SPECIAL LAKE ANGELUS CITY COUNCIL MEETING
Regarding Strategy in Response to Michigan Education Special Services (MESSA) Law Suit

June 19, 2013

Present: Mayor Lee McNew; Councilmembers Chuck Poploskie and Dan Jenaras; Attorney, Dan Christ; Treasurer, Julie Frakes; Deputy Clerk, Linda Daniels.
Absent: Councilmembers David Haines and Jon Cabot
Visitors: Dennis Mitchell and Dick Lund

Mayor McNew called the meeting to order at 7:06 am.

City Attorney, Christ, explained that a lawsuit against Auburn Hills, Lake Angelus and other cities and townships and their assessors has been issued by the Michigan Education Special Services Association (MESSA). MESSA has issued an action of mandamus, which states that cities have a legal duty to levy the Pontiac School District taxes in a single payment and not to spread these taxes over 10 years. Lake Angelus needs to decide whether it will join with Auburn Hills in their decision to pay taxes over 10 years, or levy taxes as scheduled in one lump sum in statements that go out on July 1st, 2013. There is a judgment scheduled for Friday, June 21st, 2013.

Mr. Lund asked if the Pontiac School District has an emergency financial manager. Attorney Christ responded that he does not believe so. Treasurer Frakes added that a representative from the Pontiac School District told her that they have not paid some of their premiums this year as well and this may be an ongoing issue. Mayor McNew indicated that this is why Auburn Hills is fighting the millage as its community owes more than half of the amount due. Auburn Hills is trying to slow things down so they can go to the legislature. Councilmember Poploskie believed that whatever action is taken by the Council, it should have Lake Angelus’ best interest in mind. Attorney Christ felt that Lake Angelus should try extricating itself from the law suit. If MESSA knows the City will levy the taxes on July 1st, they may let the City out of the law suit. He does not believe a judgment will happen this Friday. He felt that the court would favor MESSA. He suggested that if a judgment happens on Friday and Auburn Hills prevails, the City Council can have a meeting to reconsider its action. Mr. Mitchell asked whether, if the City participates in a law suit with Auburn Hills, will the fees be covered by the whole city. Treasurer Frakes stated that fees would come out of the general fund. Mr. Mitchell believes that citizens, especially Waterford residents, will be upset about this.

As suggested by Attorney Christ, Councilmember Poploskie moved to direct the assessor to levy the judgment on the next tax bill consistent with the information provided and seek to extricate the City as soon as possible from the MESSA lawsuit, since the city will be levying tax bills on July 1st, 2013. Councilmember Jenaras seconded. Councilmembers Jenaras and Poploskie rendered aye votes. Mayor McNew rendered a nay vote. Motion did not carry. Council decided to wait for the outcome of the court decision on Friday and reconvene if necessary.

There being no further business, Councilmember Poploskie moved to adjourn the meeting at 7:50 am. Councilmember Jenaras seconded. Motion carried unanimously.

Approved: Respectfully submitted,
Lee McNew, Mayor Linda Daniels, Deputy Clerk