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Lincoln Park gets emergency manager after rejection of consent agreement

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LINCOLN PARK, MI -- Gov. Rick Snyder on Thursday appointed Brad Coulter to take over the government of Lincoln Park as emergency manager, the state Treasury Department announced.

Coulter is an Metro Detroit turnaround consultant whose managed the restructuring of various automotive suppliers, construction companies and nonprofits.

A state review team found the downriver city to be in financial emergency, with an \$89,803 budget deficit that's expected to grow by \$1 million by the end of the fiscal year.

The deficit would grow deeper unless the city's police unions agree to concessions, according to the Treasury Department.

State officials cite a "trend of over-spending" that depleted a general fund balance with a balance as high as \$4.5 million in June 2010.

After the governor confirmed the review team's financial emergency designation, Lincoln Park's city council voted to pursue a consent agreement with the state, one of four options under state law, the other choices being emergency management, bankruptcy or mediation.

But the council in a 4-3 vote rejected a consent agreement that was drafted, and state Treasurer Kevin Clinton recommended the appointment of an emergency manager.

"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.”

Lincoln Park joins Detroit, Flint, Allen Park and Hamtramck as the fifth city currently under emergency management.

A total of 17 local government entities are currently undergoing some form of state intervention.

The school districts of Detroit, Highland Park and Muskegon Heights are run by emergency managers.

Inkster, River Rouge, Royal Oak Township and Pontiac schools have consent agreements in place seeking to guide them out of financial emergency.

Pontiac, Ecorse and Benton Harbor are in post-emergency management transition periods with indefinite state oversight.

And Highland Park and the Benton Harbor school district are in the state review process.