



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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***Review Team to Examine Hamtramck Finances
Next Step Following Preliminary Review***

Governor Rick Snyder today appointed a financial review team to examine the City of Hamtramck's finances under Public Act 436 of 2012, the Local Fiscal Stability and Choice Act. The appointment of a review team is the second step in the process, following a preliminary review by the Department of Treasury, which found that a "serious financial condition" exists in the City of Hamtramck.

The preliminary review, which was conducted at the request of City officials, determined that the City's financial condition is the result of several issues, including: City officials have adopted budgets and budget amendments which do not comply with the Uniform Budgeting and Accounting Act, which requires that local officials monitor and promptly amend an adopted budget as necessary to prevent deficit spending; City officials have submitted a deficit reduction plan that is unacceptable to the department and which fails to provide any reasonable assurance that the City is adequately addressing its structural deficit; The City has delayed making \$2 million in required pension contributions to manage cash flow; and, unfunded liabilities of the City's pension and other post-employment benefits (OPEB) are significant obstacles to Hamtramck's long-term fiscal health.

The City of Hamtramck was declared to be in a financial emergency (under Public Act 72 of 1990) in 2000, after violating a consent agreement. That declaration was revoked in November of 2007.

Review team members are:

Representing members required by P.A. 436

Ed Koryzno, administrator, Office of Fiscal Responsibility (State Treasurer's designee)
Koryzno was named Administrator of the Office of Fiscal Responsibility (OFR), within the Department of Treasury's Bureau of Local Government Services, in February 2012. Prior to joining Treasury, Koryzno spent more than 15 years as city manager in Ypsilanti. Prior to that, he served as city manager in Grand Haven and Spring Lake and assistant city manager in Fenton. Koryzno holds a bachelor's and master's degree from Michigan State University.

Doug Ringler, director, Office of Internal Audit Services within the Department of Technology, Management and Budget (DTMB Director's designee)

Ringler is the chief audit executive and director DTMB's Office of Internal Audit Services, where he's served since 2008. He previously worked in the state's Office of Financial Management and Office of Auditor General. He holds a bachelor's degree from Ferris State University. He is a certified public accountant and certified internal auditor.

Eric Lupher, director of Local Affairs, Citizens Research Council of Michigan (nominee of the Senate Majority Leader)

Lupher is the director of Local Affairs for the Citizens Research Council, an organization he has worked for since 1987. His recent work has been focused on local government matters, including intergovernmental cooperation, governance issues, and municipal finance. Lupher currently serves as vice president of the Governmental Research Association and vice-chairman of the Governmental Accounting Standards Advisory Council. Eric holds a bachelor's degree from Michigan State University and master's from Wayne State University.

Max Chiddister, president, Chiddister and Associates (nominee of the Speaker of the House of Representatives)

Chiddister was formerly the executive director of the Detroit Public Safety Foundation, which worked to promote public safety by enhancing the capabilities of the Detroit Police and Fire Departments. Prior to joining the foundation, Chiddister was an independent business consultant after having spent 18 years as vice president of government affairs for J.P. Morgan Chase/Bank One. He also served two terms as mayor of Goshen, Indiana. Chiddister attended Indiana University.

Representing state officials with relevant professional experience

Frederick Headen, legal advisor for the Michigan Department of Treasury Headen has served with the Local Government Services Bureau position since 1997. He also served as acting chair of the State Tax Commission. Prior to joining Treasury, he worked as legal counsel for the Citizens Research Council. Headen holds a bachelor's and master's degree from Michigan State University and a law degree from Thomas M. Cooley Law School.

Under P.A. 436, a review team must report to the Governor within 60 days of its appointment, whether specific statutory conditions exist or are likely to occur, and must determine whether a financial emergency exists in the local government. A review team may request one, 30-day extension. A review team's report must be forwarded to the State Treasurer, the chief administrative officer and governing body of the local government, the Speaker of the House of Representatives, the Senate Majority Leader, and to the State legislators representing the local government.

For more information about PA 436, visit the Local Government Fiscal Health page on the Department of Treasury's Web site at www.michigan.gov/treasury.

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