



**CITY OF PONTIAC**  
**OFFICE OF THE EMERGENCY MANAGER**  
**LOUIS H. SCHIMMEL**

47450 Woodward Avenue  
Pontiac, Michigan 48342  
Telephone: (248) 758-3133  
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Dated: May 22, 2013

ORDER NO. S-272

**RE: Compensation for Elected Officials – Local Officers Compensation Commission**

**TO: Sherikia Hawkins, City Clerk**  
**John Naglick, Finance Director**  
**Elected Officials Compensation Commission**

The Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) in Section 10 empowers an Emergency Manager to issue orders to the appropriate local elected and appointed officials and employees, agents, and contractors of the local government a Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local elected and appointed officials and employees, agents, and contractors of the local government to whom they are issued.

Section 13 of the Act provides that upon appointment of an emergency manager 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. If an emergency manager has reduced, suspended, or eliminated the salary, wages, or other compensation of the chief administrative officer and members of the governing body of a local government before the effective date of this act, the reduction, suspension, or elimination is valid to the same extent had it occurred after the effective date of this act. The emergency manager may restore, in whole or in part, any of the salary, wages, other compensation, or benefits of the chief administrative officer and members of the governing body during the pendency of the receivership, for such time and on such terms as the emergency manager considers appropriate, to the extent that the emergency manager finds that the restoration of salary, wages, compensation, or benefits is consistent with the financial and operating plan.

Section 12(1) of the Act provides that “[a]n emergency manager may take 1 or more of the following additional actions with respect to a local government that is in receivership, notwithstanding any charter provision to the contrary: (ee) [t]ake 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.”

WHEREAS, the Local Officers Compensation Commission convened on April 11, 2013 and met seven times within 45 days of their first meeting; and,

WHEREAS, the Local Officers Compensation Commission has filed with the City Clerk a compensation package for the city council and the mayor; and,

WHEREAS, Section 5c(b) of the Home Rule Cities Act grants the legislative body the authority to reject the determination; and

WHEREAS, the Local Fiscal Stability and Choice Act grants the emergency manager the powers of the legislative body; and,

WHEREAS, I have reviewed the compensation determinations provided by the Local Officers Compensation Commission and agree with their determination.

**It is hereby ordered that:**

The determination filed by the Local Officers Compensation Commission with the City Clerk and attached to this order is accepted and such compensation levels shall be effective January 1, 2014.

**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 effective as indicated and is necessary to carry out the duties and responsibilities required of the Emergency Manager as set forth in the Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Louis H. Schimmel  
City of Pontiac  
Emergency Manager

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

# Pontiac Local Officers Compensation Commission

May 22, 2013

Ms. Sherikia Hawkins  
City Clerk, City of Pontiac  
47450 Woodward Ave.  
Pontiac, MI 48342

Dear Ms. Hawkins:

The Pontiac Local Officers Compensation Commission has completed its duties in accordance with the Home Rule Cities Act. The Commission met a total of seven times in 2013 and will next meet on Thursday, April 9, 2015 at 5:30 p.m. The Commission has determined the following compensation package for the City Council:

1. **Compensation of the Part-Time Council Members**

Effective January 1, 2014, the part-time Council members will be paid by the City the sum of one hundred dollars (\$100.00) for each official regular meeting of the Council attended by the member. However, no member of the Council shall receive more than fifty-two hundred dollars (\$5,200.00) in any one calendar year for attending regular council meetings.

Effective January 1, 2014, the part-time Council members will be paid by the City the sum of fifty dollars (\$50.00) for each committee meeting of the Council attended by the member, provided that the committee makes a public oral and written report concerning items discussed at the committee meeting no later than at the first regular council meeting following the committee meeting that is held the calendar week immediately following the committee meeting. The City Council must pass a resolution accepting and filing the report. However, no member of the Council shall receive more than one hundred fifty dollars (\$150.00) in any one month for attending committee meetings. For illustrative purposes, this means that a council member can be compensated for attending one meeting of three different committees in a month or two meetings of the same committee and one meeting of another committee in a month. This committee compensation is in addition to the \$5,200.00 limit for attending regular council meetings.

No part-time Council member shall be entitled to receive any health insurance, dental insurance, or life insurance while a member of the City Council or upon leaving office. No part-time Council member shall be entitled to use any City vehicle or receive any stipend for use of personal vehicles. No part-time Council member shall be entitled to participate in any defined benefit retirement plan offered by the City. A part-time Council member shall be entitled to participate in a defined contribution or deferred compensation plan offered to other employees of the City at no cost to the City. A part-time Council member shall be entitled to reimbursement for incidental office expenses in accordance with City policy and the budget.

2. Council members shall not receive any compensation or benefits which are not identified above.
3. Council members shall sign their own payroll request form, and the City Clerk shall certify the payroll for Council members.

The Commission has determined the following compensation package for the Mayor:

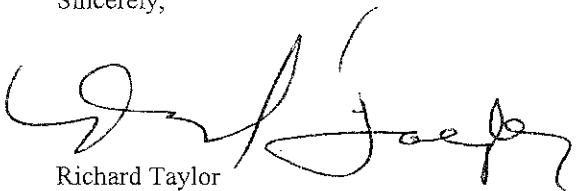
**Compensation of the Mayor**

Effective January 1, 2014, the compensation of the mayor shall be established at the annual rate of one hundred thousand dollars (\$100,000.00). The mayor shall be entitled to participate in the health and dental insurance plans offered to other active city employees and share costs in the same manner as other city employees. If the mayor chooses to opt out of participation in both the health and dental insurance plans offered to other active city employees, then the mayor shall be paid an additional one hundred sixty-six dollars and sixty-six cents per month (\$166.66), in a sum not to exceed two thousand dollars per year (\$2,000.00) The mayor shall not be entitled to any health or dental insurance upon leaving office. The mayor shall be entitled to a life insurance policy in the amount of \$100,000.00. The mayor shall not be entitled to any life insurance upon leaving office. The mayor shall not be entitled to participate in any defined benefit retirement plan. The mayor shall be entitled to participate in a defined contribution or deferred compensation plan offered to other employees of the City at no cost to the City. The mayor shall not be entitled to use any City vehicle or stipend for use of his personal vehicle. The mayor shall be entitled to reimbursement for incidental office expenses in accordance with City policy and the budget. The mayor shall not receive any compensation or benefits which are not identified above.

Section 5c(b) of the Home Rule Cities Act states that “[t]he commission shall determine the salary of each local elected official. The determination shall be the salary unless the legislative body, by resolution adopted by 2/3 of the members elected to and serving on the legislative body, rejects it. The determination of the commission shall be effective 30 days following its filing with the city clerk unless rejected by the legislative body. If the determination is rejected, the existing salary shall prevail.”

Please advise the Pontiac City Council of the determination by the Commission. This recommendation is being forwarded to the Emergency Manager who has the authority of the legislative body identified in Section 5c(b).

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Taylor". The signature is fluid and cursive, with a large initial "R" and "T".

Richard Taylor  
Chair, Local Officers Compensation Commission

cc: Louis H. Schimmel, Emergency Manager