

Vandegrift, Drew (TREASURY)

From: Cline, Richard (Treasury)
Sent: Wednesday, May 01, 2013 4:44 PM
To: Koryzno, Edward (Treasury); Byrne, Randall (Treasury)
Cc: Dube, Mathieu (Treasury); Vandegrift, Drew (TREASURY)
Subject: RE: Treasure Governor Memo - Flint

Importance: High

Ed/Randy,

Regarding Flint's 2014 Budget, major changes from 2013, ongoing issues, and financial projections, I reviewed the City's *Five Year Financial Projections*, the *Five Year Financial Plan*, and the *2014 Budget Summary* and note the following:

- Total Revenues for 2014 are projected to be **\$66.4-million**; down from \$73.5-million in 2013.
- Property Tax Revenue is projected to decline by **22% (\$3.5-million)**. Property taxes are projected to decline until FY 2015 and not experience growth until FY 2018.
- Grant Revenue is projected to decline by **25% (\$1-million)**.
- A growing delinquency in tax collections is noted.
- Total Expenditures are projected to decline by **12% (\$6.9-million)**.
- It is noted that there are **\$300-million** in unmet capital needs within the City. Streets and parks will see less maintenance resources in the FY 2014 Budget.
- **\$1-million** is committed to deficit reduction (1/19th of the total accumulated deficit).
- Concerns are noted that if the City loses the legal challenge over retiree healthcare changes that this could add \$3 - \$5-million in expenses to the budget.
- Staffing will be reduced to 568 positions from 595 (**a 5% reduction**).

- Police Department staffing is expected to remain at 150 officers. However, projections indicate that staffing could be reduced to 140 officers by FY 2018; further if the City fails to receive continued COPS Grant funding.
- Concerns are noted about maintaining Fire Department staffing after the SAFER Grant expires in FY 2014. Loss of the SAFER Grant is projected to reduce department staffing from 94 to 75 (**20%**).
- Fewer resources will be allocated for demolition and blight removal due to the loss of federal grants.
- A Planning and Development Division will be created in this budget. This department will be funded through grants until FY 2015, when new funding sources will need to be allocated.
- Water and Sewer bills are expected to increase by **2%**.
- No funds have been allocated for the KWA project.

If any additional analysis is needed, please let me know.

Eric Cline | Unit Operations Specialist - Office of Fiscal Responsibility
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From: Koryzno, Edward (Treasury)
Sent: Wednesday, May 01, 2013 2:58 PM
To: Byrne, Randall (Treasury)
Cc: Cline, Richard (Treasury); Dube, Mathieu (Treasury)
Subject: Treasure Governor Memo
Importance: High

Randy,

I am preparing the update to the memo which has to be completed and sent to Roger on Friday and realized that the information we put in the bi-monthly report is of a different nature than info for this document. With that said I need staff to provide the following information for each community listed. Let me know if you have any questions.

Benton Harbor – Does the budget still anticipate a \$400k deficit this year and a \$600k surplus next year? Do we have a firm date on when the loan application will be made? Is the healthcare info Tony just sent firm numbers that we can depend upon? Can the water/sewer system survive absent any new customers to replace those that exited? If so why? Any other relevant information?

Flint – Have Matt or Eric take a look at the proposed budget and identify major changes, issues and their financial projections.

Inkster – Will the FY 13 budget still breakeven? What is the projection for FY14? Any other concerns?

River Rouge – Do we know what the FY13 budget will be? What are they projecting for FY14? Is there any additional information about ORTA's analysis of the PPT impact upon the city?

Highland Park – Any update on the FY 13 budget? How about FY 14? Are there any other issues that need to be mentioned? What is the topic(s) for the upcoming meeting between the City & DEQ?



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Koryzno, Edward (Treasury)

From: Koryzno, Edward (Treasury)
Sent: Wednesday, May 29, 2013 7:52 AM
To: Shekter Smith, Liane (DEQ)
Cc: Sygo, Jim (DEQ); Busch, Stephen (DEQ)
Subject: RE: DWSD response on sunk costs and non-contracted rates

Liane,

I will share this information with the Treasurer and will let you know if we are able to help.

Ed



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Thank you

From: Shekter Smith, Liane (DEQ)
Sent: Tuesday, May 28, 2013 3:43 PM
To: Koryzno, Edward (Treasury)
Cc: Sygo, Jim (DEQ); Busch, Stephen (DEQ)
Subject: FW: DWSD response on sunk costs and non-contracted rates

Ed –

Please see the note below.

Staff have identified that delays regarding future cost estimates are impacting the city of Flint's ability to move forward with decisions regarding water treatment plant planning. Based on the attached letter from DWSD, it appears that a cost estimate may not be available for Flint until at least the end of the calendar year.

Does your office have the ability to intervene or persuade parties to cooperate? Is it possible to for your Office to prompt a quicker response?

Appreciate any assistance your Office can provide.

Regards,
Liane

Koryzno, Edward (Treasury)

From: Koryzno, Edward (Treasury)
Sent: Wednesday, May 29, 2013 10:44 AM
To: 'Ed Kurtz'
Subject: RE: DWSD letter

Ed,

Thanks!

Ed



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Thank you

From: Ed Kurtz [mailto:ekurtz@cityofflint.com]
Sent: Wednesday, May 29, 2013 10:44 AM
To: Koryzno, Edward (Treasury)
Subject: Re: DWSD letter

Ed, I did have that letter, it was sent the same day they made their final offer to us. That is what caused us to start considering other options. Ed

On Wed. May 29, 2013 at 10:27 AM, Koryzno, Edward (Treasury) <KoryznoE@michigan.gov> wrote:

Per our conversation



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