

City of Lincoln Park
Receivership Transition Advisory Board Meeting Minutes
Tuesday, July 25th, 2017
Lincoln Park City Hall
Council Chambers
1355 Southfield Road
Lincoln Park, Michigan 48146

RTAB MEMBERS PRESENT:

KEVIN BONDS
JESSICA THOMAS
JOHN ZECH
BRENDEN DUNLEAVY

ALSO PRESENT:

PATRICK DOSTINE
Michigan Department of Treasury

Reported by:

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1 **Tuesday, July 25, 2017**

2 **Called to order at 1:00 P.M.**

3 *** * * * ***

4 MR. BONDS: All right, let's call this meeting
5 to order, and begin with roll call, please.

6 MR. DOSTINE: Brenden Dunleavy.

7 MR. DUNLEAVY: Here.

8 MR. DOSTINE: Jessica Thomas.

9 MS. THOMAS: Here.

10 MR. DOSTINE: John Zech.

11 MR. ZECH: Here.

12 MR. DOSTINE: Genelle Allen, Mr. Chair, has
13 asked to be excused. Kevin Bonds.

14 MR. BONDS: Here.

15 MR. DOSTINE: You have quorum, Mr. Chair.

16 MR. BONDS: All right, let's move on to approval
17 of today's agenda. Chair will entertain a motion to
18 approve the agenda as presented. And just as a reminder
19 for the public, please sign up to speak during public
20 comment, during the portion of the meeting.

21 MR. ZECH: Move for approval of the agenda.

22 MR. DUNLEAVY: Second.

23 MR. BONDS: It's been properly moved and
24 seconded; any further discussion on the motion?

25 (No response)

1 MR. BONDS: Hearing none, all those in favor
2 signify by stating aye. Aye.

3 MS. THOMAS: Aye.

4 MR. ZECH: Aye.

5 MR. DUNLEAVY: Aye.

6 MR. BONDS: Motion passes.

7 Approval of the RTAB minutes, this is from our
8 regular meeting of June 20th, 2017. Chair will entertain
9 a motion to approve the June 20th, 2017 RTAB minutes as
10 presented.

11 MR. DUNLEAVY: Move approval.

12 MR. BONDS: It's been moved; is there a second?

13 MR. ZECH: Support.

14 MR. BONDS: And supported; any discussion on the
15 motion?

16 (No response)

17 MR. BONDS: Hearing none, all those in favor
18 signify by stating aye. Aye.

19 MS. THOMAS: Aye.

20 MR. ZECH: Aye.

21 MR. DUNLEAVY: Aye.

22 MR. BONDS: Motion passes.

23 Old business, there is none. New business,
24 first item is the approval of Resolution 2017-244, which
25 is the collective bargaining agreement, which is

1 attachment two in your packets.

2 Mr. Coppler, please, can you provide us a
3 summary of this item to the board?

4 MR. COPPLER: Yes, the final negotiation
5 collective bargaining agreement, necessary with the IAFF.
6 We're able to keep to our overall theme throughout the
7 negotiation of all six bargaining contracts. Keeping wage
8 increases within an affordable amount for the city over
9 the next three to four years, have employees invest more
10 into the pension system, so we can stabilize that and help
11 that grow, going forward.

12 Again, really not much different. This was
13 pretty much all the contracts were the same, you know, a
14 little nuance here or there because there are some strange
15 things in those. For instance in this one, just to kind
16 of point this out real quick, the annuities for new
17 employees, new hires, was not taken away as part of the
18 actions of the EM.

19 So we had to negotiate that out of the
20 agreement, which caused this to look a little bit
21 differently than all the annuity clauses in others. So
22 each one had a little bit different of a twist here and
23 there we had to work on. But obviously we recommend the
24 approval of this, so we can finalize the deal.

25 MR. BONDS: The chair will entertain a motion to

1 approve, deny, or postpone Resolution 2017-244, which is
2 the IAFF collective bargaining agreement.

