

**Clarence E. Phillips
Mayor, City of Pontiac**

**2008 State of the City
Address**



**March 18, 2008
Marriott – Pontiac at Centerpoint
Main Ballroom
3600 Centerpoint Parkway
Pontiac, Michigan 48341**

2008 STATE OF THE CITY

INTRODUCTIONS

Good evening and thank you for joining me as I present my 3rd State of the City Address. Before we begin, I would like to take this opportunity to acknowledge all state, county, and local elected officials, clergy, our partners in the business community, distinguished guests and fellow citizens. Thank you for taking time out of your busy schedules to join me this evening.

I also want to thank all of the City of Pontiac volunteers in whatever capacity you are serving the citizens of this great city; the sponsors who have made this night possible, and the State of the City volunteers and planning team.

In order for our form of government to work effectively, it must be in partnership with the members of our legislative branch. At this time, would the Pontiac City Council and staff please stand and be recognized. Thank you.

I am also taking this opportunity to honor and recognize my loving wife, Lorene. Thank you for your love and support.

I would be remiss if I didn't pay tribute to all active and inactive military personnel and our veteran volunteers – everyone please stand and be recognized. Let's also give them a hand.

Each and every one of us has been touched in some way by the various conflicts our country has fought, but recently and more specifically, the war in Iraq and Afghanistan is first and foremost on our hearts and minds. These brave and courageous men and women continue to fight to protect the very freedoms that we take for granted. They exemplify for all of us the reality that “FREEDOM IS NOT FREE.”

Please join me in a moment of silence to show Pontiac's respect and appreciation for those brave and courageous men and women and the families that have made the ultimate sacrifice to uphold our way of life and freedoms that we enjoy in the United States. Thank you.

Last year, I shared with you the long awaited unveiling of the Pontiac Veteran's Memorial. While the original plans were delayed, I am proud to announce that the official dedication of the Pontiac Veteran's Memorial will be held this year on June 7th at Perrymount Park Cemetery.

The memorial will be dedicated to all Pontiac peacetime and wartime veterans who were honorably discharged. After 8 years of hard work and dedication led by Mr. Jack Bressler and the Oakland County Veterans Group, the memorial is finally coming together. Can we show our appreciation to Jack, the hardest working man for veteran's causes that I know in Oakland County. Jack Bressler, please stand.

We have several veterans here today that I would also like to recognize. Please stand when your name is called:

- Mr. Gloucester Stephens and Mr. Rufus Taylor, of the famed World War II 761st Tank Battalion;
- Mr. Chuck Gey, and Mr. Duane Cross, serving in the Korean War
- Mr. Joe Zigkewich, serving in WWII during Pearl Harbor on the USS Lexington
- Mr. Jack Bressler, serving in both the Vietnam and Korean War
- Mr. Murice Morton, served in Vietnam
- Mr. Ship Bushart, served during the Vietnam and Persian Gulf War
- Mr. Jerome Guest, served during the Cold War
- Mr. Dough Myer, served in the Persian Gulf War

- And Mr. Jim Reid, served in the U. S. Navy

Thank you, Veterans. (SALUTE) You may be seated.

Currently, there are 3,600 names to be engraved on the memorial. The veterans who served go back as far as the War of Independence, up to today's current conflicts. For those individuals who were honorably discharged and would like to have their names or the names of their loved ones engraved on the monument, please see Mr. Jack Bressler immediately following this event. He has a table in the foyer.

As I prepared to come before you this evening, it occurred to me that it is truly an honor and a privilege to stand before you this evening as Mayor of this great City of Pontiac, but we come here tonight with heavy hearts as a result of the sudden loss of our beloved City Clerk, Ms. Vivian Spann. Vivian has given over two decades of service to city government meeting the needs of the citizens of Pontiac. Let us take this time to honor her memory and her outstanding service to our community, and with the passing of our dear Vivian, it reminds me that.....

OUR CITY OVERVIEW

Time has really flown since we were last in this forum, but I stand here before you today with an even greater resolve and determination to "Bring Our City Back" from its recent turbulent past to a prosperous future; to share my plans for our city and to ask for your support.

