



**CITY OF PONTIAC**  
**OFFICE OF THE EMERGENCY MANAGER**

**LOUIS H. SCHIMMEL**

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**Dated: January 24, 2012**

**ORDER NO. S-144**

**RE: Amendments to the City of Pontiac's General Employees' Retirement System and Police and Fire Retirement System Ordinances ("Ordinance")**

**TO: John Naglick, Finance Director**  
**Sherikia Hawkins, City Clerk**  
**Ellen Zimmerman, Retirement Office Administrator**

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.

For over a year, the City and the General Employees' Retirement System ("GERS") and the Police and Fire Retirement System ("PFRS") have engaged in discussions with the City to transfer supervision and responsibility for the City's Retirement Office and its employees from the City to the two retirement systems.

Such a change will assist the City in meeting its Amended Financial Plan by (i) reducing the number of City employees; (ii) reducing costs to the City for such employees by eliminating their corresponding wages, fringe benefits and pension costs; and (iii) further streamlining the City's reporting and financial systems.

To facilitate such a change, the City, at the request of GERS and PFRS, will amend certain ordinances so that the City's ordinances are consistent with the contemplated actions to achieve transfer of the Retirement Office on or before February 2, 2012.

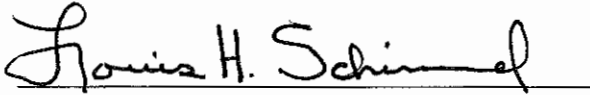
**It is hereby ordered:**

- (1) The Ordinance Amendments, attached and identified as Ordinance Nos. 2243, 2244, and 2245 are hereby adopted, effective as of the date of publication (see attached Exhibit A, B and C).
  - A) Amendment to Section 92-119(1) of the Police and Fire Retirement System Ordinance.
  - B) Amendment to Section 10 of the General Employees' Retirement System Order.
- (2) The City Clerk take all steps necessary to reflect the above Ordinance changes on the City books and records, including publication of the adopted Ordinance Amendments.
- (3) Pursuant to Pontiac City Charter Section 2.112(e), these Ordinance Amendments are adopted on an emergency basis and are necessary for the immediate preservation of the public peace, property, health, safety and to maintain daily operation of the Retirement Office. Such adoption is urgent given the City's significant financial crisis and for the City to promptly receive the associated financial benefits.

**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 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 State of Michigan and the Emergency Manager.

A handwritten signature in black ink that reads "Louis H. Schimmel". The signature is written in a cursive style and is positioned above a horizontal line.

Louis Schimmel  
City of Pontiac  
Emergency Manager

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

## **EXHIBIT A**

Ordinance No. 2243

### **An ordinance to amend Chapter 92 of the Pontiac Code of Ordinances, to amend Section 92-119(1) of Policemen's and Firemen's Retirement System Ordinance**

The City of Pontiac ordains:

#### **Section 1. Amendments.**

Section 92-119(1) shall be amended and restated in its entirety as follows:

##### **Section 92-119. – Administration**

Subject to the orders and resolutions of the Board, the Secretary, as the administrative head of the System shall:

- (1) Employ such clerical and professional services as may be required for the proper operation of the System whose compensation shall be fixed by the Board of Trustees.

#### **Section 2. 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 3. 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 4. Emergency Declaration**

This Ordinance is hereby determined to be immediately necessary for the preservation of the public health, safety, and welfare and shall be in full force and effect from the time of its adoption and publication as required by law.

## EXHIBIT B

Ordinance No. 2244

### **An ordinance to amend the Pontiac Code of Ordinances, amending Section 10 of City of Pontiac General Employees Retirement System Ordinance**

The City of Pontiac ordains:

#### **Section 1. Amendments.**

Sections 10(a), (b) and (c) shall be amended and restated in their entirety as follows:

(a) **Membership Consists Of.** The membership of the Retirement System shall include (1) all employees and officials of the City who were in the service of the City on the day preceding the effective date of this Retirement System and who continue in the service of the City on and after the effective date of this Retirement System, and (2) all persons who become employees of the City, the City of Pontiac Police and Fire Retirement System and the City of Pontiac General Employees' Retirement System, on and after the effective date of this Retirement System. The membership of the Retirement System shall not include (1) any person whose services are compensated for on a contractual or fee basis, nor (2) the Medical Director, nor (3) elective officials of the City who are employed in a City position requiring less than full-time, nor (4) any employee who is not a full-time, regular employee, nor (5) any employee who has once retired on any type of retirement allowance from the Retirement System, and is subsequently rehired by the City, nor (6) any police officer or firefighter who is a member of the City of Pontiac Police and Fire Retirement System, nor (7) any employee who is included by law, by action of the Council, by collective bargaining agreement, by individual employment agreement or by individual choice of retirement plan, in any other pension or retirement system by reason of the compensation paid by the City, except the Federal Old Age, Survivors and Disability Insurance program.

(b) **Right to Decide Membership.** In all cases of doubt, the Board shall decide who is a Member within the meaning of the provisions of this Retirement System. For purposes of determining Membership, employment with the City of Pontiac Police and Fire Retirement System and the City of Pontiac General Employees' Retirement System shall be considered membership positions.

(c) Notwithstanding any provision hereof to the contrary, any person who becomes a Member of the Retirement System as a full-time, regular employee shall remain a Member of the System as long as said person remains an employee of the City, the City of Pontiac Police and Fire Retirement System and the City of Pontiac General Employees' Retirement System, even if such person shall at any time, subsequent to becoming a Member of the System, become a part-time employee and not a full-time, regular employee provided said member has not had a

break in service. Credited service for such employees who are Members of the System shall be computed as set forth in rules and regulations to be established by the Board of Trustees.

**Section 2. 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 3. 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 4. Emergency Declaration**

This Ordinance is hereby determined to be immediately necessary for the preservation of the public health, safety, and welfare and shall be in full force and effect from the time of its adoption and publication as required by law.