

Dempkowski, Angela (Treasury)

From: Gerald Ambrose <gambrose@cityofflint.com>
Sent: Monday, April 06, 2015 11:31 AM
To: Workman, Wayne (TREASURY); Koryzno, Edward (Treasury)
Subject: Fwd: request for comment

FYI... and this is the Vice President of the City Council!

----- Forwarded message -----

From: Jason Lorenz <jlorenz@cityofflint.com>
Date: Mon, Apr 6, 2015 at 11:06 AM
Subject: Fwd: request for comment
To: Gerald Ambrose <gambrose@cityofflint.com>
Cc: Natasha Henderson <nghenderson@cityofflint.com>, Daugherty Johnson <djohnson@cityofflint.com>, Dayne Walling <dwalling@cityofflint.com>, Elizabeth Murphy <emurphy@cityofflint.com>, Howard Croft <hcroft@cityofflint.com>, Kelly Rossman-McKinney <krossman@truscottrossman.com>, Peter Bade <pbade@cityofflint.com>, Sharon Emery <semery@truscottrossman.com>, Wendy Lerner <wlerner@truscottrossman.com>

All,

See Below. We need to talk about this and have a response for Ron about these obviously outrageous claims.

Thanks,

-Jason Lorenz
Public Information Officer
City of Flint
(810) 237-2039
jlorenz@cityofflint.com

----- Forwarded message -----

From: Ronald Fonger <RFONGER1@mlive.com>
Date: Mon, Apr 6, 2015 at 9:47 AM
Subject: request for comment
To: "jlorenz@cityofflint.com" <jlorenz@cityofflint.com>

Jason: We are working on a story about a recent Facebook comment of Councilman Wantwaz Davis, which I've included.

I've asked the governor's office for comment as well.

Davis says the emergency manager and governor are "creating an obvious genocide against the residents in Flint, Michigan, who are forced to drink the contaminated, unhealthy water ..."

He actually claims a genocide is occurring three times in the one post.

Would Jerry Ambrose want to comment?

Wantwaz Davis

18 hrs Edited

It has become apparent to me that the emergency manager and Governor Rick Snyder is creating an obvious genocide against the residents in Flint, Michigan, who are forced to drink the contaminated, unhealthy water, that is going to commit an imminent danger to the lives of those who have a compromised immune system, and infants who biologically doesn't have a fully developed immune system. When I become mayor, I will certainly make the governor and all who took part in continuing to have the residents in Flint, Michigan exposed to this injustice and inexcusable danger accountable; this cannot carry on without someone becoming accountable and or responsible; It is so unfair that people in the future may contract a disease that will carry through the duration of their lives. The emergency manager is choosing finances and fixture of infrastructure, i.e., old pipes that hasn't been worked on for the past 60 to 70 years over lives and welfare of innocent civilians. Someone has to be charged with this neglect and imposition of danger amongst a helpless people; all of this is the effects of bad leadership. I must reiterate and can never say it enough, when I become mayor, which will be the best leader and or Chief administrator the City Of Flint, Michigan has ever chose. I will fight hard, not only against the unjust conditions we have long suffered from, but will make someone accountable for this genocide and address these unfortunate conditions around the nation and beg for the assistance of the Department of Justice (United States Attorney General's office) to do a through investigation, so in the end, if any one contracts a disease in the future, I would attempt to have them charged and brought to justice, including a civil suit, in the federal courts; someone has to be punished for the ills of the residents of Flint, Michigan. In conclusion, please vote August 4, 2015, for Wantwaz Davis for Mayor. Bad leadership and decision making has to come to an end at some point and time, and that will certainly be the day I am sworn in as your new mayor and Chief Administrator. This is a picture of reminder that in the past summer, I conducted 4 protest against the contaminated water and high water bills, I was telling people about the unhealthy water, before any notices came out to the public, attempting to keep these issues at the forefront, as mayor I will continue to fight even harder, these issues will not die until justice is brought to the people and someone is charged for this imminent genocide.

Ron Fonger

MLive Media Group

Reporter

mobile 810.347.9963

email rfonger1@mlive.com

Dempkowski, Angela (Treasury)

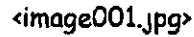
From: Stanton, Terry A. (Treasury)
Sent: Monday, April 06, 2015 12:09 PM
To: Koryzno, Edward (Treasury)
Cc: Saxton, Thomas (Treasury); Workman, Wayne (TREASURY)
Subject: Re: request for comment

Jerry should have a well-oiled response to this by now. Claim being ridiculous given all the work that's been done etc.

TS

On Apr 6, 2015, at 11:55 AM, Koryzno, Edward (Treasury) <KoryznoE@michigan.gov> wrote:

FYI

 Edward B. Koryzno, Jr. | Director - Bureau of Local Government Services
State of Michigan | 430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
(517) 373-4415 | (517) 373-0633 (fax)
KoryznoE@michigan.gov



Think Green! Don't print this e-mail unless you need to.

***CONFIDENTIALITY NOTICE:** This e-mail, and any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential and protected from disclosure under the law. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail, and delete/destroy all copies of the original message and attachments.*

Thank you

From: Gerald Ambrose [<mailto:gambrose@cityofflint.com>]
Sent: Monday, April 06, 2015 11:31 AM
To: Workman, Wayne (TREASURY); Koryzno, Edward (Treasury)
Subject: Fwd: request for comment

FYI... and this is the Vice President of the City Council!

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From: Jason Lorenz <jlorenz@cityofflint.com>
Date: Mon, Apr 6, 2015 at 11:06 AM
Subject: Fwd: request for comment
To: Gerald Ambrose <gambrose@cityofflint.com>
Cc: Natasha Henderson <nhenderson@cityofflint.com>, Daugherty Johnson <djohnson@cityofflint.com>, Dayne Walling <dwalling@cityofflint.com>, Elizabeth Murphy <emurphy@cityofflint.com>, Howard Croft <hcroft@cityofflint.com>, Kelly Rossman-McKinney <krossman@truscottrossman.com>, Peter Bade <pbade@cityofflint.com>, Sharon Emery <semery@truscottrossman.com>, Wendy Larner <wlarner@truscottrossman.com>

From: Jason Lorenz <jlorenz@cityofflint.com>
Sent: Wednesday, April 08, 2015 12:04 PM
Subject: PRESS RELEASE: Flint Water Improvements
Attachments: Flint Water Improvements 2015.pdf

For Immediate Release

City of Flint Announces Action Plan to Maintain Safety and Improve Quality of Flint Water

Flint, Michigan – April 8, 2015 – The City of Flint is proceeding with a series of actions to ensure the continued safety of Flint drinking water is maintained and that issues of discoloration and odor continue to be addressed. Most notably, the installation of a Granulated Active Charcoal filter (GAC) at the Water Treatment Plant is expected to be authorized this week by Emergency Manager Jerry Ambrose.

The introduction of the GAC to the treatment process at Flint's plant will absorb or reduce the chemical precursors which will block or eliminate the formation of TTHM during the filtration process. Engineering and design are underway and installation of the GAC is targeted for completion by mid-July. Cost of this improvement is projected at \$1.5 million and will be paid for by the proceeds from the state approved restructuring of the City's Drinking Water Revolving Fund loans.

In addition to the installation of the GAC, the City of Flint is undertaking a number of other improvements to the water system in the coming months, including a water leak detection monitoring, completion of the hydraulic model and subsequent targeted hydrant flushing program, and the replacement of two miles of water main pipe in a critical area of the city. All of these improvements scheduled to occur within the next six months.

"The replacement of this two mile section of pipe along Dupont Street has been identified by a water reliability study as a significant piece of infrastructure and will greatly improve the movement of water in that area of the city," said Dept. of Public Works Director Howard Croft. Increasing the circulation of the water in the system will immediately result in improvements in water aesthetics, such as discoloration and odor. The MDEQ has given its approval to the project and the process of bidding for construction will begin next week. Construction will take place during the summer of this year.

Ongoing repairs and maintenance also continue to improve the health of the system. To date, about 200 water main breaks have been repaired this year. Whenever major work that may disrupt service is scheduled, the City works to notify residents in the affected area with signage and with posts to cityofflint.com. Updates will include the area of work and the estimated time of completion.

Each main break repair stirs sediments in the line. "Residents should know that there is a chance of discoloration or odor any time work is being done on a main in their area," said Croft. "This is nothing to be alarmed about and it doesn't mean the water is unsafe." If discoloration of water or odor occurs due to repairs, residents are reminded that running the water for a few minutes should clear the line. Anyone with water questions should call 810-787-6537.

The City of Flint remains committed to addressing water related issues. Along with maintaining the safety of the water, addressing quality and affordability are top priorities. The steps outlined above are indicators of the City's progress in addressing the most pressing concerns surrounding water. Emergency Manager Ambrose reiterated that development of a contract with DWSD was not going to happen.

"Those advocating for a return to DWSD do not want to recognize the financial realities of such a move. Not only would such a move increase the City's costs by more than \$1million per month, but the water from Detroit is no safer than Flint water, as both entities are measured by the same MDEQ standards that have been in place for years. Why anyone would want to send a million dollars a month to DWSD rather than make necessary repairs to the City's own system is beyond me."

Further updates on the progress being made to improve Flint's water system will released in regular updates to the media and in updates to the City's website, cityofflint.com. Anyone wishing to report an issue can do so under "Online Services". Anyone with questions about these or any other water issues should call the water treatment plant at 810-787-6537.

—END—

-Jason Lorenz
Public Information Officer
City of Flint
(810) 237-2039
jlorenz@cityofflint.com

RESOLUTION STAFF REVIEW

DATE: April 8, 2015

Agenda Item Title: Resolution Authorizing Appropriate City Officials to Enter Into Change Order #4 with Lockwood, Andrews, & Newnam

Prepared By: Yolanda Gray, Utilities Accounting Coordinator

Background/Summary of Proposed Action

The City of Flint Department of Public Works & Utilities (DPW & Utilities) entered into a contract with Lockwood, Newnam, to study the feasibility and develop cost estimates for utilizing the Water Plant as a primary drinking water source in a contract amount not to exceed \$1,378,700.00.

The DPW & Utilities through recommendations of Veolia North America water consultants is requesting additional services due to TTHM concerns. The additional services will provide a turn key system of new GAC media in the twelve (12) filters at the Flint Water Plant including MDEQ permitting. The focus will be to provide design, procurement, and construction implementation services for upgrading the filters to address TTHM concerns. The additional cost for these services is not to exceed \$1,601,740.00, for a total contract price of \$2,980,440.00.

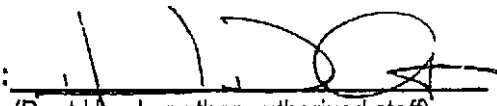
Financial Implications: Funding will be made available in professional services account 591-536.100-801.000.

Account: 591-536.100-801.000

Pre-encumbered: Yes ___ No x Requisition:

Other Implications (i.e., collective bargaining):

Staff Recommendation: Recommend Approval

Staff Person: 
(Dept Head or other authorized staff)



Lockwood, Andrews
& Newnam, Inc.
A LEO A DALY COMPANY

Client Additional Services Authorization

Date: 4-7-15

Project Name Flint WTP Phase II Segment I Initial Watermain Cut-in Flint WTP Phase II Segment I Rehab Flint WTP Ph II-Seg II - Lime Residual Disposal	Additional Services Authorization No.
Client Name City of Flint	To Project No. 130-10701-001
Subject of Additional Services	Original Contract Date

Description

Deliver a new GAC media to replace current anthracite media in the 12 filters at the Flint Water Treatment Plant (FWTP) through design-construction management at agency services. The purpose of the project will to be replace the existing filter system with a new GAC media in order to assist the city in addressing TTHM concerns as detailed in the "Flint, Michigan Water Quality Report" dated March 12, 2015 by Veolia North America (Veolia Report). The services shall include:

- 1- Design the GAC Filter replacement for the FWTP, which will include assisting the City in obtaining the necessary MDEQ Permit(s) and providing construction oversight; (\$147,840.00)
- 2- Provide construction management at agency services for the removal of the existing media and the installation of the GAC filter at the FWTP. On behalf of the City, as City's CM Agent, engage a vendor that will procure new GAC Media, remove existing 18" anthracite and replace it with the new 18" GAC; (approximately \$1,300,000.00)
- 3- Set up, upgrade and calibrate the Flint Distribution Water System to include field Testing Verification and Support in order to analyze system performance and water age mapping and assist the City with line flushing/and or Ice Pigging Program; (\$99,900.00)
- 4- Project Engineering Services to assist the City with monitoring and coordinating activities with city staff, MDEQ and vendors during the maintenance and implementation of improvements needed thru the August TTHM Sampling period. Services will be provided based on 60 hours/month for a total of five (5) months period; (\$54,000)

Reason for Change

- 1) Pursuant to the Veolia Report replacing the anthracite in the filters with new GAC Media will assist in lowering the levels of TTHM. The replacement of the existing filter requires the performance of CT Analyses, conducting an evaluation of Hydraulic Loading and Backwash Capacities of the new GAC cross section, and meeting and coordinating with MDEQ to obtain MDEQ's approval of changes to the current permit;
- 2) In addition to the design, the replacement requires managing, on behalf of the City, the construction services of a vendor to implement design improvements of the filter system upgrade to the GAC media.
- 3) Modifications to the hydraulic model are needed to upgrade the model and calibrate actual system performance and operation to include valve operational performance based on Service Center Report.
- 4) Provide a project engineer to work with the City, MDEQ and the vendors will assist in implementing Veolia's recommendations to the extent accepted by the City. Such engineering services will provide weekly progress reports to the City allowing the City to monitor the progress of the Project.