3 MR. DUNLEAVY: Move approval.

4 MR. BONDS: It's been moved; is there a second?

5 MS. THOMAS: Second.

6 MR. BONDS: It's been properly moved and
7 seconded; any discussion?

8 (No response)

9 MR. BONDS: And seconded. Any discussion on the
10 motion?

11 MS. THOMAS: I have a quick question.

12 MR. BONDS: Yes, please.

13 MS. THOMAS: Regarding the increase in
14 contributions, or employee contributions. Do you know
15 like the net impact that had on the pension obligation for
16 the 2018-19 budget year?

17 MR. COPPLER: So, these will not have -- we
18 don't -- we have not seen the actuarial results of this
19 yet. We had some understanding of what we were looking
20 at. For instance, with the annuity changes we're
21 proposing, the actuarial company that works with the
22 police and fire pensions felt that we would see somewhere
23 between \$50 to \$150,000 worth of value added over the next
24 two years.

25 So again, we'll see, you know, fortunately,

1 we've seen growth within the funds. The MERS, the
2 municipal employee, went from 17 percent to 19 percent
3 funded this past year. And the police went from 23 to 24,
4 which is not a big -- but that one actually didn't have
5 results of the full park funding plus the exchanges. So,
6 just in the police and fire alone, it could have an
7 impact, somewhere between 50 and 100,000.

8 MS. THOMAS: Thank you.

9 MR. BONDS: Any further discussion? Hearing
10 none, all those in favor signify by stating aye. Aye.

11 MS. THOMAS: Aye.

12 MR. ZECH: Aye.

13 MR. DUNLEAVY: Aye.

14 MR. BONDS: Motion passes. Next item, which is
15 Resolution 2017, number one. Which is the recommendation
16 from Deputy State Treasurer, which is Attachment 3. I
17 will turn this over to Mr. Dostine, please, for a summary.

18 MR. DOSTINE: Sure.

19 Mr. Chair, so before the board today is
20 Resolution 2017-1. And this resolution is recommending to
21 the governor of Michigan the termination of receivership
22 for the City of Lincoln Park.

23 At this point, I would respectfully ask that
24 you, as chairman of the Lincoln Park advisory --
25 Receivership Transition Advisory Board, read Resolution

1 2017-1 into the record, as this is an important day in the
2 city's history.

3 MR. BONDS: It would be my pleasure. So, the
4 Receivership Advisory Transition Board for the City of
5 Lincoln Park, Resolution 2017-1, recommending termination
6 of receivership:

7 "Whereas, subsection 22, paren three, paren D,
8 of Public Act 436 of 2012, empowered the governor to
9 appoint a Receivership Transition Advisory Board, in
10 the City of Lincoln Park, to monitor municipal
11 affairs, until the conclusion of receivership.

12 And whereas, by the letter dated December 22nd,
13 2015, the governor appointed a Receivership
14 Transition Advisory Board in the City of Lincoln
15 Park.

16 And, whereas, significant financial and
17 operational progress has been made by the city.

18 And, whereas, it has been established to the
19 satisfaction of the board that the causes of the
20 city's financial emergency have been rectified in a
21 sustainable fashion.

22 And, whereas, for these, and other reasons, the
23 board has determined that it is appropriate to end
24 receivership status in the city, as defined in
25 subsection 2, paren Q, of the act.

1 Now, therefore, it is resolved, the Lincoln Park
2 Receivership Transition Advisory Board hereby
3 recommends to the governor of the State of Michigan,
4 that the city's current receivership status be
5 terminated. If this action is taken by the governor,
6 this board will be dissolved, and the city will
7 successfully transition to complete local control."

8 Having said all that, the chair will entertain a
9 motion to approve, deny, or postpone a recommendation to
10 the governor, to approve RTAB Resolution 2017-1.

