824	824	824	824
NET OF REVENUES/APPROPRIATIONS - FUND 101		183,485	70,836	117,668	299,474	299,474	280,521	279,321
BEGINNING FUND BALANCE		18,591,032	18,591,032	18,591,032	18,476,595	18,476,595	18,476,595	
ENDING FUND BALANCE		18,407,547	18,520,196	18,473,364	18,177,121	18,177,121	18,196,074	

06/16/2020

## BUDGET REPORT FOR CITY OF PONTIAC

## Medical Marijuana

GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	2019-20 ACTIVITY THRU 06/16/20	2019-20 PROJECTED ACTIVITY	2020-21 DEPARTMENT BUDGET	2020-21 FINANCE REC. BUDGET	2020-21 MAYOR REC. BUDGET	2020-21 Dept Updated Request
101-255-702.000	Salaries & Wages				11,250	11,250	11,250	15,000
	Special Assistant to the Clerk						(.25FTE)	(.33FTE)
101-255-727.000	Office Supplies	2,500	2,100	2,100	100	100	100	718
101-255-728.000	Postage	100		100	400	400	400	400
101-255-731.003	COMPUTER EQUIPMENT	100			400	400	400	500
101-255-804.000	Legal Services - Substitute Counsel	10,500			83,842	83,842	9,500	6,750
101-255-804.018	Legal Services - Giarmarco Mullins	50,000		50,000	17,208	17,208		
101-255-804.020	LEGAL SERVICES - HEARING OFFICER RULES				2,500	2,500		
101-255-804.026	LEGAL SERVICES - LEGAL ADVISOR TO CC	16,000					69,000	85,000
101-255-816.006	PROF. SERV. - MED MARIHUANA APPLICATION	8,395	3,734	8,395				
101-255-816.007	PROF. SERV. - FINANCIAL ADVISOR TO CC	85,200			52,270	52,270	61,000	75,000
101-255-816.008	PROF. SERV. - HEARING OFFICER	30,000	320	1,000	24,540	24,540	42,500	44,000
101-255-816.011	PROF SERV - PLANNING ADV TO CITY CLERK	15,000			73,675	73,675	60,000	75,000
101-255-851.000	SERVICES - COMMUNICATIONS-TELEPHONE						100	100
101-255-852.010	SERVICES - CABLE TV/INTERNET						100	100
101-255-902.004	-				100	100	100	100
101-255-902.005	Public Notices	1,000	782	782	100	100	100	100
101-255-942.002	COPIER SUPPLIES	100			100	100	100	100
NET OF REVENUES/APPROPRIATIONS - FUND 101		-218,895	-6,936	-62,377	-266,485	-266,485	-254,650	-302,868
BEGINNING FUND BALANCE		18,591,032	18,591,032	18,591,032	18,489,298	18,489,298	18,489,298	
ENDING FUND BALANCE		18,372,137	18,584,096	18,528,655	18,222,813	18,222,813	18,234,648	

Departments		2020-21
GL NUMBER	DESCRIPTION	Dept Request BUDGET
249-371-818.000	Building	\$ 25,016.64
101-458-818.000	Police	\$ 29,286.40
	Planning	\$ 50,500.00
	Fire	\$ 7,675.56
101-206-818.000	Finance/Income Tax	\$ 776.16
101-253-818.000	Finance/Treasury	\$ 1,006.72
	DPW/WRC	\$ 22,088.16
Total for Departments - Medical Marihuana		\$ 136,349.64

Medical Marihuana Application Revenue \$540,000.00

2019-20 Expenses \$62,377

2020-21 Expenses - \$302,868 + \$136,349.64 \$439,217.64

Unallocated Funds \$38,405.36

FY 21 Positions

Position	FY 21 Department Request	FY 21 Mayor's Recommended	FY 21 Updated Department Request	Council Approved Salary Change
Elections				
Assistant City Clerk/Elections Administrator	55,000.00	55,000.00	65,000.00	12-May-20
Elections Assistant	10,800.00	10,800.00	10,800.00	
Clerk				
City Clerk (Interim)	92,700.00	92,700.00	92,700.00	
Deputy City Clerk	66,414.40	66,414.40	66,414.40	
Special Assistant to the City Clerk	45,000.00	36,420.80	45,000.00	28-Apr-20
Customer Service Representative			5,000.00	