Compensation:

- ☐ Will be an amount equal to _____ times Salary Cost plus reimbursable expenses, both defined in the PROFESSIONAL SERVICES AGREEMENT, and in addition to the compensation for BASIC SERVICES. Total charges for these ADDITIONAL SERVICES are estimated to be approximately \$_____.
- ☐ Will be the lump sum of \$_____ for these ADDITIONAL SERVICES.
- ☒ Other Cost plus based on current rates for a Not-To Exceed amount of \$1,601,740.00 (use reverse if necessary)

Completion:	Current Date	6-15-14	
	This Extension	3 months	
	New Date	9-15-15	
All terms and conditions of the original agreement remain in full force and effect.			
Proposed By:	Lockwood, Andrews & Newnam, Inc		
	Warren Green, PE		4-7-15
	Print Name/Title	Signature	Date
Approved By	City of Flint		
	Client		
	Print Name/Title	Signature	Date
Execute in duplicate -- (1) copy to Client, (1) copy to Accounting			

Pleyte, Beth (Treasury)

From: Muchmore, Dennis (GOV)
Sent: Wednesday, April 08, 2015 11:51 AM
To: Workman, Wayne (TREASURY); Clement, Elizabeth (GOV)
Cc: Saxton, Thomas (Treasury)
Subject: RE: Fyi..I had hoped we would be announcing our action plan this week ,ie going forth with the GAC. Will see what we can do to get a release out...

So much for putting Harris on the RTAB.

From: Workman, Wayne (TREASURY)
Sent: Wednesday, April 08, 2015 11:46 AM
To: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV)
Cc: Saxton, Thomas (Treasury)
Subject: Fwd: Fyi..I had hoped we would be announcing our action plan this week ,ie going forth with the GAC. Will see what we can do to get a release out...

Assume you saw this.

Sent from my iPhone

Begin forwarded message:

From: Gerald Ambrose <gambrose@cityofflint.com>
Date: April 7, 2015 at 8:27:36 PM EDT
To: "Wayne Workman (TREASURY)" <workmanw@michigan.gov>, Edward Koryzno <koryznoE@michigan.gov>, Randy Burn <ByrneR1@michigan.gov>
Subject: Fyi..I had hoped we would be announcing our action plan this week ,ie going forth with the GAC. Will see what we can do to get a release out...

Flint pastors plan news conference on 'lack of progress' on Flint water issues

FLINT, MI -- Concerned Pastors for Social Action plan to speak out on a "lack of progress" on Flint water issues Wednesday, April 8. The Rev. Alfred Harris, president of the Concerned Pastors, said his group will detail its concerns at the 1:30 p.m. news conference at City Hal [Read More](http://www.mlive.com/news/flint/index.ssf/2015/04/flint_pastors_plan_news_confer.html) http://www.mlive.com/news/flint/index.ssf/2015/04/flint_pastors_plan_news_confer.html

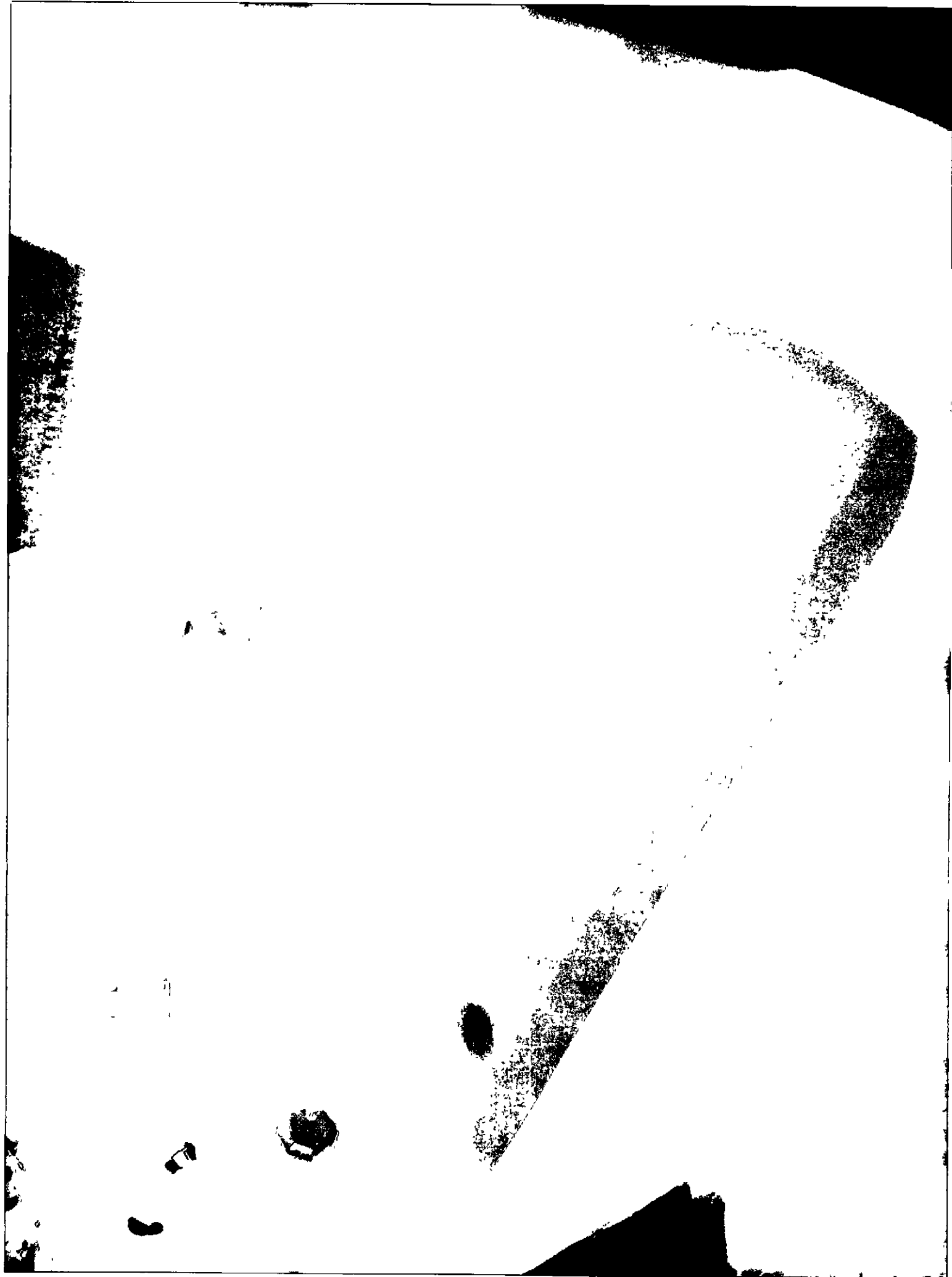


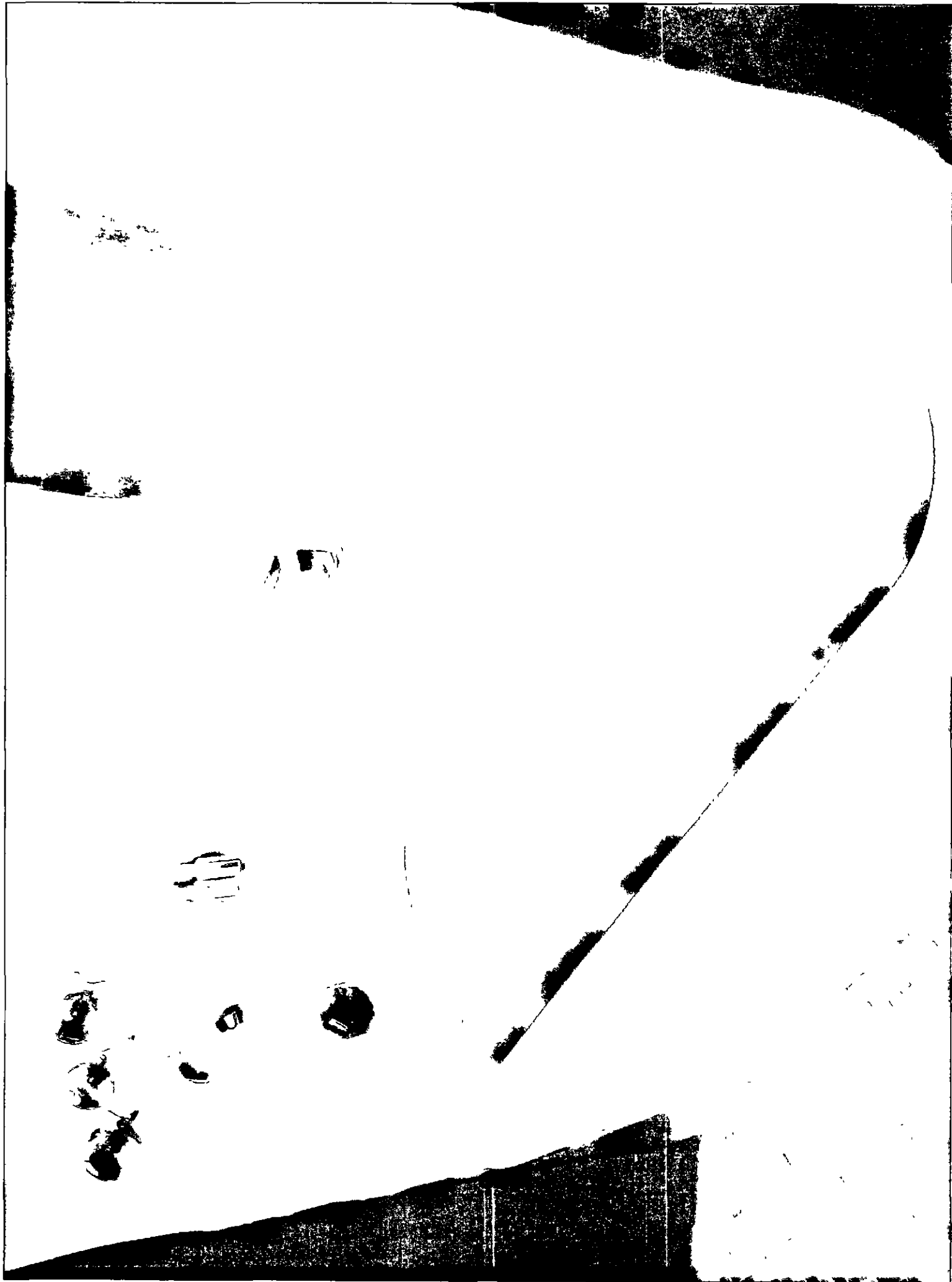
Lamphier, Wendy (Treasury)

From: Gelisse, Ashley (TREASURY)
Sent: Wednesday, April 08, 2015 8:43 AM
To: Koryzno, Edward (Treasury)
Subject: FW: Water from tub after being away 2 weeks.
Attachments: IMG_1406.JPG; IMG_1407.JPG; IMG_1408.JPG; IMG_1410.JPG