11 MR. DUNLEAVY: Move approval.

12 MR. BONDS: It's been moved for approval; is
13 there a second?

14 MS. THOMAS: Second.

15 MR. BONDS: It's been properly moved and
16 seconded; any further discussion on the motion?

17 (No response)

18 MR. BONDS: Hearing none, all those in favor
19 signify by stating aye. Aye.

20 MS. THOMAS: Aye.

21 MR. ZECH: Aye.

22 MR. DUNLEAVY: Aye.

23 MR. BONDS: Motion passes.

24 Next item, which is the amendment of EM Order
25 2014-60, which is attachment 4 in your packet, Mr.

1 Dostine, you want to provide the board a summary of this,
2 please?

3 MR. DOSTINE: Sure. So, when the emergency
4 manager departed the city, he left this order, December,
5 2015. As is the practice, the order is amended upon
6 exiting cities in receivership.

7 Let me say, first of all, that the board itself,
8 city administrator, CEO, and Treasury were all engaged in
9 this amendment process. The proposed amendment order
10 before the board represents a significant departure from
11 the original EM order that was left by the former
12 emergency manager. It's been reduced from an 18 page
13 document, approximately 4900 words, to a four page
14 document, being just under 1200 words.

15 The goal was to amend this order in a way that
16 captured the RTAB recommendation from your annual
17 evaluation, which was in June. But with leaving with --
18 leaving adequate operational fiscal guideposts in place,
19 as the city continues on its self-governing path to
20 financial wellbeing.

21 Under this proposed order the controlling
22 document for the City of Lincoln Park will be the city
23 charter, with exceptions as described in the order. I
24 should add that all resolutions and ordinances adopted by
25 city council going forward, will be advantaged by this

1 order, if adopted today and when signed by the treasurer.

2 MR. BONDS: Let me do a motion. So the chair
3 will entertain a motion to approve, deny, or postpone the
4 recommendations -- recommendation to the state treasurer,
5 to amend EM Order 2014-60.

6 MR. ZECH: So moved.

7 MR. BONDS: So moved; is there a second?

8 MR. DUNLEAVY: Second.

9 MR. BONDS: And seconded.

10 Now, discussion on the motion? Yes, sir.

11 MR. ZECH: Thank you.

12 I just wanted to clarify, is it 2015-60 or 2014-
13 60? The order in the packet differs from what's on the
14 agenda. And so, otherwise, I'm in --

15 MR. DOSTINE: The order is 2015-60.

16 MR. ZECH: Okay, so it's -- change that on the
17 agenda.

18 MR. DOSTINE: Oh, I see that. Good catch.
19 Yeah, it's 2015-60.

20 MR. BONDS: Let me ask, just for the record, one
21 question, Mr. Dostine. So, with this order being amended,
22 it's my understanding that, based on the act, this will
23 remain in effect for one year following the date that we
24 approve it. Is that correct?

25 MR. DOSTINE: While -- actually, it will be one

1 year from the date that the governor, or state treasurer,
2 returns the letter to the city, announcing the end of
3 receivership.

4 MR. BONDS: Okay.

5 MR. DOSTINE: So this takes a few business days.

6 MR. BONDS: Okay.

7 MR. DOSTINE: So I believe it will not be today.

8 MR. BONDS: Okay. I've got one more question.

9 Mr. Coppler, can I ask you a question, please?

10 MR. COPPLER: Sure.

11 MR. BONDS: So based on the guideposts that are
12 reflected in this order, and I know you had a chance to
13 review it. Are all of these -- are any of these points
14 that are in this amended order, anything that is weighing
15 on you? That's problematic?

16 MR. COPPLER: It all weighs on me.

17 MR. BONDS: I mean, you don't see anything
18 strategically or structurally -- ?

19 MR. COPPLER: No. I think, you know, what is
20 left in place, you know, gives us time for both mayor and
21 council and administration to kind of work through some of
22 the changes that may need to be made.