# Office of the City Clerk

City Clerk (Interim)  
Garland Doyle

Special Assistant to the City Clerk  
Jonathan Starks

Deputy City Clerk  
Sheila Grandison

Assistant City Clerk/  
Elections Administrator  
Jo Lynn Williams

Medical Marihuana  
Professional Experts

Financial  
Advisor

Sherman J.  
Taylor, JD CPA  
SRT Consulting,  
LLC

Legal  
Advisor

Robert S.  
Huth, Jr.,  
Esq.  
Kirk, Huth,  
Lange, and  
Badalamenti,  
PLC

Planning  
Advisor

Jill Bahm,  
AICP  
Giffels  
Webster

Hearing  
Officer

John W.  
Fraser, Esq.  
Grewal  
Law, PLLC

Customer  
Service Rep  
Part-Time

Election Assistants  
Part-Time

Election  
Workers

**#3**

# **DISCUSSION**

# Budget Ordinance

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Ordinance No. \_\_\_\_\_

An Emergency 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, 2020; to adopt the fee schedule for public records and services for the fiscal year 2020/21.

Whereas, the proposed General Appropriations Act is required to be effective July 1, 2020 so the City can legally operate.

The City of Pontiac Ordains:

## **Section 1. Title.**

This ordinance shall be known as the City of Pontiac 2020-2021 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 May \_\_, 2020 and a public hearing on the proposed budget was held on June 2, 2020.

## **Section 3. Millage Levy, Administration Fee, and Penalties.**

The City Council for the City of Pontiac shall authorize the following millages to be levied and collected on the general property tax of all real and personal property within the City upon the current tax roll an allocated millage of 11.1699 operating; 1.4862 youth center; 1.3961 capital improvement; 2.7923 sanitation; 0.4954 senior services. 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 Line item.**

The City Council of the City of Pontiac received a five-year budget for 2020-21, 2021-22, 2022-23, 2023-24, and 2024-25 fiscal years. The City Council of the City of Pontiac adopts the 2020-2021 fiscal year budgets for the various funds by line item. 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 line item.

## **Section 5. Payment of Bills.**

Pursuant to the Local Financial Stability and Choice Act and the Accounting Procedures Manual for Local Governments in Michigan, all claims (bills) against the City shall be, approved by the Mayor or the Finance Director of the City of Pontiac prior to being paid.

# Budget Ordinance (Continued)

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**Section 6: Budgeted Revenues and Expenditures**--Estimated total revenues and expenditures, including transfers in and out and other sources, for the various funds of the City of Pontiac beginning July 1, 2020 are \$86,396,312 in revenues and \$99,637,873 in expenditures, as set forth in the 2020-2021 budget as reflected in the budget report dated 4/30/20.

**Section 7. Specific Appropriations.**

There are no specific appropriations contained in the budget.

**Section 8. Periodic Financial Reports.**

The Finance Director shall provide the Mayor and City Council financial reports on a monthly basis.

**Section 9. Budget Monitoring and Amending.**

Whenever it appears to the Finance Director 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 upon which appropriations from such fund were based, the Finance Director shall present to the Mayor 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 an appropriation line item within a fund or department that does not exceed ten thousand dollars (\$10,000) within a fiscal year. Any budget amendments to a line item or department that exceeds ten thousand dollars (\$10,000) within a fiscal year must be approved by the City council prior to amendment. For all transfers in and transfer out between appropriation line items or departments exceeding ten thousand dollars (\$10,000) must be approved by City Council prior to such transfer.

The foregoing obligations are not required if there is an unforeseen expense due to bona-fide emergency, which shall be defined as anything imminent impacting the health and safety of the citizens including building fires, but not including capital improvements.

**Section 9a. Budget Format**

The Budget shall include the following:

- The City organizational chart, which shall be separated by Department, including all positions, titles, and salaries.
- All expenditures in and out of funds, capital outlays, applicable budget amendments, original Department requests, the Mayor's recommended budget, activity through the end of the year, activity to date, prior year budget, and all sources of income for employee salaries.