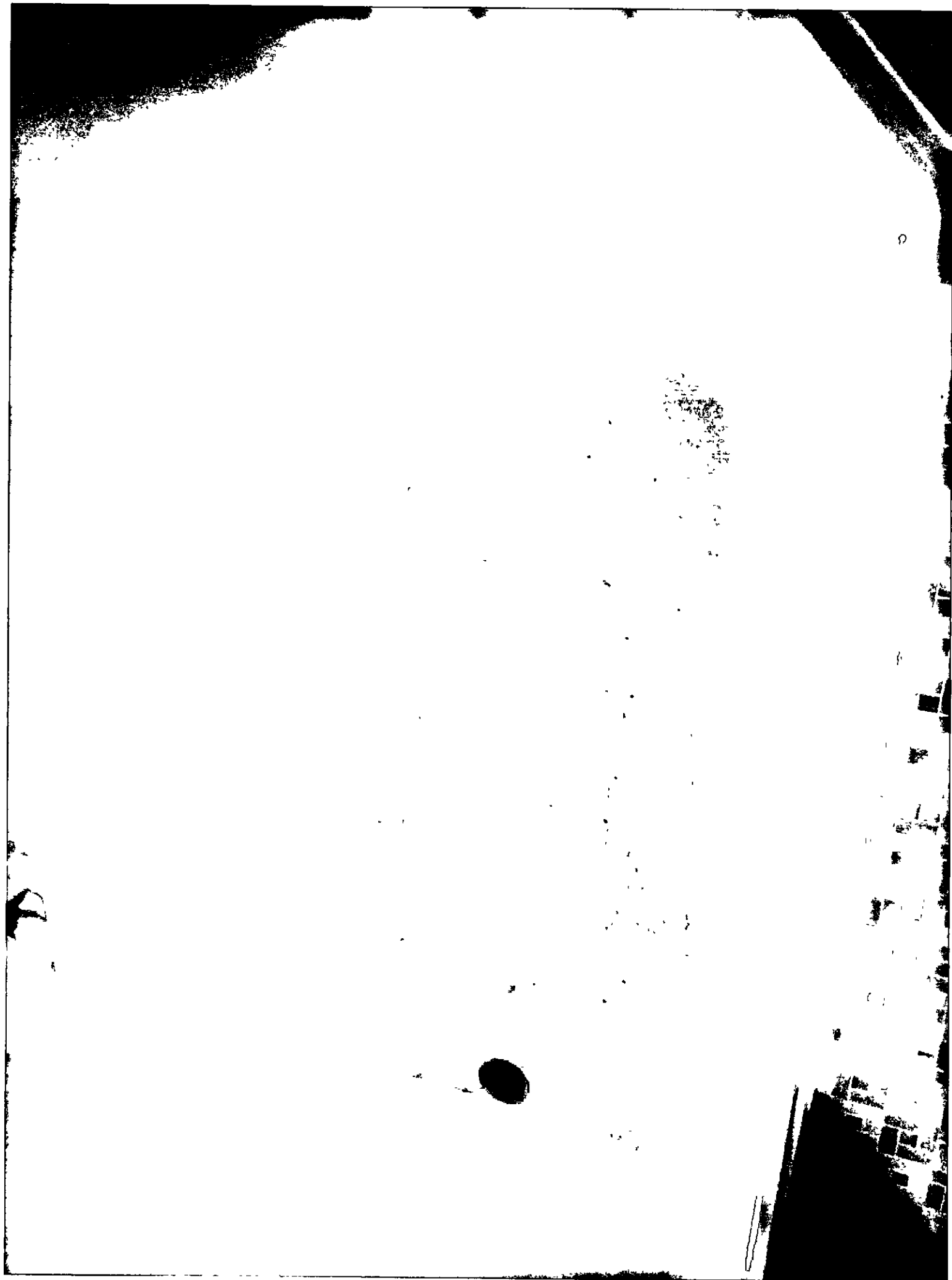
Follow Up Flag: Follow up
Flag Status: Flagged

These are the pictures I was telling you about this morning.









Pleyte, Beth (Treasury)

From: Gelisse, Ashley (TREASURY)
Sent: Wednesday, April 08, 2015 1:23 PM
To: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Subject: RE: RTAB for FLINT
Attachments: IMG_1406.jpg; IMG_1407.jpg; IMG_1408.jpg; IMG_1410.jpg

I share your concerns. I'm around tomorrow if you want to touch base when you're back in town ... I'm free from 9-10, and 1:30-3. Or, call my cell tonight or Friday if you'd rather (517-██████████).

Related, attached are pictures of my parent's water as of 3/27. They showed me at Easter (my mom also had rashes on her hands because of the water). I thought they were over the worst of it, but this is frankly much worse than I thought it was ...

From: Workman, Wayne (TREASURY)
Sent: Wednesday, April 08, 2015 11:17 AM
To: Saxton, Thomas (Treasury); Gelisse, Ashley (TREASURY)
Subject: Fwd: RTAB for FLINT

We need to talk about this RTAB appointments. I am not responding till we talk. I have a lot of concern about who ends up on this RTAB

Sent from my iPad

Begin forwarded message:

From: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>
Date: April 8, 2015 at 10:16:25 AM EDT
To: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>
Cc: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>, "Clement, Elizabeth (GOV)" <clemente@michigan.gov>, "Posthumus, Dick (GOV)" <Posthumusd@michigan.gov>, "Redford, James (GOV)" <RedfordJ@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>
Subject: RE: RTAB for FLINT

We would also suggest Pastor Harris or Pastor Overton if you want community input. Mr. Leavitt will be calling Mr. Daly today. We need more local diversity on this committee if they meet the qualifications.

-----Original Message-----

From: Workman, Wayne (TREASURY)
Sent: Tuesday, April 07, 2015 12:57 PM
To: Muchmore, Dennis (GOV)
Cc: Saxton, Thomas (Treasury); Clement, Elizabeth (GOV); Posthumus, Dick (GOV); Redford, James (GOV)
Subject: Re: RTAB for FLINT

We have reached out to John Daly and have not heard back from him. Liz Lukasik has the

current list submitted to date. Do you know Pastor Martin? Wayne

Sent from my iPad

On Apr 7, 2015, at 10:29 AM, "Muchmore, Dennis (GOV)"
<muchmored@michigan.gov> wrote:

Please give special consideration to these two names and see whether either of them would fit on the RTAB for Flint.

-----Original Message-----

From: Andrew Leavitt [<mailto:ALeavitt@senate.michigan.gov>]

Sent: Monday, April 06, 2015 2:08 PM

To: Muchmore, Dennis (GOV)

Subject: Re: RTAB

Hi Dennis,

Please see the names below.

Thanks,

Andy

John Daly-Manager, Genesee County Road Commission

810- [REDACTED]

[REDACTED]

[REDACTED] MI [REDACTED]

Pastor Chris Martin

[REDACTED]

[REDACTED] Ln

[REDACTED] MI [REDACTED]

On 4/3/15, 1:51 PM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>
wrote:

Just names and contact info.

-----Original Message-----

From: Andrew Leavitt [<mailto:ALeavitt@senate.michigan.gov>]

Sent: Thursday, April 02, 2015 9:54 PM

To: Muchmore, Dennis (GOV)

Subject: Re: RTAB

Dennis,

Thanks for reaching out.

Jim and I have been kicking around some names for the last week or so.

Do you need a letter of rec or just names and contact info for our desired candidates?

Thanks,

Andy

On 4/2/15, 5:42 PM, "Muchmore, Dennis (GOV)"
<muchmored@michigan.gov>

wrote:

Andy-

Would you ask Jim for suggestions as to people he'd like to have

appointed to the RTAB in Flint when we pull the EM out? They need

to have a skill set, either investment, CPA or management wise. If

you can give us some names we'll vet them and put them on if you

want. We could put on Emerson if you'd like.

Stanton, Terry A. (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Wednesday, April 08, 2015 9:12 PM
To: Saxton, Thomas (Treasury); Barton, John (Treasury); Gelisse, Ashley (TREASURY); Stanton, Terry A. (Treasury); Koryzno, Edward (Treasury)
Subject: Fwd: Rep. Kildee asks EPA about clearing Flint's \$22-million water loans

If this happened, who is next? Seems like we need to come with real world response about why this is crazy and really bad for the whole state

Sent from my iPhone

Begin forwarded message:

From: Gerald Ambrose <gambrose@cityofflint.com>
Date: April 8, 2015 at 8:03:43 PM EDT
To: "Wayne Workman (TREASURY)" <workmanw@michigan.gov>, Edward Koryzno <koryznoE@michigan.gov>, Randy Burn <ByrneR1@michigan.gov>
Subject: Rep. Kildee asks EPA about clearing Flint's \$22-million water loans

Rep. Kildee asks EPA about clearing Flint's \$22-million water loans

FLINT, MI -- U.S. Rep. Dan Kildee says the state may have the authority to forgive Flint's \$22 million in remaining water loans, potentially freeing up that money for "immediate water infrastructure improvements." "We don't know if the state would grant relief, (but) we d Read More http://www.mlive.com/news/flint/index.ssf/2015/04/kildee_asks_feds_about_forgive.html

Vandegrift, Drew (TREASURY)

From: Dube, Mathieu (Treasury)
Sent: Thursday, April 09, 2015 8:52 AM
To: Cline, Richard (Treasury); Byrne, Randall (Treasury); Vandegrift, Drew (TREASURY); Widigan, Robert (TREASURY)
Subject: RE: Pastors threaten lawsuit over Flint River water, demand reconnection to Detroit system | MLive.com

Are they suing DWSD or the City? Since DWSD terminated the agreement it seems like they would have to be sued and not Fling. Also if the cost of connecting is not an issue for the pastors are they going to provide the City with the \$12M?

Mathieu

-----Original Message-----

From: Cline, Richard (Treasury)
Sent: Wednesday, April 08, 2015 5:48 PM
To: Byrne, Randall (Treasury); Dube, Mathieu (Treasury); Vandegrift, Drew (TREASURY); Widigan, Robert (TREASURY)
Subject: Pastors threaten lawsuit over Flint River water, demand reconnection to Detroit system | MLive.com

http://www.mlive.com/news/flint/index.ssf/2015/04/pastors_threaten_lawsuit_over.html

FYI.

Cousineau, Sara (Treasury)

From: Stoken, Laura (GOV)
Sent: Thursday, April 09, 2015 3:38 PM
To: Cousineau, Sara (Treasury)
Subject: RE: Meeting: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water

Sara, Is Ashley available on the corrected date?

From: Cousineau, Sara (Treasury)
Sent: Thursday, April 09, 2015 3:31 PM
To: Stoken, Laura (GOV); Pleyte, Beth (Treasury); Dempkowski, Angela (Treasury); Clayton, Stacie (GOV)
Cc: Wisniewski, Wendy (GOV)
Subject: RE: Meeting: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water

Ashley can do the 15th.

From: Stoken, Laura (GOV)
Sent: Thursday, April 09, 2015 3:22 PM
To: Cousineau, Sara (Treasury); Pleyte, Beth (Treasury); Dempkowski, Angela (Treasury); Clayton, Stacie (GOV)
Cc: Wisniewski, Wendy (GOV)
Subject: Meeting: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water

Hi Team,

Per the below e-mail, I need to schedule a meeting for early next week to continue this discussion. Please let me know if your person is available on any of the following dates/times: Stacie, I can have EC dial HH to join the meeting.

Tuesday, April 14 anytime between 10-12
Thursday, April 16 from 8-9 or 2-3

Attendees:
EC/DM/HH
Wayne Workman
Tom Saxton
Ashley Gelisse

Please advise.

Thank you,

Laura Stoken on behalf of Wendy Wisniewski
Administrative Services
Executive Office of the Governor, Rick Snyder
517 [REDACTED]

Koryzno, Edward (Treasury)

From: Storberg, Ann Marie (TREASURY)
Sent: Thursday, April 09, 2015 5:35 PM
To: Workman, Wayne (TREASURY); Koryzno, Edward (Treasury); Byrne, Randall (Treasury); Cline, Richard (Treasury)
Cc: Saxton, Thomas (Treasury); Gelisse, Ashley (TREASURY); Dempkowski, Angela (Treasury)
Subject: RE: GAC Filter install at WTP

Wayne – it appears per PA 436, within Sec. 12, if the contact is \$50k or more, the Treasurer may authorize this contract.

(3) Except as otherwise provided in this subsection, any contract involving is subject to competitive bidding by an emergency manager. However, if a purchase of \$50,000.00 or more, the emergency manager may submit the potential contract to the state treasurer may authorize that the potential contract is not subject to competitive bidding.

From: Workman, Wayne (TREASURY)
Sent: Thursday, April 09, 2015 5:14 PM
To: Koryzno, Edward (Treasury); Byrne, Randall (Treasury); Cline, Richard (Treasury)
Cc: Saxton, Thomas (Treasury); Storberg, Ann Marie (TREASURY); Gelisse, Ashley (TREASURY); Dempkowski, Angela (Treasury)
Subject: Fwd: GAC Filter install at WTP

Let's try to get this approved by Monday. If you don't see anything wrong, I think going without bids is OK. This is an emergency. Prepare the appropriate papers and I will get it signed by Kevin or does it need the Gov signing? Have a meeting on Flint Tuesday am that I can get it OK'd at.

Sent from my iPad

Begin forwarded message:

From: Gerald Ambrose <gambrose@cityofflint.com>
Date: April 9, 2015 at 5:06:57 PM EDT
To: Edward Koryzno <koryznoE@michigan.gov>, Randy Burn <ByrneR1@michigan.gov>, "Workman, Wayne (TREASURY)" <workmanw@michigan.gov>
Cc: Natasha Henderson <nhenderson@cityofflint.com>
Subject: GAC Filter install at WTP

Good afternoon,

I submitted this afternoon through our normal process a request for approval to install the GAC filter at the water treatment plant. The most expeditious way to get it done is by amending our contract with LAN, who will be responsible for the design, procurement and install. The price quoted for the material and install is within the estimates provided by Velioa. Veolia did provide us with a comprehensive proposal to oversee all improvements, but it was very expensive.

