

Municipal Stability Board Minutes

Wednesday, August 21, 2019 at 10:00 a.m.

Richard H. Austin Building
State Treasurer's Boardroom
430 W. Allegan Street
Lansing, MI 48922

CALL TO ORDER

Chairman Eric Scorsone called the meeting to order at 10:04 a.m.

ROLL CALL

Members Present: Three

Eric Scorsone

Barry Howard

John Lamerato

Let the record show that three Board members eligible to vote were present. A quorum was present.

APPROVAL OF MINUTES

A motion was made to approve the July 17, 2019 board meeting minutes by John Lamerato and supported by Barry Howard and Eric Scorsone. The Board unanimously approved the July 17, 2019 meeting minutes. 3 ayes, and 0 nays.

PUBLIC COMMENT

Nick Brousseau reviewed emails sent to the Board from the Kalkaska County Road Commission and Marcia Robovitsky, a resident of Bloomfield Charter Township.

Following the review of the emails submitted during public comment, Barry Howard asked to clarify that Bloomfield Charter Township presented multiple alternatives to the special assessment district to the Board at the May 2019 regular Board meeting.

CORRESPONDENCE

Nick Brousseau presented the Board with Treasury updates.

Nick Brousseau reviewed the Failure to Resubmit memo. It was indicated that Alpena County Road Commission, which was listed on the memo for failure to submit a revised Corrective Action Plan, had submitted a plan after the Board packet had been distributed. Therefore, Treasury would not be administratively placing the Road Commission into noncompliance.

OLD BUSINESS

CORRECTIVE ACTION PLAN MONITORING UPDATE

Nick Brousseau provided the Board with a review of the Corrective Action Plan Monitoring Update memo.

It was requested that the public comment period on the Corrective Action Plan Monitoring Process be extended for 30 days and reported back at the next Board meeting. A motion was made to extend the public comment period by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved extending the public comment period. 3 ayes, 0 nays.

NEW BUSINESS

CORRECTIVE ACTION PLAN REMOVAL PROCESS (RESOLUTION 2019-20)

Nick Brousseau provided the Board with a review of the Corrective Action Plan Removal Process. John Lamerato questioned how the criteria of a local government being 5% above the PA 202 minimum funding ratio was determined. Mr. Brousseau clarified that the additional 5% was only used as a criteria for the Board to administratively remove the local government from the Corrective Action Plan process. Local governments may request to be removed any time after they no longer trigger as underfunded on the annual retirement report. Eric Scorsone questioned why the document stated that the Board may vote to remove a local government instead of shall. Mr. Brousseau clarified that it was stated that way to provide the Board flexibility within the removal process.

A motion was made to approve the resolution by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved Resolution 2019-20. 3 ayes, and 0 nays.

TREASURY RECEIPT OF CORRECTIVE ACTION PLANS (RESOLUTION 2019-21)

Nick Brousseau provided the Board with a review of the Treasury Receipt of Corrective Action Plans (Resolution 2019-21). Barry Howard sought clarification that this resolution remained consistent with the Board's bylaws to meet at least once per quarter. Mr. Brousseau confirmed that Mr. Howard's assertion was correct.

A motion was made to approve the resolution by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved Resolution 2019-21. 3 ayes, and 0 nays.

RECEIPT OF 8 LOCAL GOVERNMENTS' CORRECTIVE ACTION PLANS (11 SYSTEMS)

Nick Brousseau provided the Board with the following 8 local governments' Corrective Action Plans (11 systems):

- Alpena County Road Commission

- Blackman Charter Township
- Village of Capac
- City of Highland Park (3 systems)
- Iosco County Road Commission
- Martha T. Berry Medical Care Facility (2 systems)
- Monroe Community Mental Health Authority
- Shiawassee Council on Aging

Nick Brousseau noted that the plan for the Alpena County Road Commission was received after the Board packet was distributed and therefore suggested that a motion be made to amend the received plans to include it.

