



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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***Review teams appointed to examine finances of City of
Highland Park and Royal Oak Township***
Next step following PA 436 preliminary reviews

Gov. Rick Snyder today appointed financial review teams to examine the finances of the City of Highland Park and Royal Oak Township, under Public Act 436 of 2012, the Local Fiscal Stability and Choice Act. The appointment of a review team is the second step in the PA 436 process, if the Local Emergency Financial Assistance Loan Board (ELB) determines “probable financial stress” exists in a local unit of government following a preliminary review by the Department of Treasury. The ELB reached that conclusion, for both local units, last month.

The Department of Treasury’s preliminary review of the **City of Highland Park** found numerous conditions, including:

- The city has violated requirements of the Uniform Budgeting and Accounting Act, allowing four activities in its fiscal year 2012 General Fund which went over budget, with transfers out being the largest at \$491,161;
- The city is in breach of its obligations under an approved deficit elimination plan (DEP), filed in 2009;
- The city’s proposed DEP for FY 2012 has not been approved, because it would not eliminate the deficit within five years;
- The city has ended a fiscal year in a deficit condition in one or more funds since at least 2008;
- The city’s Water and Sewer Fund has had operating losses since 2008, which have impacted cash flows and undermined the city’s ability to pay its bills.

Review team members are:

Representing members required by P.A. 436

Ed Koryzno, administrator, Office of Fiscal Responsibility (State Treasurer’s designee)

Koryzno was named administrator of the Office of Fiscal Responsibility (OFR), within the Department of Treasury’s Bureau of Local Government Services, in February 2012. Prior to joining Treasury, Koryzno spent more than 15 years as city manager in Ypsilanti. Prior to that, he served as city manager in Grand Haven and Spring Lake and assistant city manager in Fenton. Koryzno holds a bachelor’s and master’s degree from Michigan State University.

Doug Ringler, director, Office of Internal Audit Services within the Department of Technology, Management and Budget (DTMB Director's designee)

Ringler is the chief audit executive and director of DTMB's Office of Internal Audit Services, where he's served since 2008. He previously worked in the state's Office of Financial Management and Office of Auditor General. He holds a bachelor's degree from Ferris State University. He is a certified public accountant and certified internal auditor.

Robert Burgess, former automotive executive (nominee of Senate Majority Leader)

Burgess, a former automotive executive has most recently assisted the Hamtramck emergency manager with the development of restructuring/cost-saving solutions. He also spent three years (unpaid) working in the City of Detroit's Finance-Purchasing Division. Prior to that, Burgess was a supply chain consultant for Magna Powertrain and directed the General Motors Powertrain Group's Global Supply Chain. Burgess holds a bachelor's degree from Savannah State University, a master's degree from Purdue University, and a PH.D from the Union Institute.

Chris Roosen, global sales manager, Woco Tech USA (nominee of the Speaker of the House of Representatives)

Roosen is global sales manager for Woco Tech USA, an automotive supplier. Prior to that, Roosen was sales manager with MAHLE Industries after spending several years with Visteon Corp. Roosen has local government experience, having served two, four-year terms as a Northville Township trustee. He also spent two years as a consultant for the Southeast Michigan Council of Governments (SEMCOG). Roosen holds two bachelor's degrees and a master's degree from the University of Michigan-Dearborn.

Representing state officials with relevant professional experience

Frederick Headen, legal advisor for the Michigan Department of Treasury

Headen served with the Bureau of Local Government Services from 1997 to 2012, when he was appointed to his current position. Headen also served as acting chair of the State Tax Commission. Prior to joining Treasury, he worked as legal counsel for the Citizens Research Council. Headen holds a bachelor's and master's degree from Michigan State University and a law degree from Thomas M. Cooley Law School.

The Department of Treasury's preliminary review of **Royal Oak Township** found numerous conditions, including:

- The township has violated requirements of the Uniform Budgeting and Accounting Act. For the year ending Dec. 31, 2012, the General Fund had a total of \$205,216 in unbudgeted expenditures;
- The township borrowed \$300,000 without either the authority to borrow or approval from the Department of Treasury. Subsequent repayment of the loan precipitated cash flow issues;
- The township has operated with deficits in several different funds over the past five years. As of June 30, 2013, the Township's overall deficit increased by nearly 65 percent, from \$301,544 to \$496,416.
- The township submitted a deficit elimination plan deemed unacceptable by the Department of Treasury;
- The township has failed to timely file annual financial reports (audits).

Review team members are:

Representing members required by P.A. 436

Suzanne Schafer, administrator, Treasury Local Audit and Finance Division (State Treasurer's designee)

Schafer is the administrator of the Local Audit and Finance Division (LAFD) within the Department of Treasury's Bureau of Local Government Services. Prior to joining LAFD, Schafer spent seven years in the area of income tax within Treasury and has accounting experience in both the public and private sectors. Schafer holds a bachelor's degree from the University of Michigan-Flint.

Doug Ringler, director, Office of Internal Audit Services within the Department of Technology, Management and Budget (DTMB Director's designee)

See above.

Mark Wollenweber, city manager, Grosse Pointe Shores (nominee of Senate Majority Leader)

Wollenweber, city manager of Grosse Pointe Shores, has extensive experience in municipal government, having served in several Southeast Michigan communities since 1974. After starting his career with the Michigan Municipal League, Wollenweber was city manager/administrator in Plymouth, Huntington Woods, St. Clair Shores, Grosse Pointe Woods, and Ferndale. Wollenweber holds bachelors and master's degrees from the University of Detroit-Mercy.

Dennis Cowan, partner with Plunkett Cooney (nominee of the Speaker of the House of Representatives)

Cowan joined Plunkett Cooney in 1983, becoming a partner in the law firm in 1996. He is a member of the firm's Real Estate and Environment, Energy, and Resources practice groups. Cowan also served on the Royal Oak City Commission for 14 years, including four terms as mayor. Cowan holds a bachelor's degree from the University of Massachusetts/Boston and a law degree from the Detroit College of Law.

Representing state officials with relevant professional experience

Frederick Headen, legal advisor for the Michigan Department of Treasury

See above.

Under P.A. 436, a review team must report to the Governor within 60 days of its appointment, whether specific statutory conditions exist or are likely to occur, and must determine whether a financial emergency exists in the local government. A review team may request a 30-day extension. A review team's report is also sent to the State Treasurer, officials of the local government, legislative leaders, and those legislators representing the local government.

For more information about PA 436, visit the Local Government Fiscal Health page on the Department of Treasury's Web site at www.michigan.gov/treasury.