In my judgement, this is the way to go. Completion of the install is mid July which I am told will be in sufficient time to forestall another TTHM violation. Funding will come from the restructuring of the DWRF loan.

Thanks for your help and your quick approval is requested.

Jerry

Widigan, Robert (TREASURY)

From: Cline, Richard (Treasury)
Sent: Friday, April 10, 2015 8:26 AM
To: Widigan, Robert (TREASURY)
Subject: FW: GAC Filter install at WTP

Did anything come to you on this? I have not seen anything.

Also, later emails note that this is over \$50K, so we will need additional approval.

If we don't have it, we are going to need to speak to Angela to see if she received something.

It appears that we are to make this a priority.

Eric Cline | Department Manager
State of Michigan | Michigan Department of Treasury | Office of Fiscal Responsibility
430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
Lansing Office (517) 335-2078 | Cell Phone (517) 243-8450 | Traverse City Office (231) 922-5228
E-mail cliner1@michigan.gov

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From: Workman, Wayne (TREASURY)
Sent: Thursday, April 09, 2015 5:14 PM
To: Koryzno, Edward (Treasury); Byrne, Randall (Treasury); Cline, Richard (Treasury)
Cc: Saxton, Thomas (Treasury); Storberg, Ann Marie (TREASURY); Gelisse, Ashley (TREASURY); Dempkowski, Angela (Treasury)
Subject: Fwd: GAC Filter install at WTP

Let's try to get this approved by Monday. If you don't see anything wrong, I think going without bids is OK. This is an emergency. Prepare the appropriate papers and I will get it signed by Kevin or does it need the Gov signing? Have a meeting on Flint Tuesday am that I can get it OKd at.

Sent from my iPad

Begin forwarded message:

From: Gerald Ambrose <gambrose@cityofflint.com>
Date: April 9, 2015 at 5:06:57 PM EDT
To: Edward Koryzno <koryznoE@michigan.gov>, Randy Burn <ByrneR1@michigan.gov>, "Workman, Wayne (TREASURY)" <workmanw@michigan.gov>
Cc: Natasha Henderson <nhenderson@cityofflint.com>
Subject: GAC Filter install at WTP

Good afternoon,

I submitted this afternoon through our normal process a request for approval to install the GAC filter at the water treatment plant. The most expeditious way to get it done is by amending our contract with LAN, who will be responsible for the design, procurement and install. The price quoted for the material and install is within the estimates provided by Velioa. Veolia did provide us with a comprehensive proposal to oversee all improvements, but it was very expensive.

In my judgement, this is the way to go. Completion of the install is mid July which I am told will be in sufficient time to forestall another TTHM violation. Funding will come from the restructuring of the DWRF loan.

Thanks for your help and your quick approval is requested.

Jerry

Doyle, Maureen (Treasury)

From: Dempkowski, Angela (Treasury)
Sent: Friday, April 10, 2015 1:29 PM
To: Doyle, Maureen (Treasury); Widigan, Robert (TREASURY)
Subject: Kevin's signature

Follow Up Flag: Follow up
Flag Status: Completed

Maureen: On Monday Robert Widigan is going to bring down a document for Kevin's signature regarding upgrading City of Flint filters to address the TTHM problem in the city water. This is an urgent matter and we need to have it approved no later than Monday. Thanks for your help!



Angela Dempkowski | Senior Executive Management Assistant/Treasury
State of Michigan | 430 W. Allegan Street, 1st Floor | Lansing, MI 48922
(517) 373-4415 | (517) 373-0633 (fax)
dempkowskia@michigan.gov



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Thank you

Widigan, Robert (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Friday, April 10, 2015 2:16 PM
To: Cline, Richard (Treasury); Widigan, Robert (TREASURY); Byrne, Randall (Treasury)
Subject: FW: Flint Approval Letter
Attachments: Flint GAC Purchase Memo.docx; Flint GAC Purchase TA Letter.docx

FYI

From: Workman, Wayne (TREASURY)
Sent: Friday, April 10, 2015 2:16 PM
To: Doyle, Maureen (Treasury); Clinton, Kevin (TREASURY)
Cc: Gelisse, Ashley (TREASURY); Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury); Storberg, Ann Marie (TREASURY); Dempkowski, Angela (Treasury); Koryzno, Edward (Treasury)
Subject: FW: Flint Approval Letter

Kevin, Attached is a memo from me describing the need to approve a contract for the City Flint to install a new charcoal water filtration system as additional treatment of Flint's drinking water. The second attachment is a letter for your signature approving or denying the request. We have reviewed the request and recommend it's approval. It is a key part of the Veolia engineering firm's recommendation and within the budget estimate for the work. It will be funded with debt service savings from restructuring Flint's DWRP loans with the MFA. The request was received late yesterday and we are expediting review and approval so that work can begin immediately for a July 2015 completion. Please call with any questions. Wayne

From: Dempkowski, Angela (Treasury)
Sent: Friday, April 10, 2015 2:02 PM
To: Workman, Wayne (TREASURY)
Subject: Flint Approval Letter

Here you go.



Angela Dempkowski | Senior Executive Management Assistant/Treasury
State of Michigan | 430 W. Allegan Street, 1st Floor | Lansing, MI 48922
(517) 373-4415 | (517) 373-0633 (fax)
dempkowskia@michigan.gov



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Thank you



RICK SNYDER
72 (Rev 11-13) GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

R. KEVIN CLINTON
STATE TREASURER

DATE: April 10, 2015

TO: Kevin Clinton, State Treasurer

FROM: Wayne Workman, Deputy State Treasurer

Wayne L. Workman

SUBJECT: City of Flint Sole Source Contract Approval – GAC Filters

On April 9, 2015, the City of Flint requested approval to amend the existing contract with Lockwood, Andrews and Newnam, for additional design, procurement, and construction services, not to exceed \$1,601,740, for a total revised contract price of \$2,980,440. The purpose of the project is to replace the existing filter system with a new Granulated Activated Carbon (GAC) media that will assist the City in reducing the levels of TTHM.

As the monetary value of this proposal exceeds \$50,000, Section 12(3) of P.A. 436 of 2012 is implicated. To satisfy this section, the State Treasurer must approve this request. Because the purchase of the GAC Filters is necessary for the City to provide essential services to its residents and address TTHM concerns detailed in the Flint, Michigan Water Quality Report, I recommend that this contract be approved.

Because there has been so much controversy regarding the water quality in the City of Flint, we consider this water improvement project to be urgent.

If additional information is desired, please let me know.

Widigan, Robert (TREASURY)

From: Maxine Murray <mmurray@cityofflint.com>
Sent: Monday, April 13, 2015 11:27 AM
To: Widigan, Robert (TREASURY)
Cc: Workman, Wayne (TREASURY); Koryzno, Edward (Treasury); Byrne, Randall (Treasury); Dempkowski, Angela (Treasury); Cline, Richard (Treasury)
Subject: Re: Resolution #EMA1572015 - GAC Filter

Good morning Mr. Widigan,

Thank you!

Maxine

On Mon, Apr 13, 2015 at 11:06 AM, Widigan, Robert (TREASURY) <WidiganR@michigan.gov> wrote:

Good morning, Maxine:

Attached is a copy of the approval letter for resolution #EMA1572015, authorizing the City to enter into change order #4 with Lockwood, Andrews and Newman to address TTHM levels.

The signed original will be mailed to you via US Postal Service.

Thank you,

Robert Widigan | Office of Fiscal Responsibility

State of Michigan | Department of Treasury

430 W. Allegan Street | Lansing, MI 48922

Office (517) 335-2130 | Cell (517) 243-8645

WidiganR@michigan.gov



RICK SNYDER
72 (Rev. 11-13) GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

R. KEVIN CLINTON
STATE TREASURER

April 13, 2015

Gerald Ambrose, Emergency Manager
City of Flint
1101 South Saginaw Street
Flint, MI 48502

Mr. Ambrose:

I am in receipt of your request dated April 9, 2015 in which you are requesting approval to amend the existing contract with Lockwood, Andrews and Newnam, for additional design, procurement, and construction services, not to exceed \$1,601,740, for a total revised contract price of \$2,980,440.00.

Pursuant to P.A. 436 of 2012, any no-bid contract with a value exceeding \$50,000 must receive approval from the State Treasurer. I am approving this request based on the City's need for new Granulated Activated Carbon (GAC) Filters to assist reducing the levels of TTHM.

State Treasurer Approval:

I, R. Kevin Clinton, State Treasurer for the State of Michigan, pursuant to the authority assigned by Public Act 436 of 2012, do hereby:

☒ Approve Submitted Recommendation

☐ Deny Submitted Recommendation

Sincerely,


R. Kevin Clinton, State Treasurer
Michigan Department of Treasury

4/13/15
Date

EM SUBMISSION NO.: EMA 1572015

PRESENTED: 4-9-15

ADOPTED: _____

**RESOLUTION AUTHORIZING APPROPRIATE CITY OFFICIALS TO ENTER INTO
CHANGE ORDER #4 WITH LOCKWOOD, ANDREWS, & NEWNAM**

BY THE EMERGENCY MANAGER:

The City of Flint Department of Public Works & Utilities (DPW & Utilities) entered into a contract with Lockwood, Andrews, and Newnam to study the feasibility and develop cost estimates for the Water Plant as a primary drinking water source in a contract amount not to exceed \$1,378,700.00; and

The DPW & Utilities through recommendations of Veolia North America water consultants have identified additional services due to TTHM concerns. The additional services will provide a turn key system of new GAC media in the twelve (12) filters at the Flint Water Plant including MDEQ permitting. The focus will be to provide design, procurement, and construction implementation services for upgrading the filters to address TTHM. The additional cost for these services is not to exceed \$1,601,740.00. Funding for said services will come from the following account: 591-545.300-801.000; and

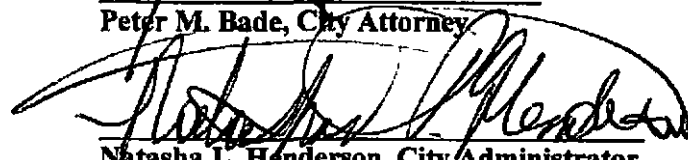
IT IS RESOLVED, that the appropriate City of Flint officials, upon the Emergency Manager's approval, is authorized to enter into change order #4 with Lockwood, Andrews and Newnam, for additional design, procurement, and construction services, not to exceed \$1,601,740.00, for a total revised contract price of \$2,980,440.00.

APPROVED AS TO FORM:


Peter M. Bade, City Attorney

APPROVED AS TO FINANCE:


Dawn Steele, Deputy Finance Director


Natasha L. Henderson, City Administrator

EM DISPOSITION:

ENACT _____

REFER TO COUNCIL _____

FAIL _____

Gerald Ambrose, Emergency Manager

DATED: _____

RESOLUTION STAFF REVIEW

DATE: April 8, 2015

Agenda Item Title: Resolution Authorizing Appropriate City Officials to Enter Into Change Order #4 with Lockwood, Andrews, & Newnam

Prepared By: Yolanda Gray, Utilities Accounting Coordinator

Background/Summary of Proposed Action

The City of Flint Department of Public Works & Utilities (DPW & Utilities) entered into a contract with Lockwood, Newnam, to study the feasibility and develop cost estimates for utilizing the Water Plant as a primary drinking water source in a contract amount not to exceed \$1,378,700.00.

The DPW & Utilities through recommendations of Veolia North America water consultants is requesting additional services due to TTHM concerns. The additional services will provide a turn key system of new GAC media in the twelve (12) filters at the Flint Water Plant including MDEQ permitting. The focus will be to provide design, procurement, and construction implementation services for upgrading the filters to address TTHM concerns. The additional cost for these services is not to exceed \$1,601,740.00, for a total contract price of \$2,980,440.00.

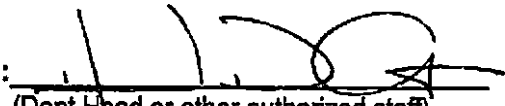
Financial Implications: Funding will be made available in professional services account 591-536.100-801.000.