**Section 10. Severability.**

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

**Section 11. Repealer.**

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

**Section 12. Publication.**

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

Budget Ordinance (Continued)

**Section 13. Emergency Declaration and Effective Date.**

This Ordinance is declared an emergency to allow the City to legally spend money after July 1, 2020 and shall be effective immediately upon adoption.

Budget Ordinance (Continued)

With revenue and expenditures categorized by appropriated line item as herein provided:

<u>Fund</u> <u>Number</u>	<u>Appropriation Line Item</u>		<u>Revenues</u>		<u>Expenditures</u>
101	General	\$	37,173,660	\$	39,644,992
202	Major Streets	\$	6,219,080	\$	6,647,877
203	Local Streets	\$	1,671,941	\$	2,832,770
208	Youth Recreation Millage	\$	1,118,061	\$	931,276
209	Cemetery Care Fund	\$	693,053	\$	693,053
212	Senior Activities Millage	\$	350,227	\$	511,176
226	Sanitation Fund	\$	4,476,187	\$	4,476,187
231	Cable Fund	\$	161,000	\$	233,273
239	TIFA District 1	\$	378,000	\$	632,001
240	TIFA District 3	\$	960,000	\$	2,450,990
243	Brownfield Redevelopment Authority	\$	0	\$	40,070
249	Building Department	\$	2,216,800	\$	2,078,704
252	CDBG FY2012 Fund	\$	-	\$	-
263	Home Buyers Assistance Fund	\$	-	\$	-
265	Drug Enforcement	\$	42,885	\$	53,483
276	District Court	\$	3,815,155	\$	3,815,155
277	MIDC Fund	\$	512,703	\$	909,868
280	Public Act 48	\$	225,000	\$	275,000
445	Capital Improvement	\$	955,354	\$	1,925,333
585	Parking	\$	194,919	\$	1,776,067
659	Insurance	\$	6,661,422	\$	11,294,825
677	Self-Insurance Wk Comp	\$	354,649	\$	638,252

## Budget Ordinance (Continued)

### **General Fund - 101**

#### ESTIMATED REVENUES

Property Taxes	8,470,851
Income Taxes	14,188,360
Licenses and Permits	275,000
Federal Grants	20,000
State Grants	10,479,589
Charges for Services	997,020
Fine and Forfeitures	8,000
Interest and Rents	416,772
Other Revenues	2,022,068
Transfers In and Other Uses	296,000

TOTAL ESTIMATED REVENUES 37,173,660

#### APPROPRIATIONS

General Government	6,223,829
Public Safety	20,753,383
Public Works	2,558,206
Community and Economic Development	2,055,964
Recreation and Culture	3,689,940
Other Functions	1,835,294
Transfers Out and Other Uses	2,528,376

TOTAL APPROPRIATIONS 39,644,992

#### General Fund

NET OF REVENUES/APPROPRIATIONS	(2,471,332)
Estimated Beginning Fund Balance	16,831,781
Estimated Ending Fund Balance	14,360,449

### **Major Street Fund - 202**

#### ESTIMATED REVENUES

State Grants	5,592,400
Interest and Rents	26,680
Transfers In and Other Uses	600,000

TOTAL ESTIMATED REVENUES 6,219,080

#### APPROPRIATIONS

Public Works	6,647,877
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TOTAL APPROPRIATIONS 6,647,877

#### Major Street Fund

NET OF REVENUES/APPROPRIATIONS	(428,797)
Estimated Beginning Fund Balance	1,194,588
Estimated Ending Fund Balance	765,791

## Budget Ordinance (Continued)

<b>Local Street Fund - 203</b>		
ESTIMATED REVENUES		
State Grants		1,644,000
Interest and Rents		27,941
	TOTAL ESTIMATED REVENUES	1,671,941
APPROPRIATIONS		
Public Works		2,232,770
Transfers Out and Other Uses		600,000
	TOTAL APPROPRIATIONS	2,832,770
<b>Local Street Fund</b>		
	NET OF REVENUES/APPROPRIATIONS	(1,160,829)
	Estimated Beginning Fund Balance	4,620,715
	Estimated Ending Fund Balance	3,459,886