There is no doubt that the city of Pontiac has gone through a tumultuous year. In a time of probably one of the deepest recessions in the history of our city, we have definitely seen better days. Our city has struggled with a structural deficit since before I took office. Some of you have heard this term many times and may ask yourselves, "what IS a structural deficit?" The definition of a structural deficit is when revenue streams are not enough to meet your city's essential services; such as, police, fire, sanitation, and water. Pontiac's structural deficit is

exacerbated by the fact that it is locked into a mandated financial arrangement that forces the municipality to make changes in areas that it really needs in order to maintain that mandated entity; what happens then is a diminishing of the municipality's ability to adequately deliver services.

Rest assured, the City of Pontiac is not the only government entity coping with the concept of doing more with less; our county, which is the 3rd richest county in the United States, and our great state of Michigan, is also facing expanding budgets where expenditures far exceed revenues. Unfortunately the diminishing economy of this country has trickled down to the local level of government. So how do we, as a community, address these problems?

One thing we do know for sure, that now is not the time for political procrastination. We take the position that the shortest distance between two points is a straight line and we will vigorously address these problems -- **HEAD ON!!!**

Let's be clear, there is no quick fix to our problems. It has taken a significant amount of time to create the problems, and a significant amount of time will be needed to resolve them. Structural deficit issues can only be resolved by explicit and direct governmental policy changes: specifically, by reducing spending, operating efficiently, increasing the tax base, or increasing tax rates. We are not considering tax rate changes at this time, but as a city, we have actively pursued and enacted reductions in expenses and increases in our tax base with projects like the Bloomfield Park Development. We have pursued creative financing and through restructuring and reorganizing, we are continuing to look at all city departments for ways to operate more efficiently.

While we have experienced a decline in revenue in the city, our cost of doing business is steadily rising. We have had to subsidize shortfalls in city agencies, such as the 50th District

Court to the tune of a \$1/2 million to \$2 million dollars a year for the past 10 years. Entities with financial obligations to the city, such as the annual million dollar payment from North Oakland Medical Center, no longer exist. The Municipal Golf Course has operated at, at least, a quarter of a million dollar loss for the past five years, and these are all dollars that come from or go into the city's general fund, which affects our ability to deliver essential city services. Yet, at the close of the 2nd fiscal year, under my Administration, general fund expenditures were down 4% and have remained at that level. Managing the city's finances has been a constant, difficult struggle. At this time, I would like to express my appreciation to Mr. Raymond Cochran, Finance Director, for his leadership and his administrative team for their efforts in this regard.

WHAT ARE WE DOING

But all is not lost. We really ARE making progress. It's difficult, but we're making it. We are doing more with less, and we are still providing our citizens with essential and quality of life services that you have come to expect, but we need your patience as we continue to adjust while performing these tasks with fewer personnel. In a time where we have had to literally watch every penny we spend, where we have had to learn to do so much more with less, I want to personally recognize, thank and express my deepest appreciation for the men and women who are working diligently to provide essential services to our citizens.

It's not so much what one does in a time of comfort and convenience, but it's how one performs in a time of controversy and conflict.

Many city employees have not received raises in over 4 years, but day after day, week after week, they selflessly perform. I just want you all to know that your hard work, sacrifice and commitment to ensure that our city maintains its capacity to deliver adequate services to

those we all work for, the people of Pontiac, does not go unnoticed or unappreciated. At this time, All city employees, please stand. You may be seated. Thank you.

One evolutionary remedy to our deficit is to change policy where certain expenses are mandated. We were hopeful that recent elections would have allowed certain latitude to restore services that we lost in the area of youth recreation and police services, but our efforts were unsuccessful. The people resoundingly spoke and while minimum manning remains in tact, it lets me know that I must to do a better job of communicating the facts. We recognize that this is just one of the serious issues facing the City of Pontiac, but as a community, we must be united and committed to resolving these issues together.

Administratively, we must balance our workforce and our finances. We recognize that our largest consistent expense, as a city, is our human resources, and to that affect, we have already cut every department to the bare minimum and some beyond that, including but not limited to our police department. This decision was made with much hesitation and reservation.

I know that many of you questioned that decision, but we have had to make some very tough and unpopular business decisions in an effort to put city government in a better position to balance its budget.

Some of the actions that we have taken to help bring Pontiac back to a position of fiscal responsibility is in the area of health care.

