

**PROPOSED MINUTES OF THE IN-PERSON & VIRTUAL
SPECIAL MEETING OF THE HIGHLAND PARK CITY COUNCIL**

April 10, 2023

Council convened at 5:01 p.m. with Council President Thomas presiding.

Present: Council President Thomas, Council Pro Tem Robinson, Councilwoman Manica, Councilwoman Martin, and Councilman Ash-Shafii (5).

Absent: (0).

A quorum being present, Council was declared in session.

Council President Thomas read the following notice.

Pursuant to Sec 5-3 (b) of the City Charter, I, Mayor Glenda McDonald am requesting the City Council schedule a Special Meeting on Monday, April 10, 2023 at 5:00pm. On April 4, 2023, the Michigan Supreme Court entered an Order Denying the Court of Appeals reversal of the Trial Court Order in favor of Highland Park because they were not persuaded that the questions presented should be reviewed by the Court. Unfortunately, 'a court has ordered an additional tax levy without the prior approval of the governing body of the local government' and it is imperative that we consider our legal options. Council may want to discuss this case in a Closed Session.

Moved by Councilwoman Manica
Supported by Councilwoman Martin

To recess the Special Meeting to go into Closed Session. Yeas (5), Nays (0), Absent (0).

Special Meeting recessed at 5:05 p.m.

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Special Meeting reconvened at 6:38 p.m.

The following resolution was submitted for approval.

**RESOLUTION TO REQUEST DETERMINATION OF PROBABLE
FINANCIAL STRESS/PRELIMINARY REVIEW UNDER MCL 141.1544(1)(a) & (o)
OF PUBLIC ACT 436 OF 2012**

Moved by Councilwoman Manica
Supported by Council Pro Tem Robinson

WHEREAS, on April 4, 2023, the Michigan Supreme Court denied the city of Highland Park's application to appeal the Court of Appeals' August 18, 2022 remand to the trial court for reinstatement of the April 30, 2015 judgment that had been previously vacated by the trial court on February 26, 2021 (*Exhibits I, 2, 3 and 4*); and

WHEREAS, the April 30, 2015 judgment was for \$19,839,658.32. The taxable property owners of Highland Park presently pay only about \$9.6 million (FY 2022) per year in property taxes. (*Exhibit 5*). If spread on the tax rolls, the \$19,839,658.32 judgment would increase the property taxes of the residents by a factor of three times; and

WHEREAS, the Michigan Supreme Court Order therefore invokes the policy of Public Act 436 of 2012 (the "Act") which reads as follows:

(a) That the health, safety, and welfare of the citizens of this state would be materially and adversely affected by the insolvency of local governments and that the fiscal accountability of local governments is vitally necessary to the interests of the citizens of this state to assure the provision of necessary governmental services essential to public health, safety, and welfare.

(b) That it is vitally necessary to protect the credit of this state and its political subdivisions and that it is necessary for the public good and it is a valid public purpose for this state to take action and to assist a local government in a financial emergency so as to remedy the financial emergency by requiring prudent fiscal management and efficient provision of services, permitting the restructuring of contractual obligations, and prescribing the powers and duties of state and local government officials and emergency managers.

(c) That the fiscal stability of local governments is necessary to the health, safety, and welfare of the citizens of this state, and it is a valid public purpose for this state to assist a local government in a condition of financial emergency by providing for procedures of alternative dispute resolution between a local government and its creditors to resolve disputes, to determine criteria for establishing the existence of a financial emergency....

(d) That the authority and powers conferred by this act constitute a necessary program and serve a valid public purpose; and

WHEREAS, the City of Highland Park requires an expedited response to this Council resolution before GLWA places the levy on the tax rolls and the \$19,839,658.32 judgment becomes a debt of the taxpayers. MCL 141.1544 (1) provides in relevant part:

(1) Subject to subsection (2), the state financial authority may conduct a preliminary review to determine the existence of probable financial stress within a local government if 1 or more of the following occur:

(a) The governing body or the chief administrative officer of a local government requests a preliminary review. The request shall be in writing and shall identify the existing or anticipated financial conditions or events that make the request necessary.

(o) A court has ordered an additional tax levy without the prior approval of the governing body of the local government; and

WHEREAS, Highland Park respectfully makes the requests as set forth above to address its fiscal distress. This Order has the immediate result of financial distress under MCL 141.1544 (o) because of the additional tax levy without the prior approval of the City Council of Highland Park; and

WHEREAS, Highland Park has resolved all of the financial difficulties cited in the emergency loan agreement from 2014 (*Exhibit 6*) and neutral evaluation. As shown in the City's June 3, 2022 audit report,

other than the GLWA claims, there are no unpaid creditor's claims and no unresolved financial issues facing Highland Park.

NOW, THEREFORE, BE IT RESOLVED, that the Highland Park City Council hereby authorizes the determination of probable financial stress/preliminary review under MCL 141.1544(1)(a) & (o) of the Act. Yeas (5), Nays (0), Absent (0).

ADJOURNMENT:

Moved by Councilwoman Martin
Supported by Councilwoman Manica

To adjourn the meeting; motion carried, meeting adjourned at 6:45 p.m.

CERTIFICATE

I, hereby certify that the attached is a copy of the proposed minutes of the Special Meeting held the 10th day of April, 2023 and that said minutes are available for public inspection at the address designated on the posted public notice.

A handwritten signature in blue ink that reads "Brenda Green". The signature is written in a cursive style with a large initial "B".

Brenda Green, City Clerk