

Coulter appointed emergency manager in Lincoln Park

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LANSING -- Gov. Rick Snyder today appointed Brad Coulter, a business turnaround consultant, as emergency manager in Lincoln Park.

Coulter is expected to begin work in the city on Monday.

“We can begin to heal now,” Mayor Tom Karnes said.

Coulter is an independent contractor with O’Keefe & Associates, a turnaround consulting firm in Bloomfield Hills, according to a news release from the state Department of Treasury. He will take a leave of absence to assume emergency manager duties.

Coulter has more than 25 years of experience in management, corporate finance and international business and has managed restructuring plans for automotive suppliers, construction companies and nonprofit organizations.

O’Keefe & Associates and Coulter assisted the five-member review team that Snyder appointed earlier this year to look at Lincoln Park’s finances. That team concluded in April that the city was in a financial emergency.

“This isn’t a stranger coming in,” Karnes said. “He knows the lay of the land here.”

Karnes said he expects Coulter to “look at everything” as he leads the city out of a deficit of about \$1 million.

City Council President Tom Murphy said he’s thankful for the state’s assistance.

“They’re giving us a helping hand, and that’s what we need,” he said. “I’m looking forward to a good relationship with the emergency manager.”

The council voted last August to ask the state to review the city’s finances, as officials expected to end the fiscal year in June in a deficit.

Under Public Act 436 of 2012, the council had several options after the state deemed it in a financial emergency. The council twice rejected a consent agreement with the state, assuring that Snyder would appoint an emergency manager.

Under a consent agreement, the state oversees financial decisions, but elected officials maintain some control.

Under an emergency manager, elected officials relinquish all control over financial decisions.

The city’s financial troubles first surfaced when the council voted in June 2013 to transfer \$2.5 million from the water and sewer fund to the general fund to pay part of a \$3.1 million police and fire pension payment.

City officials say property values have dropped about 40 percent over the last several years and likely will continue to fall for at least another year.

Officials say that the dramatic drop in value created a drastic decrease in tax revenue that couldn’t be absorbed through spending cuts.