As we all know, health care in America is a rapidly rising economic strain, but in a cost savings effort:

- as shared with you last year, we negotiated and started receiving a 10% contribution from all city non-union employees. Since that time, two other union groups have also contributed to the annual premium costs resulting in over \$90,000 in savings.

- We negotiated with unions to reduce premiums by adopting the usage of preferred provider organizations within current plans, which also reduced premium costs of over \$400,000.
- We increased co-pays for prescription medications for all active employees and retirees after certain contract dates, and negotiated lesser rates for retiree prescription costs, which resulted in a combined savings of over \$700,000.
- We changed dental coverage to dental preferred organizations, which decreased our annual premium costs by \$75,000.
- We have continuously negotiated to decrease administrative fees already resulting in a savings of just under \$700,000, which we received in January of 2008.

All of these costs savings have been realized because of the diligent, hard work of our Human Resources Department. I would like to thank, Mr. Larry Marshall, Director of Human Resource, and his administrative team for their dedication and commitment to this cause.

PUBLIC SAFETY

With the unfortunate loss of a large portion of our Pontiac Police Force, we are happy to announce that a partnership between the Pontiac Police, the Oakland County Sheriff's and the Michigan State Police has been established. We refer to it as the Pon/Oak/Mich Initiative, and we are grateful that they have agreed to assist our police in their law enforcement efforts.

Let me take this time to clear up a misconception. My efforts to maintain our own police force at a reasonable and comfortable level for public safety was an attempt to preserve the level of comfort for our community as well as the livelihood of the dedicated men and women of the department. It in no way diminished the highly skilled and capable men and women of either the Oakland County Sheriff's or the Michigan State Police or their ability and willingness to assist

us. I was hopeful that we would somehow be able to hold on to our officers, because I still believe that if we lose our department, we may never get it back. Please know that it was nothing personal, just an effort to preserve a department that the citizens of this community were adamant they wanted to preserve. I strongly believe that making sure that the optimum quality of life in our community is preserved for every man, woman and child in Pontiac.

With that said, I stand here before you today proud to recognize and introduce the Oakland County Sheriff and Michigan State Police officers who are courageously patrolling the streets of Pontiac along with our Pontiac officers. I also want to thank Sheriff Michael Bouchard, of the Oakland County Sheriff's Department, Captain Robert Clark, Lieutenant Wynona Sturdivant, and Colonel Pete Munoz of the Michigan State Police, who have committed to serve and protect our community working in concert with the brave and courageous men and women of our Pontiac law enforcement team. Please stand. Let's give them a hand. Thank you. You may be seated.

Although fewer in number, our police department processed 1,577 sex offenders, made approximately 1,341 narcotics related arrests, 946 misdemeanor arrests, and collected over \$432,000 in forfeiture funds. I am proud to report that a cold case homicide that occurred in 1987 was solved by the hard work and diligence of Detective David Stone. Unfortunately, Detective Stone is one of the casualties of the layoffs that recently took place, but we appreciate his highly effective investigative skill and ability to solve this 20-year old homicide. As a result, the perpetrator received life in prison. Thank you, Chief Gross and Detective Stone.

In the spirit of community service, the men and women of our outstanding police force sent 30 high school students from Pontiac Northern and Pontiac Central High Schools to the Michigan Youth Leadership Academy where they proudly and successfully completed the

program. It was a positive and very fulfilling experience not only for the students but for the officers as well.

As a result of their participation, the attitudes of the students in the leadership program markedly improved and some of the students have aspirations of a career in law enforcement. Not only did it positively affect their behavior, but academic improvements were also noted.

Chief Gross has informed me that this weekend, 30 young men from Pontiac Schools have been selected to participate in the Michigan Youth Leadership Academy. And to be fair to our young ladies, the same program has been offered to 30 young women from our school system this summer.

We have several Michigan Youth Leadership Academy participants in the audience this evening. Michigan Youth Leadership Academy, please stand and be recognized. You may be seated.

We have one special participant of this academy joining us this evening. Mr. Byron Williams, a junior at Pontiac Northern High School, participated in the program last summer. Byron made such a positive impression on Governor Jennifer Granholm that she has selected him to accompany her on speaking engagements around the State, congratulations Byron.

