

City of Pontiac

Partial List of Staff Accomplishments

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1. Cuts of all non-essential administrative personnel and other expense totaling approximately \$2.2 million in FY10 budget compared to FY09 budget. Many of the top executives of the administration have been gone since July 2009. Have brought in only one additional part-time consultant to help in the City's turnaround process, remainder of work being done by City staff. Have also used services of an outside attorney on an hourly basis primarily when there are issues effecting the Mayor or City Council (who are represented by the City Attorney).
2. EFM personally approving all payments on invoices, wire transfers, personnel changes, almost all contracts, legal fees and settlements
3. Approximate \$1.3 million deficit (unaudited) generated in fiscal year ended June 30, 2009 (excluding \$2.0 million gain on the sale of the hospital to be applied to the reduction of the City's cumulative deficit). Cumulative deficit at June 30, 2009 estimated to be \$6.3 million (unaudited). Total debt in all City funds at June 30, 2009 was approximately \$103 million.
4. Renaissance zone established for Raleigh Michigan Film Studios; commitment of at least \$40 million in capital spending by January 1, 2012.
5. Blue Cross refund collected of \$3.4 million in August 2009 (overpayments due to the overlap of expense while completing the transfer to Humana).
6. Staff/citizen/Garden Club grass roots effort to beautify City Hall and the Police Station; approximately 25 people worked in June to remove weeds that had overgrown the flowerbeds for years.
7. Changed insurance agent of record, saved approximately \$160,000 in fees and eliminated \$9,000 of past consulting fees in September 2009.
8. Prepared balanced budget for FY10 including aggressive assumptions to deal with anticipated tax revenue and revenue sharing reductions—Pontiac is still in a fiscal crisis.
9. Successfully completed negotiations with the Pontiac fire fighters union to create major win/win/win result for the fire fighters, citizens of Pontiac and City staff for annualized savings of approximately \$2.1 million this year
 - a. Reduced minimum manning requirement from 30 to 24 fire fighters on duty per 24-hour shift, reduced maximum vacation days from 6 to 4 per day, eliminated Super Kelly days and reduced personal days from 2 to 1 per day. This should eliminate virtually all fire department overtime which was approximately \$2.1 million in FY09. The minimum manning change also should impact the City Charter eventually.
 - b. Fire fighter headcount has been reduced from approximately 116 in FY09 to approximately 90. Approximately 29-35 senior fire fighters will retire from November 1 through December 31, 2009; some of these will be

- replaced by new lower-cost fire fighters. Retirement incentives were provided in the new contract.
- c. No pay increases from 7/1/04 through 6/30/10.
 - d. Now able to establish reserve unit in the Fire Department for the first time.
 - e. Active fire fighters and those who retire after November 19, 2009 will now pay \$1,500/year towards their medical benefits
 - f. Fire fighters will now be subject to significant co-pay amounts for doctor visits, prescriptions, emergency room visits, etc.
 - g. The union agreed the City's payments of a union grievance (approximately \$240,000) could be contributed instead to the cost of their health care coverage
 - h. New fire fighters will have only up to \$9,000 of their medical insurance costs paid by the City (as compared to \$13,500/year currently).
 - i. Overtime needs will be filled rank for rank (or, if needed, one step down) instead of based solely on equalized overtime across the board (for example, it will no longer be necessary to fill a fire fighter position with a captain if the captain has the least overtime).
10. Implemented Collective Bargaining Agreement Impasse Agreements for Teamsters 214 and AFSCME 2002 to reduce labor expense.
 11. Furlough days implemented October 16, 2009 (one day every other week) saving approximately \$35,000 per day (due to the slow process to renegotiate lower cost health care with City employees and retirees)
 12. New policy instituted at the end of October 2009 to require that all non-emergency overtime be approved in advance by the Emergency Financial Manager
 13. Plante & Moran now operating as full-time CFO and Controller; Finance Director position eliminated without increase in cost (saving over \$100,000/year)
 14. Rod Blake hired to be Director of Special Projects three days/week
 15. Home demolition program streamlined and made more efficient to conserve resources and more effectively address blight.
 16. RFP to purchase or manage the Pontiac Golf Course sent out for bids
 17. RFP to obtain engineering services sent out (first time in over ten years; bid received and will be evaluated soon)
 18. Started half-hour television shows to highlight the accomplishments of City staff and to answer questions from the public (the first show was aired prior to Halloween and featured the Chiefs of Police and Fire).
 19. Obtained COPS grant to pay for four police officers beginning October 1, 2009
 20. Obtained Justice Assistance Grant for police personnel in the amount of approximately \$600,000.
 21. Homicides at about 50% of last year's level (on a calendar year basis)
 22. Four officers from the DEA and four officers from the ATF have moved into the Pontiac Police Department to enable greater cooperation and strengthened efforts to fight narcotics trafficking.
 23. New contract finalized for all City copiers/printers to save approximately \$54,000 per year (a 48% savings).
 24. Filming conducted in downtown Pontiac of Red Dawn