<b>Youth Recreation Millage Fund - 208</b>		
ESTIMATED REVENUES		
Property Taxes		968,061
Other Revenue		150,000
	TOTAL ESTIMATED REVENUES	1,118,061
APPROPRIATIONS		
Recreation and Culture		931,276
	TOTAL APPROPRIATIONS	931,276
<b>Recreation Millage Fund</b>		
	NET OF REVENUES/APPROPRIATIONS	186,785
	Estimated Beginning Fund Balance	186,512
	Estimated Ending Fund Balance	373,297

<b>Cemetery Care Fund - 209</b>		
ESTIMATED REVENUES		
Transfers In and Other Uses		693,053
	TOTAL ESTIMATED REVENUES	693,053
APPROPRIATIONS		
General Government		693,053
	TOTAL APPROPRIATIONS	693,053
<b>Cemetery Care Fund</b>		
	NET OF REVENUES/APPROPRIATIONS	-
	Estimated Beginning Fund Balance	18,327
	Estimated Ending Fund Balance	18,327



## Budget Ordinance (Continued)

### **Building Department Fund - 249**

#### ESTIMATED REVENUES

Licenses and Permits	2,137,800
Charges for Services	76,500
Interest and Rents	2,500
<b>TOTAL ESTIMATED REVENUES</b>	<b>2,216,800</b>

#### APPROPRIATIONS

Public Safety	2,078,704
<b>TOTAL APPROPRIATIONS</b>	<b>2,078,704</b>

#### **Building Department Fund**

<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>138,096</b>
Estimated Beginning Fund Balance	753,025
Estimated Ending Fund Balance	891,121

### **CDBG FY2012 Fund - 252**

#### ESTIMATED REVENUES

<b>TOTAL ESTIMATED REVENUES</b>	<b>-</b>
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#### APPROPRIATIONS

Community Development	-
<b>TOTAL APPROPRIATIONS</b>	<b>-</b>

#### **CDBG FY2012 Fund**

<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>-</b>
Estimated Beginning Fund Balance	30,335
Estimated Ending Fund Balance	30,335

### **Home Buyers Assistance Fund - 263**

#### ESTIMATED REVENUES

<b>TOTAL ESTIMATED REVENUES</b>	<b>-</b>
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#### APPROPRIATIONS

Community Development	-
<b>TOTAL APPROPRIATIONS</b>	<b>-</b>

#### **Home Buyers Assistance Fund**

<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>-</b>
Estimated Beginning Fund Balance	3,638
Estimated Ending Fund Balance	3,638

## Budget Ordinance (Continued)

<b><u>Drug Enforcement Fund - 265</u></b>		
ESTIMATED REVENUES		
Fines and Forfeits		42,000
Interest and Rents		885
	TOTAL ESTIMATED REVENUES	42,885
APPROPRIATIONS		
Public Safety		53,483
	TOTAL APPROPRIATIONS	53,483
<b>Drug Enforcement Fund</b>		
	NET OF REVENUES/APPROPRIATIONS	(10,598)
	Estimated Beginning Fund Balance	222,717
	Estimated Ending Fund Balance	212,119

<b><u>District Court - 276</u></b>		
ESTIMATED REVENUES		
Charges for Services		773,700
State Grants		182,896
Fines and Forfeits		1,022,000
Interest and Forfeits		1,800
Transfers Out and Other Uses		1,834,759
	TOTAL ESTIMATED REVENUES	3,815,155
APPROPRIATIONS		
General Government		3,776,167
Transfers Out and Other Uses		38,988
	TOTAL APPROPRIATIONS	3,815,155
<b>District Court</b>		
	NET OF REVENUES/APPROPRIATIONS	-
	Estimated Beginning Fund Balance	2,093
	Estimated Ending Fund Balance	2,093

## Budget Ordinance (Continued)

<b>MIDC Fund - 277</b>	
ESTIMATED REVENUES	
State Grants	494,715
Transfers In and Other Uses	17,988
<b>TOTAL ESTIMATED REVENUES</b>	<b>512,703</b>
APPROPRIATIONS	
General Government	909,868
<b>TOTAL APPROPRIATIONS</b>	<b>909,868</b>
<b>MIDC Fund</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(397,165)</b>
<b>Estimated Beginning Fund Balance</b>	<b>551,693</b>
<b>Estimated Ending Fund Balance</b>	<b>154,528</b>