At this time, I'd like to thank Sgt. Bennie Bowers, Director of the Michigan Youth Leadership Academy of the State of Michigan, for his assistance in coordinating this very worthwhile and effective program, and Chief Gross, thank you for your steadfast resolve and dedication to the families of this community and to the men and women of the Pontiac Police Department.

FIRE

Although I recently made a change in leadership in our Fire Department, I would like to take this time to thank Mr. Wilbert “Skip” McAdams, former Fire Chief, for over 25 years of service to the City of Pontiac.

Under his leadership, the Fire Department was recently awarded a homeland security grant in the amount of \$630,000.00 dollars for the purchase of emergency generators for police and fire stations. The Fire Department also purchased vehicle exhaust systems for all apparatus at the fire stations. Additionally, the department also successfully implemented the EMS Transport service creating a \$1.5 million dollar revenue stream utilized to offset Fire Department costs. Over 500 smoke detectors were also installed in owner occupied private properties. We would like to thank all of the men and women of the Pontiac Fire Department and EMS.

At this time, I would like to introduce my new Fire Chief, Mr. Jeffrey Hawkins. Jeff returns to us with a wealth of knowledge, technical skills and abilities. He is an excellent Fire Chief and we are already reaping the benefits since he has been a part of our executive team. I am happy to welcome back, Chief Hawkins.

WHAT ARE WE DOING

Although the struggle to balance our budget and responsibly handle our revenues is ongoing, it should not overshadow the fact that there are some wonderful things happening in our City!!!

Last year, I shared with you that in 2005, we were designated as a Cool City and a City of Promise by Governor Jennifer Granholm. City of Promise is an interagency initiative designed to redevelop communities and reduce poverty in cities that are experiencing challenges because of declining population, extreme poverty, loss of industry and jobs, crumbling infrastructure, and

blighted neighborhoods. This initiative offers much needed support to distressed communities throughout the State. Cornerstone to the “City of Promise” programs is blight elimination.

With the support of the Governors initiative and with financial assistance of up to \$3,000 per property available for demolition, our Pontiac City of Promise Team, City Departments and City Council will aggressively make demolition of abandoned and dilapidated buildings in our community a top priority this year. The focus of blight elimination is not limited to just demolishing homes but to strategically addressing blight throughout the entire City.

This includes abandoned vehicles, cleaning and maintaining vacant lots, and code enforcement for rehabilitation of deteriorating homes.

Additional City of Promise Projects include:

- Grant Funds for the demolition of the transportation building on Woodward, which has been an eyesore since the transpo center closed several years ago. The demolition of this property is scheduled to be completed in June of this year. The new proposed transpo center has tremendous commercial potential for the city, particularly, in our downtown. Proposed conceptual drawings are on display here tonight.
- Internally, grant funds were used to purchase BS&A Software to assist with the tracking of properties. This software will aide in greater accountability and accurate accounting for the collection of permits, licenses and fees in our Building & Safety Division.

CITY OF PROMISE SCHOOL COLLOBORATION

I have always believed that it is impossible for Pontiac to be a quality community without a quality public school system. Collaboration between the city and the Pontiac School District is very important to the progress of this community.

Safe Routes to School is a collaborative with the community and the school district supported by the State to create safe passage to and from school.

I'd like to thank the School Board Trustees, the administration, the Herrington Elementary School family as well as its volunteers and community members because Herrington Elementary School is the first of our schools to initiate this process under the Cities of Promise. We look forward to other schools coming on board.

CITY OF PROMISE BUSINESS COLLABORATION

Last but not least, more than 22 Pontiac-based businesses just completed our State Contractor Assistance Program. In addition, this past week a sub-set of those graduates also completed their Builders' License course. CAP is part of the City of Promise.

The State also extended the Builders License Course because of their excitement with our participants in the original training. Both of these would have cost the City in excess of \$20,000 to do ourselves and the participants would have paid at least \$750 each.

We have several CAP graduates in the audience today. Please stand and be recognized.

These projects, which have all begun over the past year, are not the only activities that you will see as part of the City of Promise, but in months to come you will see how a comprehensive plan for blight removal will aide and improve neighborhoods as well as spur economic development.

