



## State Appoints Emergency Manager To Fix Lincoln Park's Finances

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**LINCOLN PARK (WWJ)** - Michigan has officially named an emergency manager to help balance the budget in Lincoln Park after city leaders rejected a consent agreement.

Gov. Rick Snyder announced Thursday that Brad Coulter — an independent contractor with O'Keefe & Associates, a turnaround consulting firm based in metro Detroit — has accepted the position. He will earn \$150,000 a year.

Prior to joining O'Keefe, Coulter was a director at Amherst Partners, where he was a Certified Turnaround Professional consulting with middle market companies.

“Brad Coulter’s extensive experience in finance and restructuring, including his understanding of government structure and municipal services, makes him a strong choice as emergency manager for Lincoln Park,” Snyder said in a statement. “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 said Coulter has more than 25 years of experience in management, corporate finance, and international business and has managed various restructurings including the development and implementation of turnaround plans for automotive suppliers, construction companies, non-profits, and various other entities. In addition to his financial background, Coulter has a broad range of business skills including strategic planning and government relations.

Last fall, city officials requested a preliminary review of the Lincoln Park’s finances. Following that review, and a subsequent review by a five member independent review team this past spring, Gov. Snyder determined that a financial emergency exists in Lincoln Park based on the following conditions:

- According to the city’s 2013 fiscal year financial audit, the General Fund balance decreased from \$2.0 million as of June 30, 2012, to a negative \$89,803 as of June 30, 2013. This \$2.1 million net change resulted from General Fund expenditures exceeding General Fund revenues by \$2.3 million, which was slightly offset by a transfer into the General Fund of \$166,666.
- A trend of over-spending from the General Fund. As recently as June 30, 2010, the ending balance in the General Fund was \$4.5 million. Therefore, in just three fiscal years (2011 through 2013), city officials depleted a \$4.5 million fund balance.
- City officials indicated that the General Fund deficit likely will increase by an additional \$1 million during the current fiscal year, which ended June 30, 2014. City officials indicated this estimate to be a best-case scenario, assuming the city will receive financial concessions from its police unions. In the event such concessions are not realized, the deficit for the current fiscal year likely will be significantly greater.

The city had been in talks with the state to avoid an emergency manager, but [councilmembers voted 4-3 to reject a consent agreement](#) after it was drafted last month. Because an agreement was not approved within 30 days, State Treasurer Kevin Clinton determined the city should proceed under an emergency manager.

Lincoln Park is the fifth city that currently has a state-appointed emergency manager, joining Detroit, Flint, Allen Park and Hamtramck.