

Municipal Stability Board Minutes

Wednesday, September 18, 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 10:00 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 August 21, 2019 board meeting minutes by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved the August 21, 2019 meeting minutes. 3 ayes, and 0 nays.

PUBLIC COMMENT

No public comment.

CORRESPONDENCE

Nick Brousseau presented the Board with Treasury updates, which included a tentative schedule for upcoming corrective action plan reviews, an updated Department of Treasury Communication and Outreach Report, and additional information about the Governmental Accounting Standards Board (GASB) OPEB Trust Criteria.

Nick Brousseau reviewed the Freedom of Information Act (FOIA) request that he received regarding the previous Board meeting and Bloomfield Township. The FOIA response was sent to an incorrect address, which has been corrected. Additionally, Treasury provided the requester with an electronic copy and also mailed a hard copy.

OLD BUSINESS

APPROVAL OF SOUTH HAVEN AREA EMERGENCY SERVICES AUTHORITY (RESOLUTION 2019-24)

Nick Brousseau provided the Board with a review of the updated corrective action plan from South Haven Area Emergency Services Authority (SHAES) at the Board's request from last month's meeting.

A motion was made by Barry Howard to approve the resolution, with the expectation that SHAES establishes a qualified trust. The motion was supported by John Lamerato and Eric Scorsone. The Board unanimously approved Resolution 2019-24. 3 ayes, and 0 nays.

ADOPTION OF MONITORING PROCEDURES (RESOLUTION 2019-25)

Nick Brousseau provided the Board with an update of the public comment received about the Board's monitoring procedures and the changes recommended. The Board discussed the inclusion of enterprise funds that are used specifically to pay retirement costs, when projecting future revenues.

The motion was made by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved Resolution 2019-24. 3 ayes, and 0 nays.

NEW BUSINESS

RECEIPT OF 6 LOCAL UNITS' CORRECTIVE ACTION PLANS (6 SYSTEMS)

Nick Brousseau provided the Board with the following 6 local governments' corrective action plans (6 systems):

- Capital Area Transportation Authority
- Copper Country Mental Health Services Board
- Grosse Ile Township
- City of Harper Woods (OPEB)
- City of Riverview
- St. Clair River Sewer and Water Authority

A motion was made to receive the corrective action plans by John Lamerato and supported by Barry Howard and Eric Scorsone. The Board unanimously received the corrective action plans. 3 ayes, and 0 nays.

APPROVALS AND DISAPPROVALS OF CORRECTIVE ACTION PLANS FROM 8 LOCAL GOVERNMENTS (11 SYSTEMS) (RESOLUTION 2019-26)

Nick Brousseau was asked to review the Treasury recommendations for Approval or Disapproval of Corrective Action Plans (Resolution 2019-26) with the Board.

Mr. Brousseau noted a couple items that he wanted to make the Board aware of, including that Monroe Community Mental Health Authority failed include governing body approval; instead, their corrective action plan included approval from the Monroe Community Mental Health Retiree Health Board.

The Board asked questions regarding the plans submitted by the City of Highland Park and inquired as to whether the actions detailed in the plans were reflected in the City's budget. Mr. Brousseau indicated that had not been reviewed as part of the Treasury recommendation; however, the plan was approved by the governing body of the City.

A motion was made to approve the Appendix A of the Approvals and Disapprovals of Corrective Action Plans (Resolution 2019-26) by Barry Howard and supported by John Lamerato and Eric Scorsone. Appendix A included the following local governments:

- Alpena County Road Commission (Approved)
- Blackman Charter Township (Approved)
- Village of Capac (Approved)
- City of Highland Park Pension Public Safety (Approved)
- City of Highland Park Pension General Employees (Approved)
- City of Highland Park Pension Police and Firemen (Approved)
- Iosco County Road Commission (Approved)
- Martha T. Berry Medical Care Facility Pension (Approved)
- Martha T. Berry Medical Care Facility OPEB (Approved)
- Monroe Community Mental Health Authority (Disapproved)
- Shiawassee Council on Aging (Approved)

The Board unanimously approved the Approvals and Disapprovals of Corrective Action Plans (Resolution 2019-26). 3 ayes, and 0 nays.

CORRECTIVE ACTION PLAN NONCOMPLIANCE (RESOLUTION 2019-27)

Nick Brousseau was asked to review the local governments on the Corrective Action Plan Noncompliance (Resolution 2019-27).

Mr. Brousseau indicated that prior to the Board meeting, that the City of Ferndale submitted an extension request. Additionally, the City of Potterville submitted their Retirement System Annual Report (Form 5572) showing that they do not trigger as underfunded, thus satisfying the requirements of a corrective action plan. Based on this, both of these local governments should be removed from the list of governments to be determined to be noncompliant.

A motion was made to amend the Corrective Action Plan Noncompliance Exhibit B to remove the City of Ferndale and the City of Potterville by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved the removal of the City of Ferndale and the City of Potterville from the Corrective Action Plan Noncompliance Exhibit B.3 Ayes, and 0 nays.

A motion was made to approve the Corrective Action Plan Noncompliance (Resolution 2019-27) as amended by Barry Howard and supported by John Lamerato and Eric Scorsone. Corrective Action Plan Noncompliance (Resolution 2019-27) as amended included the following local governments:

- Village of Otisville
- Reed City Housing Commission
- Romeo District Library

CORRECTIVE ACTION PLAN EXTENSION REQUEST

As an addition to the agenda, the City of Ferndale submitted a corrective action plan extension request after the Board agenda packet had been created.

Nick Brousseau was asked to review the extension request. Mr. Brousseau indicated that the City of Ferndale had submitted an extension request that provided adequate documentation.

A motion was made to approve the corrective action plan extension request for the City of Ferndale by Barry Howard and supported by John Lamerato and Eric Scorsone. The Board unanimously approved the Corrective Action Plan Extension Request for the City of Ferndale. 3 ayes, and 0 nays.

PUBLIC COMMENT

Rod Taylor from the Community Engagement and Finance Division of Treasury spoke regarding the City of Highland Park. He indicated that the Community Services Division of Treasury has an ongoing engagement with the City of Highland Park.

BOARD COMMENT

John Lamerato made an additional comment that he feels that enterprise funds should be available to be used in a local government's analysis if enterprise employees are included the retirement plan.

NEXT MEETING

The next regular meeting will be on October 16, 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.