ECONOMIC DEVELOPMENT

BLOOMFIELD PARK

The mixed use Bloomfield Park Development has begun construction of Phase I. Ultimately over 1,500 will be employed. In the fall of 2009, approximately 2,000 retail employment opportunities will be created in the City of Pontiac upon the grand opening of the

signature Lifestyle Center. The rendering of the Bloomfield Park Development is on display here tonight.

LEXUS PROFESSIONAL BUILDING

Other recent development activities include the new Lexus Professional Building at 44200 Woodward Avenue. This new structure is a 102,000 square foot medical office building across from St. Joseph Mercy Hospital. Tenants will include the Michigan Kidney Foundation, the Institute of Urology, and an Internal Medical facility.

ULTIMATE SOCCER ARENA

The Ultimate Soccer Arena, at South Boulevard West of Opdyke Road, is a 266,400 square foot indoor soccer facility that opened its doors in November of 2007. It is the largest indoor soccer field in the United States. This is a \$10.5 million dollar facility composed of four steel structured buildings with three soccer arenas and a service area. It includes a full service restaurant as well as a European coffee and snack shop, arcade room, a speed, strength and agility training center, and a party room that seats 1,600 people.

LIGHTHOUSE DEVELOPMENT

As part of the Cities of Promise projects, Lighthouse of Oakland County Community Development is engaged in the construction of 40 units of housing aimed at individuals earning less than \$30,000 per year and or a family of four (4) earning less than \$42,000 per year.

The Beacon One Project consists of the rehabilitation of an apartment building at 101 Mechanic and the new construction of 12 town homes on Whittemore Street. Ten units will be designed “supportive housing units” and will be occupied by tenants who require support services to live independently in the community. This project has been designed to include upgrade finishes, lighting, ventilation and plumbing to meet the “green criteria” – which is

increased energy efficiency. Leasing should begin in July 2008 with the units leased by December 2008. This is the latest effort by Lighthouse to provide decent affordable housing opportunities to the people of Pontiac. Within Unity Park, Lighthouse Community Development has already constructed and sold seventy (70) single-family units.

VENTURE INC.

Venture Inc. is an OLSHA project, which will develop 10 new single-family homes that will provide rent to own properties for low and moderate income families in Pontiac. These 1,300 square ft. homes will be built in the Baldwin corridor. It will improve the overall character of the neighborhood.

EDS – ELECTRONIC DATA SERVICES

EDS, Electronic Data Services, a General Motors Supplier, made a major decision to move employees to Pontiac at 585 South Boulevard. Overall, Dallas based EDS now has about 4,000 employees based in Oakland County, 2,300 employees moved from Troy to Pontiac last month with the possibility of 300 more to come.

GENERAL MOTORS

GM is also moving 1,200 engineers from older engineering centers in Wixom, Ypsilanti, Romulus and Warren to a new 450,000 square foot engine test center on the north side of Pontiac in the GM Powertrain Complex. Additionally, General Motors is planning to move 600 OnStar service advisors to downtown Pontiac. The move is scheduled for April of this year.

DOWNTOWN STREETSCAPE

In our downtown area, the Downtown Development Authority completed the Downtown Streetscape with the support of Department of Public Works. Additionally two properties, one which stood blighted and vacant for over 12 years and the other which was severely under

utilized for the last decade have both been thru complete renovations and are now open serving more then 9 new businesses in our downtown district.

The DDA has scheduled a developer's showcase on May 28th and 29th, which will highlight the improvements and the economic growth, which has taken place in our downtown over the last three years. Businesses, developers and entrepreneurs are being solicited to participate in this 2-day workshop to view opportunities that may be available to them by relocating their business or their proposed development in our downtown.

We'd like to thank the DDA Board, Oakland County and the State of Michigan for assisting us with this endeavor. I would also like to thank Mr. Charles Tucker, newly appointed Pontiac Growth Group Director, and the Tax Increment Finance Authority for coordinating this effort, and along with the growth and development activities, we are also working on the....