Account: 591-536.100-801.000

Pre-encumbered: Yes ___ No x **Requisition:**

Other Implications (i.e., collective bargaining):

Staff Recommendation: Recommend Approval

Staff Person: 
(Dept Head or other authorized staff)



**Lockwood, Andrews
& Newnam, Inc.**
A LEO A DALY COMPANY

Client Additional Services Authorization

Date: 4-7-15

Project Name Flint WTP Phase II Segment I Initial Watermain Cut-in Flint WTP Phase II Segment I Rehab Flint WTP Ph II-Seg II - Lime Residual Disposal	Additional Services Authorization No.
Client Name City of Flint	To Project No. 130-10701-001
Subject of Additional Services	Original Contract Date

Description

Deliver a new GAC media to replace current anthracite media in the 12 filters at the Flint Water Treatment Plant (FWTP) through design-construction management at agency services. The purpose of the project will be to replace the existing filter system with a new GAC media in order to assist the city in addressing TTHM concerns as detailed in the "Flint, Michigan Water Quality Report" dated March 12, 2015 by Veolia North America (Veolia Report). The services shall include:

- 1- Design the GAC Filter replacement for the FWTP, which will include assisting the City in obtaining the necessary MDEQ Permit(s) and providing construction oversight; (\$147,840.00)
- 2- Provide construction management at agency services for the removal of the existing media and the installation of the GAC filter at the FWTP. On behalf of the City, as City's CM Agent, engage a vendor that will procure new GAC Media, remove existing 18" anthracite and replace it with the new 18" GAC; (approximately \$1,300,000.00)
- 3- Set up, upgrade and calibrate the Flint Distribution Water System to include field Testing Verification and Support in order to analyze system performance and water age mapping and assist the City with line flushing/and or Ice Pigging Program; (\$99,900.00)
- 4- Project Engineering Services to assist the City with monitoring and coordinating activities with city staff, MDEQ and vendors during the maintenance and implementation of improvements needed thru the August TTHM Sampling period. Services will be provided based on 60 hours/month for a total of five (5) months period; (\$54,000)

Reason for Change

- 1) Pursuant to the Veolia Report replacing the anthracite in the filters with new GAC Media will assist in lowering the levels of TTHM. The replacement of the existing filter requires the performance of CT Analyses, conducting an evaluation of Hydraulic Loading and Backwash Capacities of the new GAC cross section, and meeting and coordinating with MDEQ to obtain MDEQ's approval of changes to the current permit;
- 2) In addition to the design, the replacement requires managing, on behalf of the City, the construction services of a vendor to implement design improvements of the filter system upgrade to the GAC media.
- 3) Modifications to the hydraulic model are needed to upgrade the model and calibrate actual system performance and operation to include valve operational performance based on Service Center Report.
- 4) Provide a project engineer to work with the City, MDEQ and the vendors will assist in implementing Veolia's recommendations to the extent accepted by the City. Such engineering services will provide weekly progress reports to the City allowing the City to monitor the progress of the Project.

Compensation:

- ☐ Will be an amount equal to _____ times Salary Cost plus reimbursable expenses, both defined in the **PROFESSIONAL SERVICES AGREEMENT**, and in addition to the compensation for **BASIC SERVICES**. Total charges for these **ADDITIONAL SERVICES** are estimated to be approximately \$_____.
- ☐ Will be the lump sum of \$_____ for these **ADDITIONAL SERVICES**.
- ☒ Other Cost plus based on current rates for a Not-To Exceed amount of \$1,601,740.00 (use reverse if necessary)

Completion:	Current Date	6-15-14	
	This Extension	3 months	
	New Date	9-15-15	
All terms and conditions of the original agreement remain in full force and effect.			
Proposed By:	Lockwood, Andrews & Newnam, Inc.		
	Warren Green, PE		4-7-15
	Print Name/Title	Signature	Date
Approved By	City of Flint		
	Client		
	Print Name/Title	Signature	Date
Execute in duplicate – (1) copy to Client, (1) copy to Accounting			

Flint Water Interagency Coordinating Committee Subcommittees

Incident Action Plan Subcommittee

Chair - Capt. Chris Kelenske
Harvey Hollins

Water Quality Subcommittee

Chair – Keith Creagh
Nick Lyon
Dr. Laura Sullivan
Dr. Marc Edwards
Dr. Yanna Lambrinidou
Mark Valacak
EPA

Suggested Tasks

- ✓ Response tactics and flow process
- ✓ Testing
 - Lead and Copper
 - Other Contaminants and Disease Transmission
- ✓ Monitoring and reporting entry of contagions

Water Infrastructure Integrity Subcommittee

Chair – Keith Creagh
Jim Koski
Dr. Laura Sullivan
Dr. Marc Edwards
Jamie Curtis
Natasha Henderson
American Water Works Association
EPA

Suggested Tasks

- ✓ Reliability Study
- ✓ Infrastructure upgrade/replacement
- ✓ Lead Line Replacement

KWA Subcommittee

Chair – Khouri
Keith Creagh
Harvey Hollins
Natasha Henderson
Jamie Curtis
Larry Steckelberg
EPA

Suggested Tasks

- ✓ Benefit-Cost Analysis
- ✓ Transition
- ✓ Safety
- ✓ Flint Water Treatment Plant Upgrade
- ✓ Rate Structure

Health and Education Subcommittee

Chair - Nick Lyon

Mayor Karen Weaver

Dr. Mona Hanna-Attisha

Dr. Lawrence Reynolds

Superintendent Brian Whiston

Deputy Superintendent Kyle Guerrant

Sue Moran

Dr. Eden Wells

Dr. Jane Turner

Stan Bien (WIC)

Dawn Sweeney (SNAP)

Suggested Tasks

- ✓ Health and Safety Plan
- ✓ Responder Medical Plan
- ✓ Nutrition
- ✓ Post Exposure Actions
- ✓ Pre-K and Secondary education materials

Policy Subcommittee

Chair – Mike Zimmer

Nick Khouri

Larry Steckelberg

Dr. Marc Edwards

Keith Creagh

Nick Lyon

Dr. Lawrence Reynolds

Mark Valacak

Suggested Tasks

- ✓ Intra-agency Protocols
- ✓ Statewide Policy
- ✓ Lead and Copper Rule Change Recommendations

Communication Protocols and Transparency Subcommittee

Chair – Hollins

Nick Lyon

Meegan Holland

Melanie Brown

Suggested Tasks

- ✓ Public education and awareness

Lamphier, Wendy (Treasury)

From: Gelisse, Ashley (TREASURY)
Sent: Friday, April 10, 2015 4:24 PM
To: Stanton, Terry A. (Treasury)
Subject: RE: Water Quality TPs 4-10-15.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Gotcha. Thanks!

From: Stanton, Terry A. (Treasury)
Sent: Friday, April 10, 2015 4:13 PM
To: Gelisse, Ashley (TREASURY)
Subject: RE: Water Quality TPs 4-10-15.docx

Correct...though Detroit and DPS obviously have a comms staff.

BH, AP, Hamtramck, Highland Park, Lincoln Park== no comms folks.

From: Gelisse, Ashley (TREASURY)
Sent: Friday, April 10, 2015 4:08 PM
To: Stanton, Terry A. (Treasury)
Subject: RE: Water Quality TPs 4-10-15.docx

Thanks, this is good. Also, am I correct that Flint is the only EM's office with a press guy (for lack of a better term)? That is to say, they're actually some of the more proactive and savvy when it comes to messaging?

Just trying to build the case that we need the community liaison thing to be most effective. Thanks again.

Ashley

From: Stanton, Terry A. (Treasury)
Sent: Friday, April 10, 2015 3:36 PM
To: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Cc: Gelisse, Ashley (TREASURY); Storberg, Ann Marie (TREASURY)
Subject: Water Quality TPs 4-10-15.docx

All...

Please find the updated Flint Water talking points.

Let me know if you have any questions, etc.

TS

City of Flint

Water Quality Talking Points:

The City, in conjunction with the Dept. of Environmental Quality, has been working diligently, since December, to address water quality issues in the City and ensure Flint residents have access to clean, safe water.

The City has contracted with international urban water quality expert Veolia North America, which has been on site since mid-February, and has recommended several remedial actions, including operational changes, changes in water treatment, increased maintenance for the aging urban system, and increased training.

Additionally, the city is in regular contact with MDEQ to ensure that residents receive water that complies with state drinking water standards. This system is tested regularly and rigorously, and the results are reported to customers as outlined in the Safe Drinking Water Act.

Last month, Flint issued a Water Quality Update to residents and water customers, as required by DEQ, which indicated that water testing results for the month of March showed Flint Water met all Michigan DEQ and U.S. EPA standards for safety. Total THM levels, which caused the issuance of a violation notice in November, are significantly below the maximum acceptable levels at all eight testing sites. This progress was accomplished by:

Upgrading the ozone treatment process at the Water Treatment Plant

Increasing water main/hydrant flushing to reduce stagnation

Conducting additional testing of treatment to identify areas of improvement

Improving water circulation by repairing valves and adjusting reservoir levels

The City has received significant financial assistance through both grant programs and bond restructuring initiatives administered by the MI Department of Treasury. This financial assistance has allowed the City to replace miles of aged pipeline and begin efforts to install a specialized filter at the Water Treatment Plant.

In February, Flint was awarded a total of \$2 million through two *Financially Distressed Cities, Villages, and Townships Grants*. \$1.1 million was awarded for water system enhancements

through improved waste management while \$900,000 was awarded for water system enhancements through leak detection and pipe assessments.

On April 8th, the City announced that it was moving forward with a series of actions to ensure the continued safety of Flint drinking water and address issues of discoloration and odor. The most significant step will be the installation of a Granulated Active Charcoal filter (GAC) at the Water Treatment Plant. The GAC filter will help block or eliminate the formation of TTHM during the filtration process.

A contract for the filter installation is expected to be approved by the State Treasurer next week with the project targeted for completion by mid-July. The \$1.5 million project will be funded with proceeds from the state-approved restructuring of Flint's Drinking Water Revolving Fund loans (\$2.24 million).

The City is undertaking a number of other improvements to the water system including the acceleration of valve replacements, targeted hydrant flushing, the replacement of two miles of water main in a critical area of the city, and acceleration of the project to automate plant operations.

Pleyte, Beth (Treasury)

Subject: DM/EC/HH/Wayne Workman/ Tom Saxton/ Ashley Gelisse RE: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water
Location: Governor's Conference Room, 2nd Floor Romney
Start: Tue 4/14/2015 11:00 AM
End: Tue 4/14/2015 12:00 PM
Recurrence: (none)
Meeting Status: Accepted
Organizer: Muchmore, Dennis (GOV)
Required Attendees: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury); Clement, Elizabeth (GOV); Hollins, Harvey (GOV); Gelisse, Ashley (TREASURY); Cousineau, Sara (Treasury); Pleyte, Beth (Treasury); Clayton, Stacie (GOV); Dempkowski, Angela (Treasury)

Attendees:
EC/DM/HH
Wayne Workman
Tom Saxton
Ashley Gelisse

From: Gelisse, Ashley (TREASURY)
Sent: Thursday, April 09, 2015 2:58 PM
To: Workman, Wayne (TREASURY); Muchmore, Dennis (GOV)
Cc: Saxton, Thomas (Treasury); Clement, Elizabeth (GOV); Hollins, Harvey (GOV); Cousineau, Sara (Treasury); Pleyte, Beth (Treasury); Wisniewski, Wendy (GOV); Stoken, Laura (GOV)
Subject: RE: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water

Wayne and I discussed this further. I think it would be good if this group could meet early next week to have another discussion on Flint.

The purpose of the meeting would be to discuss and finalize Flint RTAB members, and also to discuss the potential ramifications of Rep. Kildee's recommendation that the state forgive Flint's \$22M water loan:
http://www.mlive.com/news/flint/index.ssf/2015/04/kildee_asks_feds_about_forgive.html

If you agree, perhaps Wendy (or Laura, in her absence) and Beth can help us find some time. Thanks much.

Ashley

From: Workman, Wayne (TREASURY)
Sent: Wednesday, April 08, 2015 6:40 PM
To: Muchmore, Dennis (GOV)
Cc: Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury); Gelisse, Ashley (TREASURY); Clement, Elizabeth (GOV); Hollins, Harvey (GOV)
Subject: Re: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water

It is timely to figure that out, because what they is not affordable and they are ignoring the new improvements announced today.

Sent from my iPad

On Apr 8, 2015, at 5:27 PM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

Why not, we haven't anything else to do except spend our time chasing our tail. This issue isn't going to go away until we do some serious comms work in the city.

