



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

September 24, 2014

Honorable Rick Snyder
Governor of Michigan
111 South Capitol Avenue
Lansing, MI 48909

Dear Governor Snyder,

As you are aware, I was first appointed Emergency Manager (EM), under the authority of PA 436 of 2012, of the City of Allen Park on March 28, 2013. During this time, considerable strides have been made to address the City's fiscal issues. As a result of these changes, the financial emergency within the City has been sufficiently addressed. At this time, I feel it is appropriate to relinquish my position.

As EM, I have completed a number of accomplishments in different areas, including the establishment of the Allen Park Advisory Committee to assist me with engaging the community and the development of a Visionary and Strategic Plan. The Plan was approved by the City Council, and was presented to the community in September for final comments. The Advisory Committee is currently in the process of establishing the group as a civic non-profit organization. With assistance from the City Administrator, I also organized a retreat for the City Council to engage in team-building activities and review procedural rules.

The City's structural and cumulative deficits have been eliminated while ending FY13/14 with a projected balance of \$3.6M. The audit process is currently underway; it is projected that the general fund balance as of June 30, 2014 was \$2.8M. In addition, policies regarding fund balance reserve and internal control have been established. The residents of Allen Park voted to increase millage rates that resulted in a cost savings from rebidding contracts and reorganizations (liability insurance, trash, City Attorney contracts, etc.). Purchase Agreements for the sales of the City Hall property and Southfield Lease Properties were executed. The sale of these properties is estimated to generate \$15.5 M in savings or new revenue for the City.

Grant money totaling approximately \$4.9M was acquired from FEMA (to purchase fire equipment), SAFER, Wayne County Parks, MDEQ, and MDOT. A reimbursement was also renegotiated with Fordland to include a contribution for police and EMS services in the amount of \$250,000 annually for a period of ten (10) years.

Employment contracts and/or EM Orders are now in place with all bargaining units. Additional cost savings have resulted from the implementation of a 10% reduction in pay for active employees, the elimination of vacant positions, the consolidation of healthcare plans from five

(5) to two (2), and an increase in co-pays and deductibles. All changes made apply to both retirees and active employees with the exception of cost-sharing for health insurance coverage, which only applies to active employees. Percentage-wise, the City now pays 80% of healthcare premiums, reductions in OPEB liability, and the implementation of other pension related changes; including employee benefits, changes in FAC, number of years needed to retire, and employee contributions (currently 20%). These savings amount to approximately \$54M.

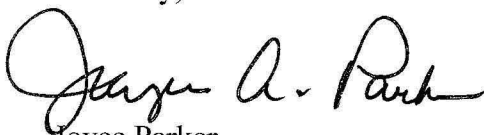
Other activities that have been accomplished or are currently underway include the relocation of City Hall, either to 4000 Allen Road or a new facility behind the current location. A number of staff positions have been filled, including the Police Chief, Fire Chief, Public Services Director, Parks and Recreation Director, Finance Director, City Administrator, Deputy Assessor, and an Administrative Assistant. At the time of my appointment, the City had numerous vacancies. As a result of the appointment of the aforementioned positions, the City now has a strong management team in place. The City also had deficiencies in the Finance Department and Community Center at the time of my appointment. I've since brought both operations in-house to save money while also increasing efficiency. A \$1.4M savings is projected as a result of these changes.

Section 22(l) of Public Act 436 of 2012, the Local Financial Stability and Choice Act, provides that if an Emergency Manager determines the financial emergency he or she was appointed to manage has been rectified, they are required to inform you and the State Treasurer. I believe the foregoing information supports my determination that the financial emergency in the City of Allen Park has been rectified. In addition, as required by Section 21(l) of the Act, I have adopted and implemented a two-year budget inclusive of all contractual and employment agreements for the City.

Although I have determined the financial emergency in the City to be resolved, I believe both City officials and residents would benefit from the appointment of a Receivership Transition Board, as allowed by Section 23 of the Act. In my opinion, the Board will be able to assist the City in their transition back to local control, while assisting City officials in discharging their duties responsibly on a long-term basis by providing appropriate oversight and guidance.

I greatly appreciate the opportunity to have been of service.

Sincerely,

A handwritten signature in black ink, appearing to read "Joyce A. Parker". The signature is fluid and cursive, with the first name "Joyce" being more prominent.

Joyce Parker
Emergency Manager
City of Allen Park

cc: R. Kevin Clinton, State Treasurer