<b>PA 48 - Telecommunications Fund - 280</b>	
ESTIMATED REVENUES	
State Grants	225,000
<b>TOTAL ESTIMATED REVENUES</b>	<b>225,000</b>
APPROPRIATIONS	
Transfers Out and Other Uses	275,000
<b>TOTAL APPROPRIATIONS</b>	<b>275,000</b>
<b>PA 48 - Telecommunications Fund</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(50,000)</b>
<b>Estimated Beginning Fund Balance</b>	<b>58,105</b>
<b>Estimated Ending Fund Balance</b>	<b>8,105</b>

## Budget Ordinance (Continued)

### **Capital Improvement Fund - 445**

#### ESTIMATED REVENUES

Property Taxes	928,632
Interest and Rents	26,722
<b>TOTAL ESTIMATED REVENUES</b>	<b>955,354</b>

#### APPROPRIATIONS

General Fund	1,610,333
Public Safety	125,000
Public Works	190,000
<b>TOTAL APPROPRIATIONS</b>	<b>1,925,333</b>

#### Capital Improvement Fund

<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(969,979)</b>
Estimated Beginning Fund Balance	2,305,466
Estimated Ending Fund Balance	1,335,487

### **Parking Fund - 585**

#### ESTIMATED REVENUES

Property Taxes	(1,000)
State Grants	163,020
Interest and Rents	32,335
Transfers In	564
<b>TOTAL ESTIMATED REVENUES</b>	<b>194,919</b>

#### APPROPRIATIONS

Public Works	64,760
Recreation and Culture	1,711,307
<b>TOTAL APPROPRIATIONS</b>	<b>1,776,067</b>

#### Parking Fund

<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(1,581,148)</b>
Estimated Beginning Net Position	12,877,720
Estimated Ending Net Position	11,296,572

## Budget Ordinance (Continued)

<b>Insurance Fund - 659</b>		
ESTIMATED REVENUES		
Charges for Services		5,964,970
Other Revenue		696,452
	TOTAL ESTIMATED REVENUES	6,661,422
APPROPRIATIONS		
Other Functions		11,294,825
	TOTAL APPROPRIATIONS	11,294,825
<b>Insurance Fund</b>		
	NET OF REVENUES/APPROPRIATIONS	(4,633,403)
	Estimated Beginning Fund Balance	5,579,925
	Estimated Ending Fund Balance	946,522

<b>Workers' Compensation Fund - 677</b>		
ESTIMATED REVENUES		
Charges for Services		338,252
Interest and Dividends		16,397
	TOTAL ESTIMATED REVENUES	354,649
APPROPRIATIONS		
Other Functions		638,252
	TOTAL APPROPRIATIONS	638,252
<b>Workers' Compensation Fund</b>		
	NET OF REVENUES/APPROPRIATIONS	(283,603)
	Estimated Beginning Fund Balance	904,960
	Estimated Ending Fund Balance	621,357

**#4**

# **RESOLUTION**

## Pontiac City Council Resolution



**WHEREAS**, during budget discussions for FY 2020-2021, the Pontiac City Council has determined that as prudent and fiscally responsible fiduciaries, it is necessary to retain an outside professional certified public accounting firm, to assist the Council in analyzing financial matters of the City; and,

**WHEREAS**, retaining an outside professional certified public accounting firm would be in the best interest of the citizens of Pontiac and would be consistent with the Pontiac City Council's duty to maintain integrity and transparency; and,

**WHEREAS**, Bonadio & Co., LLP, Certified Public Accountants, submitted an engagement letter to the Pontiac City Council on June 14, 2020 (*letter and professional biographies are attached*); and,

**WHEREAS**, section 3.115 of the Pontiac City Charter provides, "Council may, within appropriations provided in the budget, appoint staff or contract for services. Staff or persons engaged pursuant to contract serve at the pleasure of the Council.