From: Workman, Wayne (TREASURY)

Sent: Wednesday, April 08, 2015 5:13 PM

To: Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury); Gellisse, Ashley (TREASURY); Muchmore, Dennis (GOV); Clement, Elizabeth (GOV)

Subject: Fwd: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water

FYI

Sent from my iPhone

Begin forwarded message:

From: "Koryzno, Edward (Treasury)" <KoryznoE@michigan.gov>

Date: April 8, 2015 at 4:35:47 PM EDT

To: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Gelisse, Ashley (TREASURY)" <GelisseA@michigan.gov>

Subject: FW: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water

FYI

Edward B. Koryzno, Jr. | Director - Bureau of Local Government Services
State of Michigan | 430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
(517) 373-4415 | (517) 373-0633 (fax)
<[image001.jpg](mailto:KoryznoE@michigan.gov)> KoryznoE@michigan.gov



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Thank you

From: Widigan, Robert (TREASURY)

Sent: Wednesday, April 08, 2015 4:12 PM

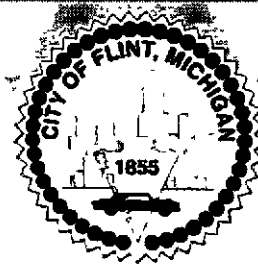
To: Koryzno, Edward (Treasury); Byrne, Randall (Treasury); Cline, Richard (Treasury); Vandegrift, Drew (TREASURY)

Subject: Flint Pastors Warn They'll Go To Court To Get City Off Flint River Water

Importance: Low

FYI – http://videos.mlive.com/mlive/2015/04/flint_pastors_warn_theyll_go_t.html

Gerald Ambrose
Emergency Manager



Dayne Walling
Mayor

Jason Lorenz
Public Information Officer
(810) 237-2039
jlorenz@cityofflint.com

For Immediate Release

City of Flint Moves Ahead with \$5 million in Water Treatment Improvements

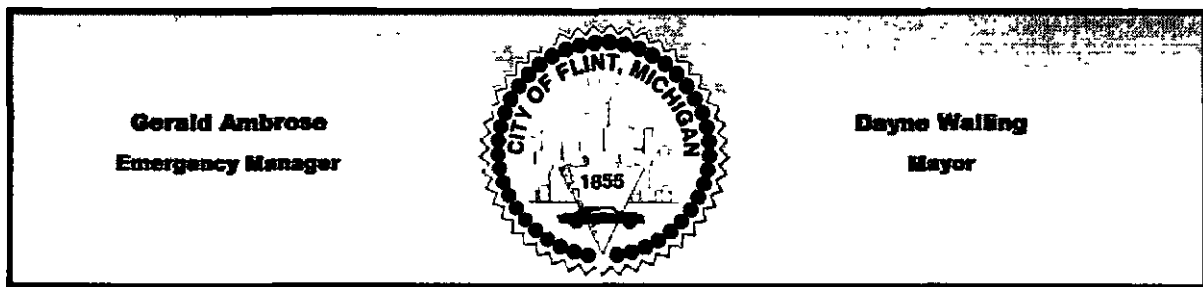
Flint, Michigan – April 16, 2015 – Emergency Manager Jerry Ambrose, with approval from the Department of Treasury, has authorized a contract with LAN, the City's consulting engineers, to immediately proceed with design and installation of granulated activated carbon filter for the Water Treatment Plant. Installation of the filter was one of the primary recommendations from Veolia and others as a means to help assure that City water will continue to be within EPA guidelines. Installation is scheduled to begin in Mid-June, with completion by mid-July.

Other action steps are also underway at the plant, including cleaning plate settlers, repairing the clarifier, and adjusting chemical dosing and levels as also recommended. Additionally, a contract is being finalized for the water main leak detection project, hydraulic modeling and flushing is underway, and bids for the replacement of 2 miles of major pipe are being reviewed.

Nearly \$5 million has been budgeted to implement these actions, which in large measure are the ongoing types of action necessary to maintain the water treatment and distribution system. \$2.1 million of this amount is budgeted for replacement of the pipe along Dupont St., and \$1.6 million is budgeted for the GAC, with \$900,000 budgeted for water main leak detection. Actual replacement of the pipe is scheduled to begin in June, and to be completed by early September.

—CONTINUE—

City Hall
1101 S. Saginaw Street - Flint, Michigan 48502
810-766-7346 FAX: 810-766-7218 www.cityofflint.com



These steps are all part of the action plan recently released by the City as it continues its work to maintain the safety of the water and improve its quality. Recent testing has shown that Flint's water is meeting all regulatory safety standards, with TTHM levels being significantly below the maximum level accepted.

The measures that have been taken to date by the Flint Water Plant staff have resulted in a significant improvement in the quality of Flint water since last summer. "Both the hardness and TTHM levels are at the lowest point since the switch to the Flint river last April," said DPW Director Howard Croft. "Installing the GAC filter, in addition to these other steps, will further bolster the positive direction we are moving in to continue improving the quality of water in the City."

—END—

Stanton, Terry A. (Treasury)

From: Jason Lorenz <jlorenz@cityofflint.com>
Sent: Monday, April 13, 2015 5:15 PM
To: Stanton, Terry A. (Treasury)
Subject: Re: Quick Questions...

Hi Terry,

We have not yet discussed issuing a release announcing approval of the GAC, but we did make an announcement about it last week so that it's known that we are pursuing that option. I can talk to Jerry about another release.

As far as the Karegnondi project timeline, that would need to come from Jeff Wright, the Genesee County Drain Commissioner, who heads the project. I know that there was talk of an early start to the construction season being beneficial to moving the project ahead, but the ETA of the pipeline to Flint is still "mid 2016". Kevin Sylvester handles communications for Wright, he should be able to get more solid information: k_sylvester@gcdcwws.com

Let me know if there is anything I can help you with.

Best,

Jason

-Jason Lorenz
Public Information Officer
City of Flint
(810) 237-2039
jlorenz@cityofflint.com

On Mon, Apr 13, 2015 at 4:23 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Hi Jason...

Are you folks planning to issue a release on the Treasurer's approval of the carbon filter contract? Seems like good collaboration/partnership type news to address the water...

Also, what is the timeline for the Karegnondi project? Some here thought that with a mild winter and good spring/summer weather, it might be done sooner...

When is it "supposed" to be done...and has the timeline changed at all (for the good)?

J. Chief ~~Ed~~ Carter (MSP)
 Ed
 EM
 EC
 CA
 Sipes (MSP)
 Kapp (MSP)

City of Flint Wednesday 9:00am Phone Conference Agenda

April 15, 2015

1- [redacted] Access code [redacted] Last Report

- 1) Public Safety Update - FPD, MSP, (FFD, if needed)

a) FPD

Crime and Staffing Status Report

Status of evaluating/implementing ICMA recommendations

- b) FFD
 - MSP + Flint PD to meet - discuss Partnership

- c) Other update from Chief Tolbert and MSP
 - Note: MSP arson unit in place over 6 mth ago - NOT BEING CALLED OUT ON!

- 2) Governor's Office Update - R. Baird, H. Hollins, B. Clement

- 10 day period consolidation

- Council likely to not deny

County Board approved MOU. City Council notified on April 10 of EM's intent to approve consolidation. Council was briefed on April 13 at CoW. Council to meet on April 20 to determine what of any action it wishes to take.

- b) Local Income Tax Initiative

Additional source of funds still needed for City. H. Hollins working to find a new sponsor. Projected financial challenges associated with projection of FY17 budget may emphasize the rational.

- 3) Finance and Administrative Update

- a) Management Vacancies

MML has received responses for Treasurer, HR Director and Finance Director positions. Phone conference to review this week

- b) Budget

Development underway. Presentation expected late.

- c) DEP/RAP

Council approved application for \$7 million Emergency Loan to finance deficit.

- d) Purchasing

Revised purchasing ordinance enacted effective May 1

Approved

Status	#	From LY
Hom	12	30% ↑
CSC	3	7 ↓
Bug	10	7 ↓
Lure	10	7 ↓
Total	35	15 ↓
114 total employees		

* 25 ↓ sworn officers than LY.

- Two double home caused increase in #

- Takeover-type robberies concerning increase in robbery.

- Closure rate drastically increased.

In process

No Change

In process

In process

In process

Complete

	Last Report	Status
4) City Council Update		
a) EM Order	Order signed defining organizational reporting relationships to new City Administrator.	Complete
b) Council/Mayor Compensation	Order signed re-establishing Council and Mayor salaries at previous levels	Complete
c) Council Rules	Meeting held by Council last week to update Council rules and procedures. <i>EM mentioning</i>	In process
5) Water Issues		
<i>Next water committee In May</i>	a) MDEQ Violation Notice	Complete
	b) Drinking Water Revolving Fund	Complete <i>Installation June 15</i>
	c) Action plan on water quality	Complete
6) 9-1-1 Reconsolidation Plan		
	a) Tower Transfer to Consortium	Update
	Final documents being completed	In process

-

Status

Last Report

7) Transition Activities

a) Final Order

Final order and letter being drafted.

In process

8) Other Items

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Friday, April 17, 2015 2:15 PM
To: Lindsey Smith
Subject: Re: Did the state treasurer approve Flint bond restructure?

Follow Up Flag: Follow up
Flag Status: Completed

Yes.

TS

On Apr 17, 2015, at 1:56 PM, Lindsey Smith <lmsmi@umich.edu> wrote:

Hi Terry,

Do you know if the state treasurer ever approved this restructure of Flint's four drinking water revolving fund loans? Here's [the notice they put out in mid-March](#), but it says the treasurer would have to approve.

Best~

--

Lindsey Smith
West Michigan Reporter
Michigan Radio
Office (616) 551-0717
michiganradio.org

Pleyte, Beth (Treasury)

From: Baird, Richard (GOV)
Sent: Monday, April 27, 2015 6:20 PM
To: Muchmore, Dennis (GOV)
Cc: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury); Clement, Elizabeth (GOV); Wurfel, Sara (GOV); Gelisse, Ashley (TREASURY); Storberg, Ann Marie (TREASURY); Koryzno, Edward (Treasury); Headen, Frederick (Treasury)
Subject: Re: scanned doc

Nope. But I will tell you that your trusty team worked faster than the US postal service and the wrath of God has been forestalled yet again. RPA!

Sent from my iPad

On Apr 27, 2015, at 5:43 PM, Muchmore, Dennis (GOV) <muchmored@michigan.gov> wrote:

Would someone please explain to me how cutting off water to 10,000 people does anything but bring the wrath of God down on all of us?

Sent from my iPhone

On Apr 27, 2015, at 10:29 AM, Workman, Wayne (TREASURY) <WorkmanW@michigan.gov> wrote:

We received this letter Friday the 24th. Water shut-off threat continues.

From: Dempkowski, Angela (Treasury)
Sent: Monday, April 27, 2015 10:26 AM
To: Workman, Wayne (TREASURY)
Subject: scanned doc

 Angela Dempkowski | Senior Executive Management Assistant/Treasury
State of Michigan | 430 W. Allegan Street, 1st Floor | Lansing, MI 48922
(517) 373-4415 | (517) 373-0633 (fax)
dempkowskia@michigan.gov



Think Green! Don't print this e-mail unless you need to.

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Thank you

<DWSD-HP letter.pdf>

Koryzno, Edward (Treasury)

From: Gerald Ambrose <gambrose@cityofflint.com>
Sent: Monday, April 27, 2015 7:19 PM
To: Workman, Wayne (TREASURY); Koryzno, Edward (Treasury); Cline, Richard (Treasury); Widigan, Robert (TREASURY)
Subject: Proposed Flint budget would leave water rates unchanged, add 10 part-time cops
Attachments: image.jpg

Proposed Flint budget would leave water rates unchanged, add 10 part-time cops

FLINT, MI -- Water and sewer rates would remain unchanged and 10 part-time police officers would be hired in a proposed Flint budget unveiled Monday, April 27. The \$51 million general fund spending plan for the fiscal year starting July 1 would put Flint in a positive financial pos [Read More](http://www.mlive.com/news/flint/index.ssf/2015/04/proposed_flint_budget_would_le.html)
http://www.mlive.com/news/flint/index.ssf/2015/04/proposed_flint_budget_would_le.html

Dempkowski, Angela (Treasury)

From: Cline, Richard (Treasury)
Sent: Tuesday, April 28, 2015 11:41 AM
To: Workman, Wayne (TREASURY); Dempkowski, Angela (Treasury)
Subject: KWA SUMMARY FOR GOVERNOR
Attachments: KWA SUMMARY FOR GOVERNOR.Version I.04-18-13.doc

Importance: High

Wayne,

This is the final report that I wrote on KWA once the decision was made to join the authority.

This was sent to the Governor's office by Brom in April 2013.

If you need any additional information, please let me know.

Eric Cline | Department Manager

State of Michigan | Michigan Department of Treasury | Office of Fiscal Responsibility

430 W. Allegan Street, 3rd Floor | Lansing, MI 48922

Lansing Office (517) 335-2078 | Cell Phone (517) 243-8450 | Traverse City Office (231) 922-5228

E-mail clner1@michigan.gov

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Robert, Carla M. (Treasury)

From: Storberg, Ann Marie (TREASURY)
Sent: Tuesday, April 28, 2015 5:01 PM
To: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV)
Cc: Wurfel, Sara (GOV); Stanton, Terry A. (Treasury); Gelisse, Ashley (TREASURY); Saxton, Thomas (Treasury); Workman, Wayne (MSHDA); Koryzno, Edward (Treasury); Khouri, Nick (TREASURY); Redford, James (GOV); Bedan, Morgan (GOV); Sampson, Jeremy (TREASURY); Wisniewski, Wendy (GOV); Lukasik, Liz (GOV); Breslin, Brian (GOV); Harden, Carolyn (GOV); Byrne, Randall (Treasury); Headen, Frederick (Treasury); Rospond, Laurie (GOV); Stoken, Laura (GOV)
Subject: City of Flint EM'S EXIT LETTER
Attachments: Ambrose Exit Ltr.pdf

Dennis & Beth,

Please find attached the Exit Letter from EM Ambrose that was sent to the Governor this afternoon.