23 Definitely, you know, going from a kind of very,
24 autocratic position of the EM, you know, doing everything,
25 to kind of a, you know, more shared back to fully charter

1 driven running, you know, it's going to take a little bit
2 of time for us to make those.

3 So I think, what is in the orders, from what
4 I've seen, you know, will allow us the time to understand
5 the, you know, what needs to happen over the next 12
6 months.

7 MR. BONDS: Mr. Zech?

8 MR. ZECH: I just -- thank you, sir.

9 I just wanted to get a feel for, if it's a one
10 year arrangement, there's some certain powers and
11 privileges, we'll say, are in this order, that ordinarily
12 would not be -- it would be nice if all city managers had
13 this much authority, is what I'm trying to say. Or city
14 administrators, whatever their title is. But this one,
15 this does contain some powers that are somewhat over and
16 above what typically city administrators have.

17 And so at the end of the year, there would be
18 some kind of a restructuring? Or some kind of new
19 arrangement, between the mayor, council, and yourself?

20 MR. COPPLER: Yeah, one of the issues that we
21 have here in Lincoln Park, after studying very carefully
22 our charter, our ordinances, and operation, the way that
23 we operate -- there are a number of contradictions in
24 terms of who's in charge.

25 And you know, how -- especially on the personnel

1 side, where, you know, they talked about the hiring
2 authority. But they don't go back and tell you who the
3 hiring authority is. And so in the past, it was just kind
4 of assumed who the hiring authority is. So, you know,
5 over the next 12 months, we're going to be working to
6 clean up the language, most likely through the ordinances.

7 I just -- I don't think we're going to have time
8 to do a charter amendment, to rectify what has happened.
9 Because these are structural issues, and we have to go
10 through the full blown charter review process to get it
11 done. That's going to take a long time to do.

12 MR. ZECH: And your mayor and council terms,
13 which there are elections going to be this fall.

14 MR. COPPLER: Yup.

15 MR. DUNLEAVY: Are your terms -- are two years
16 or four years?

17 MR. COPPLER: Well actually, it's next year.

18 MR. ZECH: Oh, it's '18?

19 MR. COPPLER: Yes.

20 MR. ZECH: Oh, okay. Southgate's are --

21 MR. COPPLER: It moved, I think there was
22 something that was done to move it a year.

23 MS. BREEDING: Moved from odd year to even year.
24 We were allowed to. And that's in one year. They're two
25 year terms; that they did a three year term for one time

1 and then we had even year elections.

2 MR. COPPLER: So we actually have time; I think
3 it's, you know, there's a lot work. I don't know if
4 council appreciates yet the amount of work they're going
5 to be doing. Because you know, we've started kind of
6 logging all the contradictions within it, and the things
7 that need to be cleaned up, so it's clear who's in charge,
8 who answers to who, whom -- and things like that.

9 MR. ZECH: The reason why I ask about the terms,
10 and et cetera, is just from the standpoint of, you have a
11 mayor and council now, so, you're going to be working with
12 the same group that you've been working with while the
13 RTAB's been in place. And so, sometimes if there's some
14 changes, like this fall, if you were having elections, and
15 you've got some new people, that it may actually kind of
16 slow down things.

17 Because, you know, they're -- they have a
18 mindset, perhaps, that is different than the former
19 people, and, but, you know who you're working with. And
20 the department heads know, and -- who they're working
21 with.

22 I'm glad you're working through these areas
23 where things aren't very well defined. Because where
24 there's an absence, something always fills that void. And
25 sometimes it can be good, or not good, you know. Thank

1 you.

2 MR. BONDS: Any other questions?

3 MS. THOMAS: I have a quick question. I guess,
4 looking at the order, and understanding what John just
5 said -- are there many differences in what's in the order,
6 and the practice that you have done since RTAB has been in
7 place?