CITY'S MASTER PLAN

The City of Pontiac Master Plan update is on track to be completed and adopted this summer. We need to update the Pontiac 2010 plan to reflect the changes we've experienced since we adopted the original plan in the 1990's. During this process, our consultants have engaged the community in a conversation to identify the goals and hopes for the future of Pontiac. The Master Plan's top priority is to change the perception of Pontiac, and since downtown is the image of Pontiac that the rest of the world sees, a vibrant, mixed use downtown is essential to attracting new economic investment in Pontiac. In our effort to attract new businesses, we must pay close attention to our infrastructure and roads, and.....

ROAD CONDITIONS/IMPROVEMENTS

Unfortunately, the severe winter weather wreaks havoc on our streets. I don't know if our community realizes this, but there are only 8 employees currently on our DPW road crews

who are covering 70 miles of local roads, 160 miles of major roads and 13 miles of State trunklines. The staff is doing their very best to respond to all requests and complaints, and I know that their goal is to prioritize and respond as quickly as possible. Thank you for your patience as we make adjustments. At this time, I am proud to share the most recent road improvements that have taken place in our city.

- Baldwin Road resurfacing from Walton to Montcalm and resurfacing of Montcalm from Oakland to Joslyn was completed in the summer of 2007;
- The reconstruction and re-alignment of Auburn/Orchard Lake Road between northbound Woodward and southbound Woodward was designed in-house, bid and constructed this past year;
- The resurfacing of South Boulevard from Bagley to Franklin was designed in-house, and constructed this past year with limited cost to the city;
- Montcalm resurfacing from Cesar Chavez to Joslyn Road;
- South Blvd. resurfacing from Bagley to Franklin;
- We are partnering with MDOT on the reconstruction of Woodward Avenue, the resurfacing of M-59 (Huron) from Woodward to Woodward and the resurfacing of M-59 from Telegraph to Johnson Street.
- In 2008, South Blvd. from Martin Luther King to Opdyke will be resurfaced.

I've always believed in giving credit where credit is due, and at this time, I think it is most appropriate to recognize my DPW&U Director, Mr. Allan Schneck, for his diligence, skill and ability to work in-house to save money on major city projects. Mr. Schneck's ability to pursue other funding sources to combine with city dollars on road, safety improvement and congestion mitigation projects is noteworthy. In the past two years, he has secured over \$21

million dollars in grants. This is one example of city employees at work pursuing creative financing to provide essential quality of life services to our community. **MAYOR'S CLOSING COMMENTS**

My Administration will not forget that we work for you. This evening I pledge to communicate more effectively with you, the citizens, to keep you informed. Soon I will begin our Mayor's Open Forum because I want to hear your thoughts. Along with that, I challenge you to become more involved with the events that take place in this city. I want you to be a part of the process before determinations are made. I encourage you to become a more integral part in the development stages of our endeavors with your presence in meetings, strategy sessions, and citizen district council meetings.

We need you to be a part of the solutions for this community!!! We need our community's leaders in business, clergy, citizen support groups, and constituents in a spirit of cooperation to work with us to help bring about positive change. At the same time, we the administration, will continue to explore and develop additional creative revenue generating opportunities. By utilizing current technology, we will make better use of our time and resources to continue to provide this community with the best level of service possible. We will continue to consistently research every avenue for grants and other creative revenue sources.

Government's primary objective is to take care of the citizens that created and maintained this municipality through their tax dollars. Pontiac, as the county seat, has great potential for its future growth and development. We are blessed with resources and encouraged by the possibilities that exist, which we feel will put our community in a position to be known not just as a geographic location at the end of Woodward, but rather a positive preferred destination.

As the chief steward and Pontiac's elected leader, it is my job to chart the city's course and to share my ideals for growing our beloved municipality. Your belief and expectations for a better Pontiac does not escape us. In fact, it inspires us to do even better.

I stand before you tonight extremely proud to be your Mayor. Despite weathering the storm, we still have challenges that face us in the future days ahead. As Pontiac faces these real obstacles, I publicly commit to work harder with President McClellan and the Pontiac City Council in order to help our great city move forward.

In closing, Pontiac is a government that was created of, for and by the people, and we are, first and foremost, public servants. We work for you.

I refuse to give up on Pontiac and I know that you won't either.

May God Bless and Keep You

And

May God Bless Pontiac.



Bloomfield
Park

Opening in 2009

*An upscale live, work,
play destination, featuring restaurants,
the hottest retail stores and residential units.*