25. Worked to help keep GM operating at the Lake Orion Assembly Plant and the Pontiac Stamping Plant
26. Obtained consent judgment from the Michigan Department of Environmental Quality dated July 24, 2009 greatly relaxing the time limits for performance of the obligations under the City's Wastewater Collection System Analysis and Rehabilitation Program Corrective Action Plan. In addition, the settlement amount of \$36,000 was significantly less than the \$85,000 originally demanded by MDEQ and a fraction of the amount demanded in MDEQ's original complaint.
27. Received correspondence from the MDEQ on August 14, 2009 regarding the State Revolving Fund which identified the City ranking in a fundable range.
28. Dream Cruise and Arts, Beats & Eats were large, successful programs without significant safety or Police-related incidents.
29. Helped to organize new City employee retiree organization with which to negotiate potential medical insurance cost savings (no retiree organization existed previously).
30. Met with senior officials from MDOT to develop new programs to increase number of certified minority contractors able to work on MDOT projects in Pontiac.
31. After continued persistent efforts, collected approximately \$626,000 in November 2009 from MDOT for road work done twelve years ago (deposited in Major Streets Fund).
32. The City of Pontiac has aggressively pursued grant opportunities and has been awarded the following recently:
 - a. Energy Efficiency: \$683,800
 - b. American Recovery and Reinvestment Act: \$2.1 million Clinton River Trail Pedestrian Bridge
 - c. ARRA: \$864,000 Centerpoint Parkway
 - d. ARRA: \$263,000 Joslyn Rd from Walton to City limits
 - e. ARRA: \$187,000 Wayne Street from Pike to Lafayette
 - f. Congestion Mitigation and Air Quality: \$71,500 for the installation of GPS Timer Units
 - g. CMAQ: \$75,000 for Signal Replacement/Upgrade at Saginaw & Pike
 - h. CMAQ: \$69,500 for Signal Replacement/Upgrade at Montcalm & Summit/Stanley
 - i. CMAQ: \$46,080 for Vehicle Replacement
 - j. Safety: \$52,134 for Signal Replacement/Upgrade at Auburn & Sanford
 - k. MDEQ: \$5,250 for Scrap Tire Cleanup
33. Instituted centralized controls over outside attorneys, reduced the number of firms providing services and negotiated to reduce hourly fees to approximately \$125-\$135/hour (with very few exceptions).

Significant Projects Currently Underway

1. Negotiating with six other City unions and retirees to have them voluntarily accept lower cost medical insurance and to have them participate in the payment for this lower cost insurance.
2. Prepared and sent preliminary proposal to John McCulloch, Oakland County Water Resources Commissioner, on September 30, 2009 to regionalize and sell the Pontiac Water Treatment Plant with potential proceeds to the City of tens of millions of dollars; now in preliminary discussion phase
3. Issuing \$16.0 million in Clean Water State Revolving Fund Bonds and \$5.5 million in Drinking Water Revolving Fund Bonds at 2.5% interest with potential of debt forgiveness of approximately \$8.6 million.
4. Preparing to raise water rates by 9.0% and sewer rates by 29.8%. This increase in Pontiac's water rates would result in a cumulative increase of 49.5% over the last eight years as compared to 119.8% over the last eight years by the City of Detroit. The larger increase in sewer rates is needed to compensate for no rate increases in the prior three years.
5. Intending to implement new water billing collection practices, including the potential of water shut-offs if payments are not made by customers. Approximately 21% of the water bills are at least six months past due.
6. Analyzing higher value/lower cost medical benefit plans for the future
7. Finalizing results of audit of all active and retired employees on propriety of their health care coverage to reduce medical insurance costs
8. Developing new, understandable, accurate and timely financial reports for all department heads. There have been two sets of financial reports that have been very difficult to tie together. Main accounting reports did not add up. Income and cash flow projections also being prepared and regularly updated.
9. Potential realignment of hospital/health care services downtown; potential new nursing school
10. Preparing prioritized capital spending plan including justifications for emergency capital expenditure projects (not done since 1996)
11. Intending to set up micro-loan program to stimulate new business in Pontiac using available loan funds that have not been used in many years. May involve local colleges/universities.
12. Shutting down City-owned building at 8 Saginaw to save operating expense and consolidate staff into City Hall.
13. Silverdome auction process completed by November 16, 2009. The FY10 budget includes an assumption that there will be sufficient proceeds to pay off the cumulative deficit of approximately \$7.0 million at June 30, 2009. The last major interior event at the Silverdome was January 6, 2006. The Lions settlement was \$26.2 million in Fiscal 2002. Also in FY2002, the City paid off \$15.0 million in stadium bonds. In FY2004, \$2.0 million was contributed to TIFA, \$2.0 million was contributed to the capital improvement fund and \$4.0 million was contributed to the Strand Theater Fund. Between FY2002-FY2005 there were various contributions totaling \$1.7 million to the General Fund.

14. Lawsuit underway against North Oakland Medical Center and other parties to recover up to \$12 million in trust funds originally set up to pay for pre-1993 hospital malpractice claims
15. Efforts underway, with State support, to obtain grant funding for Pontiac Police to help with the impacts of the early release program for prisoners from the Michigan Department of Corrections.
16. Establishing efilings for City's income tax returns to speed processing and eliminate manual input of tax return data.
17. Reviewing expense reimbursements from the Housing Commission to recoup funds due to the City.
18. Hiring tax compliance person to begin to strengthen collection practices
19. Selling two City-owned cemeteries
20. Selling two City-owned community centers
21. Started meetings with Pontiac's medium and large sized businesses to ask them to be more involved in the business community and City affairs
22. Restarting Town Hall meetings beginning November 18th and will conduct follow on meetings every six weeks thereafter
23. Two surplus fire trucks put up for sale to generate potential cash proceeds of at least \$650,000
24. Working with potential developer of Lot 9 (retail and 72-unit residential development)
25. Working with potential developers of the Strand Theater in downtown Pontiac
26. Negotiating new contract for Arts, Beats and Eats.
27. Trying to develop large new job fair in Pontiac during January 2010
28. Implementing improvements to building permit/inspection systems to provide efficiencies in the department and generate better information on property activities.
29. Financial audit of FY09 started October 2009.