**NOW, THEREFORE BE IT RESOLVED** that the Pontiac City Council hereby acknowledges and agrees to the standard terms of the Professional Consulting Services contained in the engagement letter provided by Bonadio & Co, LLP, Certified Public Accountants, and further agrees to proceed with phase I of the proposed phase approach and also agrees to submit the requested retainer of Ten Thousand (**\$10,000.00**) Dollars upon passage of this resolution.

June 14, 2020

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

**RE: Professional Consulting Services**

We appreciate the opportunity to provide professional consulting services to the Council Members (the "Council") of the City of Pontiac, Michigan (the "City"). This engagement letter confirms our understanding of your retention of Bonadio & Co., LLP ("Bonadio") to assist you in analyzing select financial matters of the City.

**Scope of Services**

Our procedures may include, but are not limited to the following:

- Request and obtain the City's 2020 and 2021 budget and associated reports, forms and supporting documentation.
- Perform a high-level analysis of the 2020 and 2021 budgets to select budget lines/sections for further evaluation.
- Evaluate payroll costs compared to budgeted amounts ensuring that employees are hired and compensated according to approved budgetary amounts
- Draft and submit a document requesting specific budget detail, contracts, invoices, payroll records, and other supporting documentation relevant to selected budget lines/sections.
- Receive and analyze documents received from request above. This analysis may include forensic accounting and investigative procedures for certain transactions, revenues and expenditures, if we identify that those transactions may be inappropriate or not compliant with procurement policy, City Council Charter and/or federal, state and local laws and regulations. Such procedures are deemed to be forensic in nature, and may include the following:
  - Compare invoices and payments for services, service time periods, and payment terms with procurement policies and contractual agreements
  - Evaluate contracts of service providers to ensure they are compliant with services agreed upon at procurement. Perform on-site service provider visitation or request documents to review internal service records and ensure that internal records are agreement with services being billed.
  - Review invoices that are not covered by an appropriate contractual agreement and/or were purchased outside of the procurement policy.
- Draft reports of our findings, observations and recommendations following evaluations of select budget lines/sections.

**Summary of Roles and Responsibilities**

The services under this engagement letter will be performed in accordance with the Statement on Standards for Consulting Services ("SSCS") issued by the American Institute of Certified Public Accountants ("AICPA"). Consulting services differ fundamentally from attestation services. In an attest service, the practitioner expresses a conclusion about the reliability of a written assertion that is the responsibility of another party, the asserter. In a consulting service, the practitioner develops the findings, conclusions, and recommendations presented, based solely by the agreement between the practitioner and the client.



Accordingly, our services will not constitute an audit, compilation, review, or attestation service of the City's financial statements or any part thereof, as described in the pronouncements on professional standards of the AICPA or the Public Company Accounting Oversight Board ("PCAOB"). Additionally, we will not otherwise verify the data you submit for accuracy or completeness. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us.

We will provide expertise and recommendations based on our observations during the work requested by you to assist in this project. It will be the Council's responsibility to provide substantive involvement as part of the project team, determine the level of work desired, and determine how to proceed relevant to any recommendations or advice provided. You are responsible for making all management decisions and for performing management functions and overseeing and monitoring the services we provide by designating an individual, who possesses suitable skill, knowledge or experience and will assure that you have obtained all needed information from appropriate sources to make appropriate business decisions. Further, although we will have discussions of various business matters, it is understood that we may not have been provided all appropriate information to make informed recommendations related to those discussions. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management and/or Council responsibilities.

#### **Warranties and Liabilities**

Our services will be performed in a professional and workmanlike manner. All services will be rendered by and/or under the supervision of Bonadio personnel or Bonadio's specialized third-party consultants or subcontractors. Bonadio makes no representation or warranty regarding either the services to be provided or any deliverables. In no event, unless it has been finally determined that Bonadio was grossly negligent or acted willfully or fraudulently, shall Bonadio be liable to you or any third party, whether a claim be in tort, contract or otherwise for any amount in excess of the total professional fees (excluding expenses) paid by you to us under this agreement for the particular service to which such claim relates. In no event shall Bonadio be liable for any special, consequential, indirect, exemplary, punitive, lost profits or similar damages, even if we have been apprised of the possibility thereof.

