

MUNICIPAL STABILITY BOARD

**Wednesday, October 28, 2020
1:00 p.m.**

Virtual Public Meeting via Microsoft TEAMS

APPROVED Meeting Minutes

CALL TO ORDER

Chairman Eric Scorsone called the meeting to order at 1:02 p.m.

ROLL CALL

Members Present: Three

Eric Scorsone – Flint, MI

John Lamerato – Sterling Heights, MI

Barry Howard – West Bloomfield, MI

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 September 16, 2020 board meeting minutes by Barry Howard and supported by John Lamerato. The Board unanimously approved the September 16, 2020 meeting minutes. 3 ayes and 0 nays.

PUBLIC COMMENT

No public comment.

CORRESPONDENCE

Nick Brousseau presented the Board with the Treasury update, which included an updated report on the Michigan Department of Treasury's communication and outreach.

Christopher Greathouse provided a 3-year comparison analysis of Public Act 202 of 2017 to the Board.

Finally, Nick Brousseau provided an overview of the corrective action plan (CAP) monitoring process and the next steps.

Nick Brousseau explained that the first local governments to go through the CAP monitoring review process with the Board are scheduled for the December board meeting. In advance of that meeting, Treasury would like to go through the CAP monitoring review and compliance certification process for a couple of local governments at the November Board meeting. This is to ensure that the review process is meeting the Board's requirements and to make adjustments, as necessary. Treasury would be providing recommendations for the City of Ecorse and White Pine District Library at the next

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meeting for the Board's review. To provide a reminder on the monitoring process, Nick Brousseau discussed the following documents:

- CAP monitoring policies and procedures
- CAP monitoring form
- Treasury CAP monitoring recommendation form
- CAP monitoring resolution for Board action
- CAP monitoring results letters

Barry Howard inquired about the highest benefit cost in the next five years. Nick Brousseau explained that Treasury is looking for the year with the highest combined pension & OPEB costs as a percentage of local revenue. Barry Howard asked about the cost per person for these benefits. Nick Brousseau responded that this request is on a government-wide basis, not by individual benefit.

John Lamerato asked who would be developing the numbers going out five years. Nick Brousseau responded that it could be either an actuary or a local government internal analysis. Nick Brousseau also reviewed the instructions that Treasury has provided detailing how to complete this section of the form.

Barry Howard asked the question "Would monitoring the report include the actuarial report in the documentation?" Nick Brousseau said yes, it is in the requested documentation in the CAP form; however, an internal analysis could also be acceptable if a valuation was not available.

Barry Howard asked if there was an increased cost to the local government. Nick Brousseau responded that most of this information should already be provided to the local government through regularly scheduled processes. The local government can use their most recent valuation, actuarial projection, or an internal analysis to complete the projection.

Barry Howard asked the question "Has this form been out for public comment?" Nick Brousseau responded and said that this specific form had not been released for public comment, but the form is based on the CAP Monitoring Policies and Procedures document which was released for public comment multiple times. The policies and procedures document went out for public comment as recently as this summer. Rod Taylor commented and reiterated that this process has gone out to local governments for public comment, and the form simply reflects the criteria and requested documentation in the approved policies and procedures document. Barry Howard commented and said he would like it to be released for public comment. Rod Taylor requested a board motion.

Barry Howard requested a motion to publish this form with its history for public comment. Klein Allison asked Treasury if this is a good enough motion to give guidance to Treasury. Rod Taylor responded and said yes.

Eric Scorsone seconded the motion.

John Lamerato commented that this information should already be included in most local plans and he does not think we are asking for additional work from local governments.

The motion passed with 2 ayes (Howard and Scorsone) and 1 nay (Lamerato).

NEW BUSINESS

RECEIPT OF CORRECTIVE ACTION PLANS FROM 5 LOCAL GOVERNMENTS (5 PLANS)

Nick Brousseau provided the Board with corrective action plans for the following 5 local governments (5 plans):

- City of Flat Rock
- City of Iron Mountain
- Ogemaw County Road Commission
- St. Clair River Water and Sewer Authority
- White Cloud/Sherman Utilities Authority

A motion was made to approve the receipt of the corrective action plans by John Lamerato and supported by Barry Howard. The Board unanimously approved the receipt of corrective action plans. 3 ayes and 0 nays. The motion was passed.

APPROVALS AND DISAPPROVALS OF CORRECTIVE ACTION PLANS FROM 6 LOCAL GOVERNMENTS (8 PLANS) (RESOLUTION 2020-17)

Nick Brousseau was asked to review the Treasury recommendations for Approval and Disapproval of Corrective Action Plans from 6 local governments (Resolution 2020-17) with the Board:

- Village of Kalkaska (Approval)
- Village of Ontonagon – OPEB Plan (Approval)
- Village of Ontonagon – Pension Plan (Disapproval)
- Ontonagon County Road Commission – OPEB Plan (Approval)
- Ontonagon County Road Commission – Pension Plan (Approval)
- Redford Charter Township (Approval)
- City of River Rouge (Approval)
- City of Walled Lake (Approval)

A motion was made to approve the Approvals and Disapprovals of Corrective Action Plans (Resolution 2020-17) by Barry Howard and supported by John Lamerato.

The Board unanimously approved the Approvals and Disapprovals of Corrective Action Plans (Resolution 2020-17). 3 ayes and 0 nays. Resolution 2020-17 was passed.

PUBLIC COMMENT

No public comment.

BOARD COMMENT

John Lamerato inquired about any updates from the Attorney General's office regarding the continuation of the Municipal Stability Board meetings being virtual. Klein Allison responded and said the Attorney General's office is working on a detailed memo of what the procedure will be starting January 1, 2021 and will give an update once that is complete.

NEXT MEETING

The next regular meeting will be on November 17, 2020 at 11:00 a.m.

ADJOURNMENT

A motion was made to adjourn by John Lamerato and supported by Eric Scorsone.

The Board unanimously approved the motion to adjourn. The motion was passed with 3 ayes and 0 nays.

There being no further business, the meeting adjourned at 2:10 p.m.