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## Lincoln Park becomes latest Michigan city under state control

Chris Christoff Bloomberg News

Gov. Rick Snyder appointed an emergency manager for Lincoln Park, a Detroit suburb that's struggled with deficits and rejected an agreement to bring its [finances](#) under control.

Snyder named Brad Coulter, a 54-year-old Detroit-area finance [consultant](#), to oversee the city of 37,000, which, like other Michigan municipalities, has been squeezed between the cost of employee pensions and falling property-tax revenue to pay for basic services.

Coulter is an independent contractor for O'Keefe & Associates, a turnaround consultant in Bloomfield Hills. He has 25 years experience in corporate finance and restructuring, according to a release from the state Treasury Department.

"I know Brad will work collaboratively with city officials to address the financial emergency and to ensure Lincoln Park residents receive the critical services they expect and deserve," Snyder, a 55-year-old Republican, said in the release.

Two initial goals are cutting costs to generate a cash cushion for the city and revitalizing Lincoln Park's economy and tax base, Coulter said Thursday.

He declined to go into any specifics, saying he needs to dig deeper into the city's financial details and work with residents and elected officials on creating a sustainable plan. He worked on the state's preliminary financial review of the city in March.

Coulter did say the existing staff "is stretched pretty thin," but he would look at options for third parties to provide services.

But he emphasized he would be a booster for Lincoln Park.

"It's safe and affordable and 15 minutes from downtown Detroit," Coulter said about the Downriver community. "If you are priced out of downtown or Midtown Detroit for housing, it's a great affordable place to live."

The city diverted \$2.5 million from water and sewer funds to prop up pensions in fiscal 2013, according to an April state report. The pensions were 28 percent and 34.6 percent funded, and retirement health care was underfunded by more than \$100 million, according to the report. Standard & Poor's in December cut the city's debt rating seven steps to two levels below [investment](#) grade.

The City Council in May rejected a state consent agreement that would have given a new manager power to create a deficit-reduction plan, including the ability to restructure government, terminate union contracts and honor debt obligations. It's better to let the state appoint its own manager with more experience, said Councilman Tom Murphy, who opposed the deal.

"A state manager knows how to get things done and save money, and that's what we need," Murphy said in a phone interview.

Although Lincoln Park adopted a balanced budget for its fiscal year beginning July 1, it will create a deficit of "a couple million dollars" by next year, said City Attorney Ed Zelenak.

Four other Michigan cities and three school districts, including Detroit and its schools, are under state-appointed emergency managers. A 2012 law gave emergency managers broader authority, including the power to nullify union contracts.

The law gives distressed cities and school districts more choices to address fiscal crises, including bankruptcy, mediation or negotiating a consent agreement with the state.