You agree to indemnify and hold harmless Bonadio, its employees, partners and third party consultants and subcontractors from any and all third party claims, liabilities, costs, and expenses, including reasonable attorneys' fees, arising from or relating to the services or deliverables under this letter, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of Bonadio & Co., LLP relating to such services or deliverables. Your indemnity obligation contained in this paragraph shall survive termination or expiration of this letter (including but not limited to all reasonable costs and expenses related to answering subpoenas, attending depositions, being named in third-party claims, related attorneys' fees, etc.).

In the event of a conflict or inconsistency between the terms of this letter and any other written agreement between us relative to the services to be performed (including any deliverables), the terms of this letter shall be deemed controlling in all material respects.

#### **Deliverables**

All information and materials of any form or description collected by us in the course of our engagement shall constitute our work files and will at all times, during and after completion of our engagement, remain in our exclusive possession. We shall have unlimited discretion to retain, discard, or dispose of our work files but will at all times maintain all information and materials provided by the City in strictest confidence.

We will use our best efforts to keep strictly confidential the report, its existence, and content, as well as the identity of the City and other identifying information. We will nevertheless have no liability to the City or any third party for information disclosed in, or pursuant to, any ruling, order, or proceeding of any court or other judicial or non-judicial forum or of any regulatory agency or similar instrumentality.

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### Fees

Our fees for this engagement will be on the actual time spent at our standard hourly rates, plus out of pocket expenses. Our hourly rates are as follows:

Job Title	Hourly Rate
<b>Partner/EVP</b>	\$350
<b>Principal</b>	\$285
<b>Manager</b>	\$225
<b>Senior</b>	\$175

The scope of a project of this nature can be difficult to estimate. Variables such as availability of documentation, quality of documentation, complexity of budgeting calculations/reports/formulas, cooperativeness of knowledgeable parties and expansiveness of future Council requests based on findings can have a considerable effect on the number of hours that is needed to adequately complete the Council's objectives.

Therefore, we propose a phased approach, whereby we set a not-to-exceed amount on phase I before commencement. After phase I is completed, we will have gained the knowledge needed to determine what the scope and associated fees may be for additional phases, and the Council may elect to continue on to an additional phase – or – conclude services at that time.

For phase I, we will set a not-to-exceed amount of \$25,000 and require a retainer of \$10,000 to commence procedures. When/if we begin to approach our not-to-exceed amount of \$25,000, we will consult with the Council to determine the scope of a phase II based on the work performed and continued objectives of the Council.

Should we experience unnecessary delays, or uncooperativeness that hinders our efficient use of time, we will immediately stop our procedures, notify you of the situation and request assistance for the appropriate resolution. In such an event, you will not hold us responsible and all fees and expenses incurred will be paid to us in accordance with the terms of this engagement.

Should we identify any fraudulent activity we will immediately stop our procedures, notify you of the situation and request assistance for the appropriate resolution. In such an event, we will work collaboratively to identify the appropriate course of action regarding the continuation, expansion, or suspension of our procedures. Often times, additional procedures related to the discovery of fraudulent activity will be covered under a separate engagement letter.

We will submit invoices to you monthly, payable within 30 days. We reserve the right to defer rendering further services until payment is received on past due invoices. It is agreed that our fee is not contingent on the outcome or findings of the work we perform.

If information becomes known that would make our continued involvement in this engagement inappropriate, or if the attorneys or other parties involved in this matter change, we reserve the right to withdraw from this engagement.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fee. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

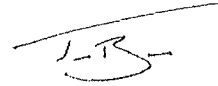
Our work, to be performed under your direction, is to perform such tasks as may be identified during the course of this engagement. However, we may refuse to perform any requested act that we deem a violation of law, public policy, or our professional ethical standards, and may, as a result, withdraw from the engagement without penalty.

If this is in accordance with your understanding and meets with your approval, please sign and date one copy of this letter in the space provided. This agreement will become effective when you return the signed copy to us.