Ann M. Storberg

Senior Advisor to State Treasurer
Michigan Department of Treasury
Office (517) 373-6638
Cell (517) 449-3766

From: Storberg, Ann Marie (TREASURY)
Sent: Tuesday, April 28, 2015 4:13 PM
To: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV)
Cc: Wurfel, Sara (GOV); Stanton, Terry A. (Treasury); Gelisse, Ashley (TREASURY); Saxton, Thomas (Treasury); Workman, Wayne (MSHDA); Koryzno, Edward (Treasury); Khouri, Nick (TREASURY); Redford, James (GOV); Bedan, Morgan (GOV); Sampson, Jeremy (TREASURY); Wisniewski, Wendy (GOV); Lukasik, Liz (GOV); Breslin, Brian (GOV); Harden, Carolyn (GOV); Byrne, Randall (Treasury); Headen, Frederick (Treasury); Rospond, Laurie (GOV); Stoken, Laura (GOV)
Subject: City of Flint EM'S FINAL ORDER

Dennis & Beth,

Please find attached the City of Flint EM's Final Order. The EM's exit letter is expected to be sent to the Governor's office shortly. I have not heard that Jerry's final exit letter has been revised significantly from the draft I sent over on Friday. I will send the final letter upon receipt.

Thank you.

Ann M. Storberg

Senior Advisor to State Treasurer
Michigan Department of Treasury
Office (517) 373-6638
Cell (517) 449-3766

From: Storberg, Ann Marie (TREASURY)
Sent: Tuesday, April 28, 2015 2:21 PM
To: Muchmore, Dennis (GOV); Clement, Elizabeth (GOV)
Cc: Wurfel, Sara (GOV); Stanton, Terry A. (Treasury); Gelisse, Ashley (TREASURY); Saxton, Thomas (Treasury); Workman,

Wayne (MSHDA); Koryzno, Edward (Treasury); Khouri, Nick (TREASURY); Redford, James (GOV); Bedan, Morgan (GOV); Sampson, Jeremy (TREASURY); Wisniewski, Wendy (GOV); Lukasik, Liz (GOV); Breslin, Brian (GOV); Harden, Carolyn (GOV); Byrne, Randall (Treasury); Headen, Frederick (Treasury); Rospond, Laurie (GOV); Stoken, Laura (GOV)
Subject: City of Flint EM Transition Plan for TODAY & TOMORROW - Materials and Communication Plan

Dennis & Beth,

PLEASE NOTE REVISIONS TO DATES FROM MY PREVIOUS EMAIL (DATES HAVE MOVED UP BY ONE DAY). SEE REVISED COMMS PLAN ATTACHED.

With the exception of the change in date, the following events outlined below are unchanged from my email sent out this past Friday.

The proposed schedule for today (April 28th) and tomorrow (April 29th) – items listed in order of occurrence:

1. Today – City of Flint's Emergency Manager (EM) Jerry Ambrose issues letter to Governor declaring the financial emergency in the city has been rectified. He will also recommend that a Receivership Transition Advisory Board (RTAB) be appointed in the city.
2. On April 29th, EM Jerry Ambrose issues final order *[this document has been revised from the previous draft sent last week – I will distribute final version of the EM's final order as soon as it is available]* outlining duties of the mayor, city council and soon-to-be-appointed RTAB, effective immediately. This needs a time stamp, either through the Clerk or by transmitting it in an email. Jerry to notify Treasury of issuance.
3. ONLY AFTER NOTIFICATION OF FINAL ORDER BEING ISSUED - Governor's Office issues termination letter to Jerry Ambrose. A copy of the letter is attached. Transmittal of signed letter by email to include a time stamp.
4. AFTER CONFIRMATION OF TERMINATION LETTER BEING SENT - Governor's Appointments Office transmits appointment letter for RTAB. A copy of the letter is attached.

Summary of Governor's Transition Advisory Board Appointment Letter –

The Governor's letter appointing the RTAB contains the following requirements: enforcement of the requirements contained in the EM's final order; recommendation of modifications or termination of the EM's final order; formal evaluation of the City's financial and operational progress and sharing of that information with city officials, residents and stakeholders. The letter also contains conditions which must be satisfied before receivership is waived. These are implementing the Financial Officials Association best practices; implement charter amendments consistent with applicable model charters, and completion of financial and managerial training by city officials.

Pursuant to the updated Communication Plan, a press avail is scheduled for 1:30 pm on Wednesday, April 29th.

Please do not hesitate to let me know if you have any questions. Thank you.

Ann Storberg

Senior Advisor to State Treasurer
Michigan Department of Treasury
430 West Allegan Street
Lansing, MI 48922
Office (517) 373-6638
Cell (517) 449-3766
Storberga@michigan.gov

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CITY OF FLINT
OFFICE OF THE EMERGENCY MANAGER



Gerald Ambrose
Emergency Manager

April 28, 2015

Honorable Rick Snyder
Governor of Michigan
111 South Capitol Avenue
Lansing, MI 48909

Dear Governor Snyder:

The City of Flint has been in a state of receivership since your declaration of a financial emergency in November 2011. Since that time a number of substantial changes have been implemented and I feel that the financial emergency has been sufficiently addressed. I feel it is appropriate to relinquish my position as Emergency Manager (EM) at this time.

As you are aware, I was appointed Emergency Manager on January 13, 2015, under the authority of PA 436 of 2012. I am the fourth EM to serve the City of Flint; my predecessors were Michael K. Brown (PA 4 and PA 436), Edward Kurtz (PA 72 and PA 436) and Darnell Earley (PA 436). Each EM took major steps toward rectifying the financial emergency. These steps included implementing budgetary and financial best practices, restructuring the City departmental organization, implementing new means and levels of service provision, and preparing the City for long term stability.

Addressing the Financial Emergency:

At the time of placement into state receivership, the City of Flint was a city in financial crisis, characterized by accumulated deficits in the General Fund and Water Fund, marginal cash flow, and unsustainable legacy costs. At the conclusion of FY12, the fiscal year in which an Emergency Manager was appointed, the City's General Fund deficit stood at \$19.1 million; its Water Fund had a deficit of \$8.8 million; and cash flow was \$13 million, or less than one month's expenses. Unfunded OPEB liabilities were more than \$850 million.

Addressing these issues and putting Flint back onto a path to sustain financial solvency has been difficult for taxpayers, employees, retirees, and those utilizing city services. Taxes and fees have been raised, including a voter approved six mill special levy for police and fire; a special assessment for street lighting; waste collection was changed to a fee for service from a millage rate; and increases in utility rates to among the highest in the state. Services have been reduced to marginal levels (including public

safety), as the workforce and employee compensation has shrunk by more than 20%. And, retirees have seen their cost of retiree health care increase.

As a result, much progress has been made:

- The deficits in the General Fund and Water Fund have been addressed. The Water Fund is now solvent, although not at the level indicated as adequate; and the remaining \$7 million General Fund deficit will be eliminated by June 30, 2015, with a loan authorized by the Emergency Loan Board. City wide cash flow is now more than \$67 million.
- New ordinances addressing the achievement and maintenance of financial sustainability have been enacted by the City Council, with support of the Mayor. These ordinances include the requirement for creation and maintenance of a strategic plan; requirement for creation and maintenance of a biennial budget and five year financial projections; establishment of a fund balance reserve, including establishment of a budget stabilization fund; establishment of a requirement to begin funding of OPEB liabilities; and an update of the City's purchasing ordinance.
- Long term liability costs have been reduced significantly. \$850 million in OPEB liabilities have been reduced to \$240 million, and new employees are given a contribution towards future health care costs at retirement instead of the promise of retiree health care. Current retirees now pay a significant amount towards their health care. Multipliers for remaining employees in defined benefit programs have been reduced, and new employees are enrolled in a hybrid pension plan, which has less long term liability for the City. The Flint Employees Retirement System has been dissolved, with pension administration now handled by the Municipal Employees Retirement System.
- The structure of the City organization has been changed significantly. A new City Administrator has been hired, selected on the basis of professional expertise, and with expanded control over daily activities of the City. The workforce has been reduced by more than 20%, and City operations have been reorganized into four program areas. Waste collection and demolition is no longer being done internally, 911 operations will be transferred to the County effective July 1, 2015, and the City-funded 68th District Court is expected to become part of the County-funded 67th District Court in January, 2016. The purchase of water is now planned to come from the Karegondi Water Authority instead of the Detroit Water and Sewerage Department. Collective bargaining contracts have also been revised; increasing flexibility for management and setting the stage for permanent reductions in legacy costs. Partnerships have been established to improve the level of parks maintenance. Senior Centers are now run by independent non-profit organizations, with reduced assistance from the City; and the City golf courses have been leased to private operators.
- The City has put into place a plan for long term stabilization and future development. A new Master Plan (the first since the 1960's) has been adopted, a new Capital Improvement Plan has been completed, and a new framework for a Blight Elimination Plan has been developed. A new zoning ordinance is well on its way to completion. Each of these major planning pieces significantly engaged members of the community and the final products were approved by the Flint City Council, with the support of the Mayor.

- A Blue Ribbon Committee on Governance was established by EM Earley in 2014. The committee recommended a number of Charter revisions and recommended the election of a Charter Review Committee. In November 2014 the voters in Flint approved several revisions to the current Charter and also approved establishing a Charter Review Commission, the members of which will be elected in May 2015. The Commission will consider whether to maintain the current Strong Mayor form of governance or to propose a new Council-Manager format.
- A formal assessment of the values of both Hurley Hospital and the City's utility system have been completed; and concluded that no change in ownership status would be beneficial at this time.

Continuing Challenges:

Significant work has been accomplished to resolve the conditions which put the City of Flint into State receivership. However, there also still exist several major challenges which will require continued work on the part of the City leaders:

- Retiree health care continues to be a significant concern as the City still faces a federal lawsuit over its decision to change (but not eliminate) health care for current retirees. While the City is currently operating under a judge's order which allows modification of the City's historical level of health care for retirees, a loss could have an impact of more than \$5 million annually.
- The five year revenue projections still identify a structural deficit. Annual costs for wages and fringes will continue to rise at an approximate 2.4% rate. There is not a comparable increase in projected revenue, which is closer to 1%. While it may be possible to continue the low level of services that Flint now provides for a short while, even that level will be in jeopardy without a long term sustainable new source of revenue. The low level of services that Flint currently provides is not at the level which will help the City to become an attractive place to live, work, study, and play.
- Aging water and sewer systems designed to serve twice as many customers as the number now using the systems have resulted in water and sewer rates that are among the highest in the state. This is another factor impeding the City's ability to attract and retain businesses and residents. There needs to be a concerted effort to reduce rates by as much as 50%, but that cannot even be contemplated without the commitment of financial assistance from the state and federal governments. While the decision to join with Genesee County in the creation of the KWA will result in costs for purchasing water increasing at a rate less than historically paid to the previous supplier, it will not be sufficient to lower costs.
- Continuing voter support for special millages financing public safety is a concern. In 2012 voters approved a 6 mill property tax levy for police and fire, bringing Flint's total level to within 1 mill of its maximum 20 mill limit. This millage, plus one for 2 mills approved some time ago, are expiring in 2017, and without renewal, the resulting level of public safety services, even with the current level of greatly appreciated State Police support, would be unworkable. This was recently confirmed by an evaluation of the organization and staffing for both the Police and Fire departments. The evaluations found both departments are understaffed, but the understaffing situation is significantly more acute in the Police Department, where it was noted that comparable cities have on average 100 more officers on the street than Flint does.

- Equally important to providing State support in the form of Michigan State Police has been the financial commitment by the State to fund the City's lock up at a cost of more than \$2.5 million annually – without which there would be no lock-up. Both FPD and MSP have noted that the opening of the City's 72-hour lock-up has been a key component in the reduction in crime.

Emergency Manager's Recommendation:

Section 22(1) of P.A. 436 of 2012, the Local Financial Stability and Choice Act, provides that if the Emergency Manager determines that the financial emergency has been rectified, he or she is required to inform you and the State Treasurer. Based on the examples presented above, I am prepared to say that I have determined the financial emergency in the City of Flint has been rectified. In addition, as required by Section 21(1) of the Act, a two-year budget has been implemented and all bargaining unit contracts have been settled.

Although the financial emergency has been resolved, I recommend the appointment of a Receivership Transition Advisory Board (RTAB) as allowed by Section 23 of the Act. I believe it is critical that the RTAB oversee and provide guidance to the City as they address the continuing challenges facing the City of Flint and complete transition back to full local control.

