

# **MUNICIPAL STABILITY BOARD**

Wednesday, March 17, 2021  
11:00 a.m.

Virtual Public Meeting via Microsoft TEAMS

## **Approved Meeting Minutes**

### **CALL TO ORDER**

Chairman Eric Scorsone called the meeting to order at 11:02 a.m.

### **ROLL CALL**

Members Present: Three

Eric Scorsone – Flint, MI

John Lamerato – Sterling Heights, MI

Barry Howard – Longboat Key, FL

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 February 17, 2021 board meeting minutes by Barry Howard and supported by John Lamerato. The Board unanimously approved the February 17, 2021 meeting minutes. 3 ayes and 0 nays.

### **PUBLIC COMMENT**

Mr. Robert Widigan from the City of Lansing said he appreciates Treasury's recommendation for compliance and the Board's process to bring attention to legacy costs in the State of Michigan.

### **CORRESPONDENCE**

Nick Brousseau discussed the Treasury update including upcoming reviews and outreach, and the removal from corrective action plan monitoring letter. Treasury also updated the summary online to document local governments that have been removed from corrective action and provided links to documents from Treasury's presentation on PA 202 with the Senate Finance Committee.

Kayla Rosen discussed the Failure to Make Pension Contributions (s): Underfunded Local Government Memo.

Klein Allison, from the Attorney General's Office, gave an update on the Open Meetings Act.

## **NEW BUSINESS**

### **RECEIPT OF CORRECTIVE ACTION PLANS**

Nick Brousseau was asked to review the receipt of Corrective Action Plans from 4 local governments (4 systems) and informed the Board that the City of Marshall submitted a corrective action plan after the packet posted online. Brousseau noted that to receive the City of Marshall's plan the Board will need to amend the memo for receipt.

- Bruce Township
- Muskegon Housing Commission
- Saginaw Community Mental Health Authority
- Woodlands Behavioral Healthcare Network

A motion was made to amend the Receipt of Corrective Action Plans to include the City of Marshall's pension by John Lamerato and supported by Barry Howard.

The Board unanimously approved to amend to include the City of Marshall's pension. 3 ayes and 0 nays. The motion has passed.

A motion was made to receive the amended Receipt of Corrective Acton Plans by Barry Howard and supported by John Lamerato.

The Board unanimously approved to receive the amended the Receipt of Corrective Action Plans. 3 ayes and 0 nays. The motion has passed.

### **CORRECTIVE ACTION PLAN MONITORING CERTIFICATIONS OF COMPLIANCE FROM 20 LOCAL GOVERNMENTS (33 PLANS) (RESOLUTION 2021-9)**

Kayla Rosen, Veronica Miller, and Nick Brousseau were asked to review the Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-9) with the Board:

- City of Bay City (Compliant)
- Crawford County Road Commission (2 systems) (Compliant)
- City of Dearborn (Compliant)
- City of Eaton Rapids (2 systems) (Compliant)
- City of Flushing (2 systems) (Compliant)
- City of Hamtramck (Compliant with conditions)
- City of Hazel Park (2 systems) (Compliant with conditions)
- City of Iron Mountain (2 systems) (Compliant with conditions)
- City of Lansing (3 systems) (Compliant)
- City of Madison Heights (3 systems) (Compliant)
- City of Manistique (Compliant)
- City of Midland (Compliant)
- City of Port Huron (Compliant)
- City of Romulus (Compliant)

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- City of Saginaw (2 systems) (Compliant with conditions)
- City of Southgate (2 systems) (Compliant)
- City of St. Clair Shores (2 systems) (Non-Compliant)
- State of Michigan 41B District – Clinton Charter Township & Mt. Clemens (Compliant)
- City of Trenton (Compliant)
- City of Westland (2 systems) (Compliant)

Rosen, Brousseau, and Miller discussed the corrective action plan monitoring submissions for the 20 local governments and their 33 systems.

During the review of City of Lansing's three monitoring submissions, Rosen indicated that Treasury is recommending compliance, as the City meets or partially meets the Board's approval criteria, including the sustainability criterion. However, Rosen also noted that in the City's required reporting for City, Village, and Township Revenue Sharing (CVTRS) Form, the City's projected budgets show general fund deficits in fiscal year 2022-2026 if changes are not made to their OPEB system(s). The City projects lesser deficits if immediate changes are made in the next 6 months. The Board asked the City of Lansing to provide an update to their financial position. Widigan stated that since the December 2020 CVTRS was submitted, the City has been working with labor to enact changes that would save \$2.5 million for the City annually and was looking at other ways to save with labor. Widigan also noted that the City has received state and federal assistance which will help them rebuild their fund balance to address future budgetary constraints. Additionally, Lansing City Council did authorize the City to pursue a Tax Anticipation Note (TAN), if necessary, to alleviate short-term cash constraints, in addition to make changes to the pension and OPEB systems. Widigan indicated that overall, the City's financial position had improved since submission in 2020 required by CVTRS.

Additionally, Brousseau noted that the City of St. Clair Shores submitted both forms yesterday, Treasury recommends the Board remove them to provide Treasury time to review and make a recommendation for next month's meeting.

Allison noted that any Board member can remove a local government to vote upon them separately to change appendix A.

Eric Scorsone requested to remove the City of St. Clair Shores from Appendix A.

A motion was made to approve the amended Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-9) by Barry Howard and supported by John Lamerato.

The Board unanimously approved the Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-9). 3 ayes and 0 nays. Resolution 2021-9 was passed.

A motion was made to table the City of St. Clair Shores by Barry Howard and supported by John Lamerato.

The Board unanimously approved to table the City of St. Clair Shores. 3 ayes and 0 nays. Resolution 2021-9 has passed.

John Lamerato noted that Treasury went through and made calculations, he wants to note that the local governments should be providing enough information in their plans to determine if they are meeting the CAP monitoring requirements.

**LOCAL GOVERNMENT REQUEST FOR REMOVAL FROM CORRECTIVE ACTION (RESOLUTION 2021-10)**

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Nick Brousseau was asked to review the Local Government Request for Removal from Corrective Action (Resolution 2021-10) with the Board:

- City of Marine City
- Capital Region Airport Authority
- Redford Township District Library

Brousseau reviewed the local governments that no longer meet the definition of underfunded status and have requested to be removed.

A motion was made to approve the Local Government Request for Removal from Corrective Action (Resolution 2021-10) by John Lamerato and supported by Barry Howard.

The Board unanimously approved the Local Government Request for Removal from Corrective Action (Resolution 2021-10). 3 ayes and 0 nays. Resolution 2021-10 was passed.

**BOARD REMOVAL FROM CORRECTIVE ACTION (RESOLUTION 2021-11)**

Nick Brousseau was asked to review the Board Removal from Corrective Action (Resolution 2021-11) with the Board:

- City of Dearborn
- State of Michigan 41B District Court

A motion was made to approve the Board Removal from Corrective Action (Resolution 2021-11) by Barry Howard and supported by John Lamerato.

The Board unanimously approved the Board Removal from Corrective Action (Resolution 2021-11). 3 ayes and 0 nays. Resolution 2021-11 was passed.

**PUBLIC COMMENT**

No public comment.

**BOARD COMMENT**

Eric Scorsone thanks Treasury staff for their hard work on this month's packet.

**NEXT MEETING**

The next regular meeting will be on April 21, 2021 at 11:00 a.m.

**ADJOURNMENT**

A motion was made to adjourn by Barry Howard and supported by John Lamerato.

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 12:20 p.m.