Very truly yours,  
THE BONADIO GROUP



Randall Shepard, CPA  
Partner



Timothy Ball, CFE  
Executive Vice President

ACKNOWLEDGMENT

This letter correctly sets forth the understanding of the Council and its agreement with the above stated terms and conditions

Officer Name: \_\_\_\_\_

Officer Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Professional Biographies

Randy Shepard, CPA—*Partner* ([rshepard@bonadio.com](mailto:rshepard@bonadio.com))



Randy is a partner in Bonadio's Government Division and is the team leader for the Buffalo and Rochester Offices. He has been with Bonadio for over 20 years with experience in many areas of attestation engagements. Randy provides consulting, accounting, and auditing services for a variety of clients such as municipalities, public authorities, and local development corporations. As a result of this work, Randy has developed extensive experience with respect to compliance and reporting requirements for these organizations, knowledge of Governmental Accounting Standards Board (GASB) pronouncements, the NYS Public Authorities Reform Act, as well as the evaluation and design of internal accounting systems. Randy has also been a speaker on various governmental topics for the NYS Association of Counties as well as Governmental Finance Officers Association, including many recent GASB standards.

Randy received his B.S. degree in Accounting from the State University of New York at Geneseo. He is a member of the American Institute of Certified Public Accountants and Government Finance Officers Association (National and Local level).

Kenneth J. Pink, CPA, Partner ([kpink@bonadio.com](mailto:kpink@bonadio.com))



Ken Pink is a partner in The Bonadio Group CPA firm. He is a member of the firm's Board of Directors, serves as co-leader of the firm's New York City Office, and is a trustee for the Bonadio 401(k) plan, which has reached more than \$100 million in assets.

Ken manages a leadership team of 15 partners and principals, with a total staff of 60 across New York State. His practice has annual revenues exceeding \$9 million.

With more than 30 years in accounting and consulting, Ken is a trusted advisor who is continually seeking to create stability, wealth and opportunity for his clients. In addition to his acumen in financial audits, Ken brings his clients a deep understanding and an unsurpassed level of experience and expertise in conducting vendor and operational audits, conducting required audits, delivering business consulting and planning, and assisting with other accounting needs.

Ken received his Bachelor of Science degree in accounting from the State University of New York at Geneseo, and has more than 30 years of public accounting experience with both international and locally based accounting firms. In 2003, Ken merged his own firm, Perry, Pink and Semmler, with The Bonadio Group.

These represent some of Ken's activities in his profession and in service to the community:

- Member of the Association of Certified Fraud Examiners Association
- Member of the New York State Government Finance Officers Association
- Member of the American Institute of Certified Public Accountants
- Associate Partner of the New York State Association of Counties
- Member of the New York State Society of Certified Public Accountants
- President of the New York State Society of Certified Public Accountants Political Action Committee
- Member of the Genesee Valley Club
- Chairman for the *Keep the Sun Shining* \$6.4 million fundraising campaign for disabled children
- Member and past president of the Rochester Rotary Club
- Council member for the SUNY College at Brockport
- Member of the Board of Directors for Matt Talbott Ministries
- Trustee of the Bonadio Group 401(k) plan, with more than 600 participants

## Professional Biographies

Timothy Ball, CFE—*Executive Vice President* (tball@bonadio.com)



Tim is an Executive Vice President in Bonadio's Government Consulting Division as well as the Fraud and Forensic Accounting and Litigation Support Division. Tim currently provides a wide array of consulting, forensic and auditing services for the Firm. Tim specializes in providing forensic examination and consulting support for both criminal and civil litigation. He is an expert in designing on-site examination programs to both identify and uncover fraud. In addition, Tim has been a consultant to local governments and not-for-profits for assistance in strengthening their internal control structure and detecting and deterring fraud.

Tim received his B.S. degree in accounting from Alfred University. Tim is also a Certified Fraud Examiner (CFE) and a member of the National Association of Certified Fraud Examiners and the Western New York Certified Fraud Examiners Association.

Joseph Dillon, CPA, CFE—*Manager* (jdillon@bonadio.com)



Joe is a Manager Bonadio's Fraud and Forensic Accounting and Litigation Support Division. Joe provides consulting services for numerous municipal, non-profit and private clients. He specializes in fraud investigations, forensic accounting, internal control reviews, efficiency studies and evaluations of policies and procedures.

Joe is a graduate of St. John Fisher College. Joe is a Certified Public Accountant (CPA) and a Certified Fraud Examiner (CFE) and a member of the American Institute of Certified Public Accountants and the National Association of Certified Fraud Examiners.