

APPROVED

September 3, 2002

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable John Engler, Governor
and
Members of the State Administrative Board

A regular meeting of the **Finance and Claims** Committee was held at **11:00 a.m.** on **August 27, 2002**, those present being:

Chairperson: Mary G. MacDowell, representing State Treasurer Roberts Approved _____

Member: Deborah Devine, representing Attorney General Granholm Approved _____

Member: Brian DeBano, representing Governor John Engler Approved _____

Others: Socorro Guerrero of the Department of Attorney General; Wes Van Malsen, Department of Career Development; Kristi Broessel of the Department of Community Health; Sherry Bond, Kathy Jones, Arlene Oisten, of the Department of Management and Budget; Erwin L. Hollenquest, City of Ecorse; Thomas Enright of Fahnestock representing the City of Ecorse; William Swoger, Claimant

The Finance and Claims Committee regular agenda was presented.

Mr. Hollenquest explained the need for the request of the fiscal stabilization bonds requested by the City of Ecorse. The City had been successfully managing its projected deficit of about \$1,800,000 until the National Steel Corporation filed for Chapter 11 bankruptcy in March, 2002. At that time National notified the City that it would not be paying the City's 2002-03 tax payment of approximately \$3,000,000. The City would have a \$6,000,000 deficit by June, 2003.

Plante Moran has been assisting the City of Ecorse and River Rouge to work together to share administrative costs and fire protection. Mr. Enright explained some of the financial history of Ecorse and how the City had emerged from an earlier deficit period. He also provided a draft of a corrected resolution for the City of Ecorse City Council to approve provided by Miller Canfield.

Ms. MacDowell clarified that the request was for the Fiscal Stabilization Bonds and not for a State loan as noted in some of the wording submitted by the City.

Ms. Devine requested a corrected resolution be submitted at a special Finance and Claims Committee prior to the Board meeting on September 3, 2002.

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Ms. Guerrero explained the information she had received from the Department of Transportation concerning the claim for Mr. Swoger. Maintenance crews were out after the storm cleaning up the debris as fast as possible. They arrived at Mr. Swoger's location about two hours after the storm. Mr. Swoger had already removed most of the tree from the roadway when the crew arrived. Since Mr. Swoger's mailbox is on the MDOT right-of-way, the loss through a natural occurrence does not justify reimbursement.

Mr. Swoger explained his claim. He had requested MDOT remove the tree over the last three years. Someone from MDOT checked the tree over two years ago and found it viable. No one had been out to check it since even though Mr. Swoger had requested the check up. The tree fell during the storm destroying his mailbox and blocking M-43 and M-50 in front of his home.

Ms. Devine explained that the State is bound by law in its denial of the claim and cannot set a precedence to compensate for voluntary work provided by citizens not under contract with the State.

Following discussion, Ms. Devine moved that the regular agenda be recommended to the State Administrative Board for approval, with the withdrawal of items number 1 (17) and 43 (1), and that the supplemental item from the City of Ecorse be tabled until the Special Finance and Claims meeting when an appropriate resolution is received. The motion was supported by Mr. DeBano and unanimously adopted.

Ms. MacDowell adjourned the meeting.

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COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable John Engler, Governor
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A special meeting of the **Finance and Claims** Committee was held at **10:45 a.m.** on **September 3, 2002**, those present being:

Chairperson: Julie Croll, representing State Treasurer Roberts Approved _____

Member: Deborah Devine, representing Attorney General Granholm Approved _____

Member: _____, representing Governor John Engler Approved _____

Others: Deborah Devine, Department of Attorney General; David Hildenbrand, Lt. Governor's Office; Wes Van Malsen, Department of Career Development; Sherry Bond, James Burris, Jim Morrow, Arlene Oisten, Department of Management and Budget; Pam Lavender, Darby Schlagheck of Department of Transportation; Tom Enright of Fahnestock and Company; Kevin A. Smith and Harold W. Bulger of Miller Canfield; Erwin L. Hollenquest, City of Ecorse; Jerry Crandall of MIRS

The Finance and Claims Committee special agenda was presented.

Following discussion, Ms. Devine moved that the special agenda be recommended to the State Administrative Board for approval. The motion was supported by Ms. Croll and unanimously adopted.

Ms. Croll adjourned the meeting.