8 MR. COPPLER: I think the practice and the
9 orders, since I've been here, have been consistent.
10 Again, I think the issue is that both the orders and the
11 practice are vastly different than what, you know, has
12 happened in the past. And you know, that, there are
13 points where prior to going into receivership, the city
14 was already in practice doing something different than
15 what the charter or some of the ordinances have said.

16 And so it really is trying to get everything
17 back to, you know, a good status. So if there's a desire
18 to change anything, they'll be able to do it from a clean
19 perspective, rather than, you know, kind of, well, this is
20 how we did it, but it's not consistent with what the
21 charter says, so now what do we do?

22 But yeah, it's going to be -- it's going to be
23 an interesting process. Because I think, yeah, there's a
24 lot of choices that the mayor and council are going to
25 have, in terms of, you know, how to define and redefine

1 the way the city operates.

2 MR. BONDS: Any other questions?

3 (No response)

4 MR. BONDS: All right.

5 Now on the motion, all those in favor, please
6 signify by stating aye. Aye.

7 MS. THOMAS: Aye.

8 MR. ZECH: Aye.

9 MR. DUNLEAVY: Aye.

10 MR. BONDS: Motion passes.

11 Public comment?

12 MR. DOSTINE: Mr. Chair, there's one request,
13 from Councilman Larry Kelsey.

14 MR. BONDS: Yes, sir.

15 MR. KELSEY: Well, good afternoon, for maybe the
16 last time; I'm not sure how that works, but. In the --
17 being the, coming from the private sector, of being an
18 elected official, and coming to the public sector, being
19 an elected official, getting a little bit of a difference,
20 okay.

21 I've always learned that as you give good and
22 bad things in life, your experiences carry you through to
23 the next job, as far as, you learn what not to do, or
24 learn what you should do. Irregardless of what people
25 tell you.

1 So I'm going to say that it, as, you know, when
2 I came in, we were already into this process, or going
3 into it, so I can't say much about that, but, I think that
4 as the city goes forward, I think, things will be a little
5 bit different. And I say that because some of us have got
6 the, if you want to call it the education by fire, good
7 and bad; it goes back to what I first said.

8 I can't comment on EM Order 2014-60, Attachment
9 4, because I don't have that in my packet, so I can't say
10 that's good, bad, indifferent, or what it contains or what
11 it doesn't contain.

12 But I will say something, I think, that other
13 people should learn from this experience, is, that elected
14 officials are elected by the populace. Very old process
15 that George Washington started, blah, blah, blah. And
16 what I'm trying to say is, you have to give due diligence
17 to elected official, whether it's good or bad, or you
18 don't like them, or you like them. Because the populace
19 controls whether they get elected or not, that's the
20 democratic process.

21 You get the good with the bad, and the bad with
22 the good, okay? When you start modifying that
23 relationship, between the populace and the elected
24 official, you run a dangerous boundary.

25 The reason I say that is because people elect

1 people to represent them, that's their wishes, not
2 necessarily somebody else's wishes. That's what the --
3 how the process works. Sometimes, when I see how
4 sometimes that this process went, I kind of questioned
5 that process. About, you know, kind of funny how it is,
6 but a, aay, kind of deal, okay?

7 And I think that takes away from the process
8 that we have in place, and that's just my comment on that.
9 Again, when you delve into telling people what they got to
10 do and not what they should do, as far as advising them,
11 it becomes something more what they don't want to do,
12 okay.

13 People are pretty well common sense. If you
14 bring a process to them and you have a dais up there of
15 seven or eight people, they have difference opinions, but
16 they normally get a majority to make a decision. That's
17 always been the way life has been done, whether you're in
18 any kind of organization, whether it's a social club, or a
19 political club. That was the way where I come from.

20 And I would just ask that, as things go forward
21 with the state, they remember that. Because in one
22 aspect, I see how the state elected reps get treated, and
23 sometimes how we get treated down here. And I think it's
24 disingenuous to a certain extent, and that's all I'll say
25 about that.