A motion was made to amend the receipt memo to include the OPEB Corrective Action Plan from the Alpena County Road Commission by John Lamerato and supported by Barry Howard and Eric Scorsone. The Board unanimously approved the motion to amend the receipt memo to include the Alpena County Road Commission's OPEB Corrective Action Plan. 3 ayes, and 0 nays.

A motion was made to receive the Corrective Action Plans as amended by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously received the Corrective Action Plans as amended. 3 ayes, and 0 nays.

APPROVALS AND DISAPPROVALS OF CORRECTIVE ACTION PLANS FROM 8 LOCAL GOVERNMENTS (10 SYSTEMS) (RESOLUTION 2019-22)

Nick Brousseau was asked to review the Treasury recommendations for approval or disapproval of the Corrective Action Plans (Resolution 2019-22) with the Board.

Mr. Brousseau noted a couple items that he wanted to make the Board aware of. The Cadillac City Housing Commission plan was received during the prior meeting, however, upon review, the plan submitted had already been reviewed and approved, so the housing commission was not included in Appendix A. Secondly, Antrim County Road Commission had electronically submitted two plans prior to the previous Board meeting, which due to an administrative error, were not received. Subsequently, the two plans were reviewed, and recommendations were provided on this month's Appendix A. Finally, Harrison Charter Township provided three Corrective Action Plans, but upon review, the two submitted OPEB plans were for one OPEB system.

Mr. Brousseau highlighted the local governments that Treasury felt did not meet the Board's criteria. Mr. Brousseau addressed Kalkaska County Road Commission, and the reasons for Treasury's recommendation for disapproval. Dan Horn from Treasury provided additional clarification regarding the Corrective Action Plan recommendation from Treasury to the Board. Mr. Brousseau also addressed the South Haven Area Emergency Services Authority (SHAES) reasons for disapproval with the Board. The Board asked Treasury to provide additional information about qualified health care-trusts and restricted funds as it related to OPEB assets. Mr. Brousseau and Mr. Horn agreed to gather additional information and report back to the Board. The Board requested that Treasury contact SHAES to discuss their Corrective Action Plan submission, and questions from the Board. The Board further discussed the plan submitted by Kalkaska County Road Commission.

Mr. Brousseau also discussed the Corrective Action Plans of Harrison Charter Township.

A motion was made to remove the Kalkaska County Road Commission from Appendix A by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved the removal of Kalkaska County Road Commission from Appendix A. 3 ayes, and 0 nays.

A motion was made to remove SHAES from Appendix A and table discussion by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved the removal of SHAES from Appendix A and to table discussion. 3 ayes, and 0 nays.

A motion was made to approve the Appendix A of the Approvals and Disapprovals of Corrective Action Plans as amended (Resolution 2019-22) by Barry Howard and supported by John Lamerato and Eric Scorsone. Appendix A as amended included the following local governments:

- 35th District Court (2 systems) (Approve)
- Antrim County Road Commission (2 systems) (Approve)
- City of Gladstone (Approve)
- Harrison Charter Township (2 systems) (Approve)
- Henika District Library (Approve)
- Kingsford City Housing Commission (Approve)
- Monroe Housing Commission (Approve)
- Negaunee Housing Commission (Approve)

The Board unanimously approved the Approvals and Disapprovals of Corrective Action Plans as amended (Resolution 2019-22). 3 ayes, and 0 nays.

A motion was made to approve the Kalkaska County Road Commission Corrective Action Plan (Resolution 2019-23) by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved the Kalkaska County Road Commission Corrective Action Plan (Resolution 2019-23). 3 ayes, and 0 nays.

PUBLIC COMMENT

No public comment.

BOARD COMMENT

No Board comment.

NEXT MEETING

The next regular meeting will be on September 18, 2019 at 10:00 am.

ADJOURNMENT

A motion was made to adjourn by John Lamerato and supported by Barry Howard and Eric Scorsone. The Board unanimously approved the motion to adjourn. 3 ayes, 0 nays.

There being no further business, the meeting adjourned at 10:51 a.m.