The path to sustainable financial solvency for the City of Flint will be very difficult, but doable. The new financial policies and practices, and the new organizational structure, are designed to assist City leaders in achieving this goal. Achieving the goal will allow City leaders to become a positive force in leading the City to become an attractive place to live, work, study, and play. I applaud the efforts of the Mayor and Council members who have worked actively and positively to effectuate these changes and are committed to carrying them into the future.

If, however, the new policies, practices, and organizational changes are ignored in favor of returning to the historic ways of doing business, it is not likely the City will succeed over the long term. The focus of City leaders will then likely once again return to confronting financial insolvency.

I have greatly appreciated the opportunity to have been of service to the City of Flint and to the State of Michigan.

Sincerely,



Gerald Ambrose
Emergency Manager
City of Flint

Cc: Nick A. Khouri, State Treasurer

4/29/2015 ELB Notes

Prepared for Wayne Workman

Prepared by Drew Van de Grift

Accomplishments:

- Complete elimination of operating deficits through cost reductions and the implementation of financial best practices. .
- General Fund accumulated deficit reduction from 19.1 million in 2012 to approximately 7 million currently. *- 0 by June 30, 15*
- ~~Workforce~~ and employee compensation both have been reduced by 20%. *Water department was 8.8 mil now 0*
- \$850 in unfunded OPEB liabilities has been reduced to \$240 million,
- A qualified city administrator has been hired.
- Consolidation of the city-funded 68th District Court into the county-funded 67th District Court. \$800k in annual savings
- Consolidation of 911 dispatch services into the county system. More than \$1 million in annual savings.
- EM Administrations:
 - Michael Brown December 2011*
 - Ed Kurtz August 2012
 - Michael Brown July 2013
 - Darnell Earley October 2013
 - Gerald Ambrose January 2015

Continuing Challenges:

- OPEB reductions are subject to a federal lawsuit. Loss of this legal action means an additional \$5 million annual OPEB expense.
- Future expense reductions are necessary to balance multi-year projections.
- The transition to KWA and maintenance of the aging water distribution infrastructure are important challenges which require significant funding and continued leadership.
- The City must reappraise all of the real property in the City prior to the 2018 Assessment Roll. This will be a costly, but necessary undertaking.

Post Emergency Manager Flint

- It is anticipated that the Governor will appoint a Receivership Transition Advisory Board to assist the City as it navigates future challenges.
- The City has adopted its first Master Plan since the 1960s. This Plan is sound and will provide direction for future years.
- A new Capital Improvement Plan has been adopted.
- A new methodology for blight elimination has been implemented, which will improve the city and the lives of the residents.

REFA B



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

DATE: April 29, 2015
TO: Local Emergency Financial Assistance Loan Board (ELB)
FROM: Drew Van de Grift, Michigan Department of Treasury
SUBJECT: City of Flint Emergency Loan

Executive Summary

Major financial and operational progress has occurred in the City of Flint, under the direction of emergency management. The City of Flint is now requesting a \$7 million emergency loan to fully eliminate its remaining General Fund accumulated deficit. Such a loan will enable the successful exit of Mr. Ambrose as emergency manager on April 30, 2015.

Financial Background

In November 2011, a financial emergency was declared by Governor Snyder. By the close of fiscal year 2012, the City's General Fund accumulated deficit increased to \$19.1 million, while its Water Fund had an \$8.8 million accumulated deficit. The City had not complied with previous deficit elimination plans and had engaged in deficit spending for each of the preceding five fiscal years. Additionally, the City's pension and retiree healthcare systems were underfunded to a point of insolvency, with pension assets approximating less than 60% of the correlating liability. Unfunded OPEB liabilities exceeded \$850 million. These circumstances were dire and jeopardized the continued delivery of essential municipal services.

Progress and Accomplishments

Four emergency managers have been appointed since the City entered receivership. Great progress has been made during these administrations, and the financial condition of the City has improved markedly. Changes in the structure of the City have led to more professional and responsible management of municipal assets and to reduction of expenses. The new city administrator operates with an emergency manager approved plan for increased efficiencies. New ordinances have been enacted by the City, ordinances which control the City's strategic plan, balanced multi-year budget, fund balance usage, the establishment of a budget stabilization fund, and the purchasing process for the City. Modifications to certain collective bargaining agreements have reduced the unfunded OPEB liability, which the City currently calculates to be \$240 million - less than a third of what it was only four years ago. These collective bargaining agreement modifications are contested in a pending federal lawsuit, the loss of which could reverse these savings and reinstate the full unfunded OPEB liability. In this event, the City calculates that its cost of OPEB will increase by approximately \$5 million a year.

These best practices have largely addressed the financial emergency in Flint. Budgets have been balanced, and accumulated deficits have shrunk precipitously. The City indicates that the accumulated deficit in the Water Fund has been eliminated. The General Fund accumulated deficit now has been reduced to approximately \$7 million.

Rational for Emergency Loan

This \$7 million emergency loan would fully eliminate the existing accumulated deficit in the City's General Fund. These emergency loan proceeds would also repay a previous loan from the City's Water Fund and enable further water system improvements. This final step would allow Mr. Ambrose to successfully exit as emergency manager and for the City to transition back to local control. The City will be bound to implement the financial and operational best practices covenanted to in the loan agreement, for the life of the outstanding loan. Lastly, the City meets all of the statutory prerequisites to be eligible for this loan under the Emergency Municipal Loan Act, MCL 141.931 *et seq.*

Loan Properties

This \$7 million loan will be repaid over 15 years, and carries a 2.09% annual interest rate. The debt service is level throughout the duration of the loan. Further detail is found in the repayment schedule included in this packet.

Conclusion

This emergency loan request comes at a time when the City of Flint has made considerable financial and operational progress. The proceeds of this loan would be used to eliminate the last significant deficit in the City. This action would allow the exit of the emergency manager and bind the City to the terms of this loan to ensure prudent financial management for the future of the City of Flint. The strategy of providing exit financing is consistent with treatment of all other cities upon the exit of the emergency manager.

MICHIGAN DEPARTMENT OF TREASURY
Bureau of Local Government Services
PO Box 30728
Lansing, Michigan 48909
EMERGENCY MUNICIPAL LOAN APPLICATION

Applicant:	City of Flint		
County/Countries of:	Genesee County		
Mailing Address:	1101 S. Saginaw St. Flint MI 48502		
Chief Financial Officer:	Gerald Ambrose	Phone:	810-766-7470 ext. 2062
Contact Person:	Gerald Ambrose	Phone:	810-766-7470 ext. 2062
Loan Amount Requested:	\$7,000,000.00		

1. Projected General Fund deficit for the current fiscal year: \$7,000,000

2. Date of last Tax Anticipation Note or date of last application made to Department of Treasury to issue a Tax Anticipation Note: N/A
For school districts, date of last State Aid Note:

3. Income Tax Revenue Growth Rate

A. Calendar year preceding application:	2014	Income tax revenue:	\$13,038,276
B. Calendar year preceding above year:	2013	Income tax revenue:	\$14,674,274
		A/B	0.89

4. Local and State Tax Base Growth Rates

C. Tax year of most recent municipal State Equalized Value:	2014	Municipal SEV (real and personal):	\$773,073,560
D. Tax year five years preceding above year:	2009	Municipal SEV (real and personal):	\$1,548,866,055
E. Tax year of most recent statewide State Equalized Value:	2014	Statewide SEV (real and personal):	\$360,592,938,004
F. Tax year five years preceding above year:	2009	Statewide SEV (real and personal):	\$423,901,291,288
		C/D	0.50
		E/F	0.85
		(C/D)/(E/F)	0.59

5. Decrease in State Equalized Value

G. Tax year of most recent municipal SEV:	2014	Municipal SEV (real and personal):	\$773,073,560
H. Tax year preceding above year:	2013	Municipal SEV (real and personal):	\$797,212,769

6. Ad valorem operating tax millage

I. Maximum levy per charter:	10.0000
J. Maximum levy authorized as approved by voters:	9.1000
K. Current levy:	19.1000

7. Does the municipality have one or more delinquent special assessments? Yes or No. No

If yes, provide explanation:

8. Does the municipality have outstanding bonds, notes, or other evidences of indebtedness that were issued in anticipation of a contract obligation with, or an assessment obligation against, another municipality that has one or more delinquent special assessments that were levied to satisfy, in whole or in part, the contract or assessment obligation? Yes or No. No

If yes, provide explanation:

9. School district enrollment

L. Current fiscal year:	2015	Enrollment:	N/A
M. Three years preceding above year:	2012	Enrollment:	N/A
		(M-L)/M	#VALUE!

10. Is the municipality in receivership or subject to a consent agreement under the Local Financial Stability and Choice Act, Public Act 436 of 2012? Yes or No. Yes

ADDITIONAL REQUIRED INFORMATION

11. Resolution adopted by the governing body of the municipality approving the application.

12. Resolution adopted by the governing body of the municipality approving the Deficit Elimination Plan.

13. Deficit Elimination Plan, not less than five years, that eliminates the General Fund deficit and balances future expenditures with anticipated revenues.

14. Budget for current fiscal year and preceding fiscal year(s) if available.

15. Projected monthly cash flows for the preceding 12 months.

16. Accounts Payable Aging Report.

17. Additional comments.

Taxable Values are from the tax roll settlement reports and do not reflect the distributions that occur for the Flint DDA, the Brownfield Authority, etc...

Chief Administrative Officer Name:

Gerald Ambrose

Chief Administrative Officer Signature:



Date:

4/17/15

City of Flint- Deficit Elimination Plan - April 17, 2015

With the currently approved Deficit Elimination/ Reserve Accumulation Plan, adjusted for revised revenue estimates, the current \$7 million deficit would not be eliminated until FY22. With the \$7 million loan, the deficit is eliminated by the end of FY15, and General Fund reserves accumulate to as much as 10% of projected revenues by FY20, assuming \$1 million continues to be budgeted for reserve accumulation as provided for in the current DEP/RAP and City Ordinance.

Impact of Emergency Loan on General Fund Deficit:

1 Status Quo - No Loan:

\$1 million surplus committed annually by ordinance for deficit elimination/reserve accumulation/OPEB reduction					
Assumes revenue-expense gap is not eliminated each year					
	Tentative FY16	Tentative FY17	Projected FY18	Projected FY19	Projected FY20
General Fund (101)					
Revenues	\$51,239,208	\$50,029,123	\$50,638,175	\$51,180,184	\$51,762,300
Expenses	\$51,239,208	\$50,029,123	\$50,638,175	\$51,180,184	\$51,762,300
Revenues - Expenses Gap	\$0	\$0	\$0	\$0	\$0
Committed for Deficit Reserve	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
 Projected Fund Balance June 30, 2015*	 (\$7,000,000)				
Projected Fund Balance FY17 - FY20		(\$6,000,000)	(\$5,000,000)	(\$4,000,000)	(\$3,000,000)
Ending Fund Balance	(\$6,000,000)	(\$5,000,000)	(\$4,000,000)	(\$3,000,000)	(\$2,000,000)
* Accumulated GF Deficit per audit, June 30, 2014					(\$8,961,427)
\$1,000,000 revenue surplus budgeted in GF for FY15 for deficit elimination					\$1,000,000
\$800,000 budgeted in Public Improvement Fund for FY15 to reduce GF deficit per previous EM order					\$800,000
Additional projected GF surplus for FY15 which will reduce deficit					\$181,427
					(\$7,000,000)

2 With \$7 million Loan:

\$1 million surplus committed annually by ordinance for deficit elimination/reserve accumulation/OPEB reduction					
Revenue - expense gap is eliminated each year					
	Projected FY16	Projected FY17	Projected FY18	Projected FY19	Projected FY20
General Fund (101)					
Revenues	\$51,239,208	\$50,029,123	\$50,638,175	\$51,180,184	\$51,762,300
Expenses	\$51,239,208	\$50,029,123	\$50,638,175	\$51,180,184	\$51,762,300
Revenues - Expenses Gap	\$0	\$0	\$0	\$0	\$0
Committed for Deficit Reserve	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
 Projected Fund Balance June 30, 2015*	 \$0				
Projected Fund Balance FY17 - FY20		\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000
Ending Fund Balance	\$1,000,000	\$2,000,000	\$3,000,000	\$4,000,000	\$5,000,000
Reserves as % of Revenues	2%	4%	6%	8%	10%
* Accumulated GF Deficit per audit, June 30, 2014					(\$8,961,427)
\$1,000,000 revenue surplus budgeted in GF for FY15 for deficit elimination					\$1,000,000
\$800,000 budgeted in Public Improvement Fund for FY15 to reduce GF deficit per previous EM order					\$800,000
Additional projected GF surplus for FY15 which will reduce deficit					\$181,427
					(\$7,000,000)
Loan					\$7,000,000
					\$0

Submitted April 17, 2015


Gerald Ambrose
Emergency Manager, City of Flint