1 I don't want to get into whatever, but I think
2 what I was getting at is, we are not naive to what
3 happens. We read the papers, we interact with different
4 reps, we talk about things. Because we are like the
5 politicians too, even though we're on the lower level.

6 And if anything happens, it happens on a lower
7 level, before it gets to the state level. Usually, your
8 reps up there are elected locally; sometimes not,
9 sometimes they jump right into the foray and all that
10 stuff. But they usually cut their teeth on a local
11 government or a local city council meeting, or a trustee
12 board, or something.

13 So I would just ask that people remain --
14 remember that, because the populace are the ones that are
15 quite the silent majority. They vote with their vote. I
16 mean, they vote every time, and what happens is that, to
17 get the pulse, you have to be around in the organization,
18 or around in the neighborhoods, around in that.

19 And sometimes, sitting up here, it's like the
20 CEO of a company that says, I want you to do this. And
21 then he finds out later that everybody said yes, but the
22 company's going bankrupt, what happened? Well, you never
23 asked the person on the floor doing that, or the
24 supervisor that's running that operation, how that's going
25 to impact, because they do it every day of the week; you

1 do not do that.

2 Just a comment, that's the way I look at it.
3 Other than that, thank you very much, and not that I wish
4 bad luck, but I hope I don't see you again. Thank you.

5 MR. BONDS: Thank you very much. Any
6 additional?

7 MR. DOSTINE: Mr. Chair, that concludes public
8 comments.

9 MR. BONDS: Okay. We're now at the portion for
10 board comment. I think at the last meeting, we all stated
11 kind of our respective positions on this process. I
12 think, again, for the record and for this meeting, I want
13 to thank the City of Lincoln Park, particularly Matt
14 Coppler, the mayor and the city council, for its
15 professionalism throughout this entire process.

16 Because I think that without the skills, the
17 acumen, the courtesy, the free flow of information, this
18 would not have been successful. And to what the
19 councilmember just stated, I think this board has always
20 and will continue to recognize the power of local
21 government.

22 And that's the beauty of this process, is to
23 return it back to the people. We were here as the
24 advising body, to keep you on track; you all did the work.
25 And it was much appreciated. So having said that, I want

1 to thank each of the board members, because this was a
2 time and a commitment by each, including Ms. Allen, who
3 unfortunately, due to a family member -- family issue,
4 could not be here today.

5 Everybody committed, and I really appreciate the
6 skills and the talents that you all brought, individually,
7 to this process, as well. So with that, I want to say
8 thank you, and Godspeed to the City of Lincoln Park.
9 Anybody else? Brenden?

10 MR. DUNLEAVY: Just, I'd like to thank the
11 administration also. They were very helpful, and unlike
12 the councilman, I hope to see you all again but not in
13 this capacity.

14 MR. BONDS: So with that, I guess with a
15 hesitant, I will ask for a motion to adjourn.

16 MS. THOMAS: So moved.

17 MR. DUNLEAVY: Second.

18 MR. BONDS: Second, all those in favor for
19 adjourning for our last meeting, signify by stating aye.
20 Aye.

21 MS. THOMAS: Aye.

22 MR. ZECH: Aye.

23 MR. DUNLEAVY: Aye.

24 MR. BONDS: Adjourned, thank you all.

25 (Proceedings adjourned at 1:23 p.m.)

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STATE OF MICHIGAN
COUNTY OF WASHTENAW) .ss

I certify that this transcript is a complete, true, and correct transcript to the best of my ability of the RTAB meeting held on July 25th, 2017, City of Lincoln Park. I also certify that I am not a relative or employee of the parties involved and have no financial interest in this case.

RESPECTFULLY SUBMITTED: July 31, 2017

s/ Amy Shankleton-Novess

Amy Shankleton-Novess (CER 0838)
Certified Electronic Reporter